

COPY

HB 3400-8  
(LC 923)  
5/29/15 (MBM/ )

**PROPOSED AMENDMENTS TO  
HOUSE BILL 3400**

1 On page 1 of the printed bill, line 2, after “provisions;” delete the rest  
2 of the line and lines 3 through 5 and insert “amending ORS 161.705, 181.010,  
3 305.140, 305.895, 305.992, 316.680, 475.752, 475.856, 475.858, 475.860, 475.862,  
4 475.864, 475.900, 475.904, 616.010, 659A.403 and 659A.409 and sections 1, 2, 3,  
5 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30,  
6 44, 45, 46, 47, 48, 49, 50, 51, 53, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69,  
7 70 and 72, chapter 1, Oregon Laws 2015; repealing sections 26, 31, 32, 33, 34,  
8 35, 36, 37, 38, 39, 40, 41, 42, 43, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1,  
9 Oregon Laws 2015; and prescribing an effective date.”.

10 Delete lines 7 through 27 and delete pages 2 through 33 and insert:

11

12

**“BALLOT MEASURE 91**

13

14

**“(Definitions)**

15

16 **“SECTION 1.** Section 5, chapter 1, Oregon Laws 2015, is amended to read:

17 **“Sec. 5.** As used in sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of*  
18 *this Act*]:

19 “[*(1) ‘Authority’ means the Oregon Health Authority.*]

20 “[*(2) ‘Commission’ means the Oregon Liquor Control Commission.*]

21 “[*(3) (1) ‘Consumer’ means a person who purchases, acquires, owns,*  
22 *holds[,] or uses marijuana items other than for the purpose of resale.*”

1       “(2) ‘Cannabinoid’ means any of the chemical compounds that are  
2 the active constituents of marijuana.

3       “(3) ‘Cannabinoid concentrate’ means a substance obtained by sep-  
4 arating cannabinoids from marijuana by:

5       “(a) A mechanical extraction process;

6       “(b) A chemical extraction process using a nonhydrocarbon-based  
7 solvent, such as water, vegetable glycerin, vegetable oils, animal fats,  
8 isopropyl alcohol or ethanol;

9       “(c) A chemical extraction process using the hydrocarbon-based  
10 solvent carbon dioxide, provided that the process does not involve the  
11 use of high heat or pressure; or

12       “(d) Any other process identified by the Oregon Liquor Control  
13 Commission, in consultation with the Oregon Health Authority, by  
14 rule.

15       “(4) ‘Cannabinoid edible’ means food or potable liquid into which a  
16 cannabinoid concentrate, cannabinoid extract or dried marijuana  
17 leaves or flowers have been incorporated.

18       “(5) ‘Cannabinoid extract’ means a substance obtained by separat-  
19 ing cannabinoids from marijuana by:

20       “(a) A chemical extraction process using a hydrocarbon-based sol-  
21 vent, such as butane, hexane or propane;

22       “(b) A chemical extraction process using the hydrocarbon-based  
23 solvent carbon dioxide, if the process uses high heat or pressure; or

24       “(c) Any other process identified by the commission, in consultation  
25 with the authority, by rule.

26       “(6)(a) ‘Cannabinoid product’ means a cannabinoid edible and any  
27 other product intended for human consumption or use, including a  
28 product intended to be applied to the skin or hair, that contains  
29 cannabinoids or dried marijuana leaves or flowers.

30       “(b) ‘Cannabinoid product’ does not include:

1       “(A) Usable marijuana by itself;

2       “(B) A cannabinoid concentrate by itself;

3       “(C) A cannabinoid extract by itself; or

4       “(D) Industrial hemp, as defined in ORS 571.300.

5       “[(4) ‘Department’ means the State Department of Agriculture.]

6       “[(5)(a)] (7)(a) [*‘Financial consideration,’ except as provided in paragraph*  
7 *(b) of this subsection,*] **‘Financial consideration’** means value that is given  
8 or received **either** directly or indirectly through sales, barter, trade, fees,  
9 charges, dues, contributions or donations.

10       “(b) ‘Financial consideration’ does not [*mean any of the following*]  
11 **include:**

12       “(A) Homegrown marijuana [*made by another person.*] **that is given or**  
13 **received when nothing is given or received in return; or**

14       “(B) Homemade [*marijuana products made by another person.*]  
15 **cannabinoid products or cannabinoid concentrates that are given or**  
16 **received when nothing is given or received in return.**

17       “[(6)] (8) ‘Homegrown’ or ‘homemade’ means grown or made by a person  
18 21 years of age or older for noncommercial purposes.

19       “[(7)] (9) ‘Household’ means a housing unit[,] and [*includes*] any place in  
20 or around [*the*] a housing unit at which the occupants of the housing unit  
21 are producing, processing, keeping[,] or storing homegrown marijuana or  
22 homemade [*marijuana*] **cannabinoid products or cannabinoid**  
23 **concentrates.**

24       “[(8)] (10) ‘Housing unit’ means a house, an apartment[,] **or** a mobile  
25 home, **or** a group of rooms[,] or a single room that is occupied as separate  
26 living quarters, in which the occupants live and eat separately from any  
27 other persons in the building and [*which have*] **that has** direct access from  
28 the outside of the building or through a common hall.

29       “[(9) ‘Immature marijuana plant’ means a marijuana plant with no ob-  
30 *servable flowers or buds.*]

1       **“(11) ‘Immature marijuana plant’ meant a marijuana plant that is**  
2 **not flowering.**

3       “[(10)] **(12) ‘Licensee’ means [any] a person [holding] who holds** a license  
4 issued under *[this Act]* **section 19, 20, 21 or 22, chapter 1, Oregon Laws**  
5 **2015***[, or any person holding a license or permit issued under any regulation*  
6 *promulgated under paragraph (e) of subsection (2) of section 7 of this Act].*

7       “[(11)] **(13) ‘Licensee representative’ means an owner, director, officer,**  
8 **manager, employee, agent[,] or other representative of a licensee, to the ex-**  
9 **tent [such] the person acts in [such] a representative capacity.**

10       “[(12)(a)] **‘Marijuana’ means all parts of the plant Cannabis family**  
11 **Moraceae, whether growing or not, other than marijuana extracts.]**

12       “[(b)] **‘Marijuana’ does not include industrial hemp, as defined in ORS**  
13 **571.300, or industrial hemp commodities or products.]**

14       “[(13)] **‘Marijuana extract’ means a product obtained by separating resins**  
15 **from marijuana by solvent extraction, using solvents other than vegetable**  
16 **glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon**  
17 **dioxide.]**

18       “[(14)(a)] **‘Marijuana’ means the plant Cannabis family Cannabaceae,**  
19 **any part of the plant Cannabis family Cannabaceae and the seeds of**  
20 **the plant Cannabis family Cannabaceae.**

21       “[(b)] **‘Marijuana’ does not include industrial hemp, as defined in**  
22 **ORS 571.300.**

23       “[(14)(a)] **(15) ‘Marijuana flowers’ means the flowers of the plant**  
24 **[Cannabis family Moraceae] genus Cannabis within the plant family**  
25 **Cannabaceae.**

26       “[(b)] **‘Marijuana flowers’ does not include any part of the plant other than**  
27 **the flowers.]**

28       “[(15)] **(16) ‘Marijuana items’ means marijuana, [marijuana products, and**  
29 **marijuana extracts] cannabinoid products, cannabinoid concentrates and**  
30 **cannabinoid extracts.**



1 “[(16)(a)] (17) ‘Marijuana leaves’ means the leaves of the plant [*Cannabis*  
2 *family Moraceae*] **genus Cannabis within the plant family Cannabaceae.**

3 “[(b) ‘Marijuana leaves’ does not include any part of the plant other than  
4 *the leaves.*]

5 “[(17)] (18) ‘Marijuana processor’ means a person who processes  
6 marijuana items in this state.

7 “[(18)] (19) ‘Marijuana producer’ means a person who produces marijuana  
8 in this state.

9 “[(19)(a) ‘Marijuana products’ means products that contain marijuana or  
10 *marijuana extracts and are intended for human consumption.*]

11 “[(b) ‘Marijuana products’ does not mean:]

12 “[(A) *Marijuana, by itself; or*]

13 “[(B) *A marijuana extract, by itself.*]

14 “(20) ‘Marijuana retailer’ means a person who sells marijuana items to a  
15 consumer in this state.

16 “(21) ‘Marijuana wholesaler’ means a person who purchases marijuana  
17 items in this state for resale to a person other than a consumer in this state.

18 “(22) ‘Mature marijuana plant’ means [*any*] **a marijuana plant, whether**  
19 **growing or cut and drying**, that is not an immature marijuana plant.

20 “(23) ‘Noncommercial’ means not dependent or conditioned upon the pro-  
21 vision or receipt of financial consideration.

22 “[(24) ‘Person’ means any natural person, corporation, professional corpo-  
23 *ration, nonprofit corporation, cooperative corporation, profit or nonprofit un-*  
24 *incorporated association, business trust, limited liability company, general or*  
25 *limited partnership, joint venture, or any other legal entity.*]

26 “[(25)] (24) ‘Premises’ or ‘licensed premises’ means a location licensed  
27 under [*sections 3 to 70*] **section 19, 20, 21 or 22, chapter 1, Oregon Laws**  
28 **2015, [of this Act]** and includes:

29 “(a) All **public and private** enclosed areas at the location that are used  
30 in the business operated at the location, including offices, kitchens, rest

1 rooms and storerooms[ *including all public and private areas*];

2 “(b) All areas outside [of] a building that the [*Oregon Liquor Control*]  
3 commission has specifically licensed for the production, processing, whole-  
4 sale sale[,] or retail sale of marijuana items; and

5 “(c) For a location that the commission has specifically licensed for the  
6 production of marijuana outside [of] a building, the entire lot or parcel, as  
7 defined in ORS 92.010, that the licensee owns, leases[,] or has a right to oc-  
8 cupy.

9 “[~~(26)(a)~~] **(25)** ‘Processes’ means[:]

10 “[~~(A)~~] the processing, compounding[,] or conversion of marijuana into  
11 [*marijuana products or marijuana extracts*;] **cannabinoid products,**  
12 **cannabinoid concentrates or cannabinoid extracts.**

13 “[~~(B)~~] *The processing, compounding, or conversion of marijuana, either di-*  
14 *rectly or indirectly by extraction from substances of natural origin, or inde-*  
15 *pendently by means of chemical synthesis, or by a combination of extraction*  
16 *and chemical synthesis;*]

17 “[~~(C)~~] *The packaging or repackaging of marijuana items; or]*

18 “[~~(D)~~] *The labeling or relabeling of any package or container of marijuana*  
19 *items.]*

20 “[~~(b)~~] ‘Processes’ does not include:]

21 “[~~(A)~~] *The drying of marijuana by a marijuana producer, if the marijuana*  
22 *producer is not otherwise processing marijuana; or]*

23 “[~~(B)~~] *The packaging and labeling of marijuana by a marijuana producer*  
24 *in preparation for delivery to a marijuana processor.]*

25 “[~~(27)(a)~~] **(26)(a)** ‘Produces’ means the manufacture, planting, cultivation,  
26 growing[,] or harvesting of marijuana.

27 “(b) ‘Produces’ does not include:

28 “(A) The drying of marijuana by a marijuana processor, if the marijuana  
29 processor is not otherwise producing marijuana; or

30 “(B) The cultivation and growing of an immature marijuana plant by a

1 marijuana processor, marijuana wholesaler[,] or marijuana retailer if the  
2 marijuana processor, marijuana wholesaler[,] or marijuana retailer purchased  
3 or otherwise received the plant from a licensed marijuana producer.

4 **“(27) ‘Propagate’ means to grow immature marijuana plants or to**  
5 **breed the seeds of the plant Cannabis family Cannabaceae**

6 **“[(28)] (28) ‘Public place’ means a place to which the general public has**  
7 **access and includes, but is not limited to, hallways, lobbies and other parts**  
8 **of apartment houses and hotels not constituting rooms or apartments de-**  
9 **signed for actual residence, and highways, streets, schools, places of**  
10 **amusement, parks, playgrounds and [premises] areas used in connection with**  
11 **public passenger transportation.**

12 **“[(29) ‘Usable marijuana’ means dried marijuana flowers and dried**  
13 **marijuana leaves, and any mixture or preparation thereof.]**

14 **“(29)(a) ‘Usable marijuana’ means the dried leaves and flowers of**  
15 **marijuana.**

16 **“(b) ‘Usable marijuana’ does not include:**

17 **“(A) The seeds, stalks and roots of marijuana; or**

18 **“(B) Waste material that is a by-product of producing or processing**  
19 **marijuana.**

20

21 **“(Powers and Duties of Commission)**

22

23 **“SECTION 2.** Section 7, chapter 1, Oregon Laws 2015, is amended to read:

24 **“Sec. 7. (1) The Oregon Liquor Control Commission has the powers and**  
25 **duties specified in sections 3 to 70, chapter 1, Oregon Laws 2015, and [of**  
26 **this Act, and also] the powers necessary or proper to enable [it] the com-**  
27 **mission to carry out [fully and effectually all the purposes of] the**  
28 **commission’s duties, functions and powers under sections 3 to 70,**  
29 **chapter 1, Oregon Laws 2015 [of this Act]. The jurisdiction, supervision,**  
30 **powers and duties of the commission extend to any person who buys, sells,**

1 produces, processes, transports[,] or delivers any marijuana items within this  
2 state. The commission may sue and be sued.

3 “(2) The [*function,*] **functions**, duties[,] and powers of the commission in  
4 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] include the  
5 following:

6 “(a) To regulate the purchase, sale, production, processing,  
7 transportation[,] and delivery of marijuana items in accordance with the  
8 provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*].

9 “(b) To grant, refuse, suspend or cancel licenses for the sale,  
10 processing[,] or production of marijuana items, or other licenses in regard  
11 to marijuana items, and to permit, in [*its*] **the commission’s** discretion, the  
12 transfer of a license of any person.

13 “[*(c) To collect the taxes and duties imposed by sections 3 to 70 of this Act,*  
14 *and to issue, and provide for cancellation, stamps and other devices as evi-*  
15 *dence of payment of such taxes or duties.*]

16 “[*(d)*] **(c)** To investigate and aid in the prosecution of every violation of  
17 [*Oregon statutes*] **the statutory laws of this state** relating to marijuana  
18 items, and cooperate in the prosecution of offenders before any state court  
19 of competent jurisdiction.

20 “[*(e)*] **(d)** To adopt [*such regulations as are*], **amend or repeal rules as**  
21 **necessary** [*and feasible for carrying*] **to carry** out the intent and provisions  
22 of sections 3 to 70, **chapter 1, Oregon Laws 2015**, **including rules that the**  
23 **commission considers necessary to protect the public health and**  
24 **safety.** [*of this Act and to amend or repeal such regulations. When such reg-*  
25 *ulations are adopted they shall have the full force and effect of law.*]

26 “[*(f)*] **(e)** To exercise all powers incidental, convenient or necessary to  
27 enable [*it*] **the commission** to administer or carry out [*any of*] the pro-  
28 visions of sections 3 to 70, **chapter 1, Oregon Laws 2015**, **or any other law**  
29 **of this state that charges the commission with a duty, function or**  
30 **power related to marijuana** [*of this Act*]. **Powers described in this par-**

1 **agraph include, but are not limited to:**

2 **“(A) Issuing subpoenas;**

3 **“(B) Compelling the attendance of witnesses;**

4 **“(C) Administering oaths;**

5 **“(D) Certifying official acts;**

6 **“(E) Taking depositions as provided by law;**

7 **“(F) Compelling the production of books, payrolls, accounts, papers,**  
8 **records, documents and testimony; and**

9 **“(G) Establishing fees in addition to the application, licensing and**  
10 **renewal fees described in sections 19, 20, 21 and 22, chapter 1, Oregon**  
11 **Laws 2015, provided that any fee established by the commission is**  
12 **reasonably calculated not to exceed the cost of the activity for which**  
13 **the fee is charged.**

14 *“(g) To regulate and prohibit any advertising by manufacturers, processors,*  
15 *wholesalers or retailers of marijuana items by the medium of newspapers, let-*  
16 *ters, billboards, radio or otherwise.]*

17 **“(f) To adopt rules regulating and prohibiting by marijuana pro-**  
18 **ducers, marijuana processors, marijuana wholesalers and marijuana**  
19 **retailers from advertising marijuana items in a manner:**

20 **“(A) That is appealing to minors;**

21 **“(B) That promotes excessive use;**

22 **“(C) That promotes illegal activity; or**

23 **“(D) That otherwise presents a significant risk to public health and**  
24 **safety.**

25 *“[(h)] (g) To regulate the use of marijuana items for scientific, pharma-*  
26 *ceutical, manufacturing, mechanical, industrial and other purposes.*

27 **“(3) Fees collected pursuant to subsection (2)(e)(G) of this section**  
28 **shall be deposited in the Marijuana Control and Regulation Fund es-**  
29 **tablished under section 32 of this 2015 Act.**

30 *“[(3) On or before January 1, 2016, the commission, after consultation with*

1 *the State Department of Agriculture and the Oregon Health Authority, shall*  
2 *prescribe forms and adopt such rules and regulations as the commission deems*  
3 *necessary for the implementation and administration of sections 3 to 70 of this*  
4 *Act.]*

5 *“[(4) On or before January 1, 2017, the commission shall:]*

6 *“[(a) Examine available research, and may conduct or commission new re-*  
7 *search, to investigate the influence of marijuana on the ability of a person to*  
8 *drive a vehicle and on the concentration of delta-9 tetrahydrocannabinol in a*  
9 *person’s blood, in each case taking into account all relevant factors; and]*

10 *“[(b) Present the results of the research to the Legislative Assembly and*  
11 *make recommendations to the Legislative Assembly regarding whether any*  
12 *amendments to the Oregon Vehicle Code are appropriate.]*

13 *“[(5) The commission has no power to purchase, own, sell, or possess any*  
14 *marijuana items.]*

15

16 **“(Power to Purchase, Possess, Seize, Dispose)**

17

18 **“SECTION 3. The Oregon Liquor Control Commission may pur-**  
19 **chase, possess, seize or dispose of marijuana items as is necessary for**  
20 **the commission to ensure compliance with and enforce the provisions**  
21 **of sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule adopted**  
22 **under sections 3 to 70, chapter 1, Oregon Laws 2015.**

23 **“SECTION 4. Any state officer, board, commission, corporation,**  
24 **institution, department or other state body, and any local officer,**  
25 **board, commission, institution, department or other local government**  
26 **body, that is authorized by the statutory laws of this state to perform**  
27 **a duty, function or power with respect to a marijuana item, may pur-**  
28 **chase, possess, seize or dispose of marijuana items as the state officer,**  
29 **board, commission, corporation, institution, department or other state**  
30 **body, or the local officer, board, commission, institution, department**

1 or other local government body, considers necessary to ensure com-  
2 pliance with and enforce the applicable statutory law and any rule  
3 adopted under the applicable statutory law.

4  
5 **“(Regulation of Licensees)”**  
6

7 **“SECTION 5.** Section 25, chapter 1, Oregon Laws 2015, is amended to  
8 read:

9 **“Sec. 25.** (1) A license granted under sections 3 to 70, **chapter 1, Oregon**  
10 **Laws 2015** *[of this Act shall]*:

11 “(a) *[Be]* **Is** a purely personal privilege.

12 “(b) *[Be]* **Is** valid for the period stated in the license.

13 “(c) *[Be]* **Is** renewable in the manner provided in section 28, **chapter 1,**  
14 **Oregon Laws 2015** *[of this Act]*, except for a cause *[which]* **that** would be  
15 grounds for refusal to issue *[such]* **the** license under section 29, **chapter 1,**  
16 **Oregon Laws 2015** *[of this Act]*.

17 “(d) *[Be]* **Is** revocable or suspendible as provided in section 30, **chapter**  
18 **1, Oregon Laws 2015** *[of this Act]*.

19 “(e) *[Be]* **Is** transferable from the premises for which the license was ori-  
20 ginally issued to another premises subject to the provisions of **sections 3**  
21 **to 70, chapter 1, Oregon Laws 2015** *[this Act]*, any rules of the Oregon  
22 Liquor Control Commission and any municipal ordinance or local regulation.

23 “(f) *[Cease]* **Expires** upon the death of the licensee, except as provided in  
24 subsection (2) of this section.

25 “(g) **Does** not constitute property.

26 “(h) **Is** not *[be]* alienable.

27 “(i) **Is** not *[be]* subject to attachment or execution.

28 “(j) **Does** not descend by the laws of testate or intestate devolution.

29 “(2) The commission may, by order, provide for the manner and conditions  
30 under which:

1       “(a) Marijuana items left by any deceased, insolvent or bankrupt person  
2 or licensee, or subject to a security interest, may be foreclosed, sold under  
3 execution or otherwise disposed [of].

4       “(b) The business of any deceased, insolvent or bankrupt licensee may be  
5 operated for a reasonable period following the death, insolvency or bank-  
6 ruptcy.

7       “(c) [A business licensed pursuant to sections 3 to 70 of this Act subject to  
8 a security interest may be continued in business by a secured party as defined  
9 in ORS 79.0102] **A secured party, as defined in ORS 79.0102, may con-**  
10 **tinue to operate a business for which a license has been issued under**  
11 **section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015,** for a reasonable  
12 period after default on the indebtedness by the debtor.

13       “**SECTION 6.** Section 27, chapter 1, Oregon Laws 2015, is amended to  
14 read:

15       “**Sec. 27. (1)** A marijuana producer, marijuana processor[,] or marijuana  
16 wholesaler [shall] **may** deliver marijuana items only to or on a licensed  
17 premises.

18       “**(2)** **A licensed premises may receive marijuana items only from a**  
19 **marijuana producer, marijuana processor or marijuana wholesaler for**  
20 **whom a premises has been licensed by the Oregon Liquor Control**  
21 **Commission.**

22       “**(3)** The sale of marijuana items [under any license issued by the Oregon  
23 Liquor Control Commission for retail sales by a licensee shall] **by a**  
24 **marijuana retailer who holds a license issued under section 22, chapter**  
25 **1, Oregon Laws 2015, must** be restricted to the premises described in the  
26 license, but deliveries may be made by the marijuana retailer to consumers  
27 pursuant to a bona fide [orders] **order** received [on] **at** the licensed premises  
28 prior to delivery.

29       “**SECTION 7.** Section 28, chapter 1, Oregon Laws 2015, is amended to  
30 read:



1       “**Sec. 28.** (1) Any person desiring a license or renewal of a license under  
2 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] shall make  
3 application to the Oregon Liquor Control Commission upon forms to be fur-  
4 nished by the commission showing the name and address of the applicant,  
5 location of the place of business that is to be operated under the license[,]  
6 and [such] other pertinent information [as] **required by** the commission [may  
7 require]. [No] A license [shall] **may not** be granted or renewed until the  
8 applicant has complied with the provisions of sections 3 to 70, **chapter 1,**  
9 **Oregon Laws 2015**, [of this Act] and the rules of the commission.

10       “(2) The commission may reject any application that is not submitted in  
11 the form required by rule. The commission shall give applicants an opportu-  
12 nity to be heard if an application is rejected. A hearing under this subsection  
13 is not subject to the requirements for contested case proceedings under ORS  
14 chapter 183.

15       “(3) Except as provided in subsection (2) of this section, a revocation of,  
16 or a refusal to issue or renew, a license under sections 3 to 70, **chapter 1,**  
17 **Oregon Laws 2015**, [of this Act] is subject to the requirements for contested  
18 case proceedings under ORS chapter 183.

19       “[(4) The commission shall assess a nonrefundable fee for processing a new  
20 or renewal application for any license authorized by sections 3 to 70 of this  
21 Act. The application processing fee shall be \$250.]

22       “[(5) The annual license fee for any license granted under sections 3 to 70  
23 of this Act shall be \$1,000. The license fee is nonrefundable and shall be paid  
24 by each applicant upon the granting or committing of a license.]

25       “**SECTION 8.** Section 29, chapter 1, Oregon Laws 2015, is amended to  
26 read:

27       “**Sec. 29.** (1) The Oregon Liquor Control Commission may not license any  
28 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**  
29 **2015**, [of this Act] if the applicant is under 21 years of age.

30       “(2) The [Oregon Liquor Control] commission may refuse to license any

1 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**  
2 **2015**, [of this Act] if the commission has reasonable ground to believe [any  
3 of the following to be true:]

4 “[(a)] *That there are sufficient licensed premises in the locality set out in*  
5 *the application, or that the granting of a license in the locality set out in the*  
6 *application is not demanded by public interest or convenience. In determining*  
7 *whether there are sufficient licensed premises in the locality, the commission*  
8 *shall consider seasonal fluctuations in the population of the locality and shall*  
9 *ensure that there are adequate licensed premises to serve the needs of the lo-*  
10 *cality during the peak seasons.]*

11 “[(b)] that the applicant:

12 “[(A)] **(a)** Is in the habit of using alcoholic beverages, habit-forming  
13 drugs, marijuana[,] or controlled substances to excess.

14 “[(B)] **(b)** Has made false statements to the commission.

15 “[(C)] **(c)** Is incompetent or physically unable to carry on the management  
16 of the establishment proposed to be licensed.

17 “[(D)] **(d)** Has been convicted of violating a general or local law of this  
18 state or another state, or of violating a federal law, if the conviction is  
19 substantially related to the fitness and ability of the applicant to lawfully  
20 carry out activities under the license.

21 “[(E)] **(e)** Has maintained an insanitary establishment.

22 “[(F)] **(f)** Is not of good repute and moral character.

23 “[(G)] **(g)** Did not have a good record of compliance with sections 3 to  
24 **70, chapter 1, Oregon Laws 2015**, [of this Act] or any rule of the commis-  
25 sion adopted pursuant thereto.

26 “[(H)] **(h)** Is not the legitimate owner of the business proposed to be li-  
27 censed, or other persons have ownership interests in the business [which]  
28 **that** have not been disclosed.

29 “[(I)] **(i)** Is not possessed of or has not demonstrated financial responsi-  
30 bility sufficient to adequately meet the requirements of the business proposed

1 to be licensed.

2 “[(J)] (j) Is unable to understand the laws of Oregon relating to  
3 marijuana or the rules of the commission.

4 “(3) Notwithstanding [subparagraph (D) of paragraph (b) of] subsection  
5 (2)(d) of this section, in determining whether the commission may refuse to  
6 license an applicant, the commission may not consider the prior conviction  
7 of the applicant or any owner, director, officer, manager, employee, agent[,]  
8 or other representative of the applicant for:

9 “(a) The manufacture of marijuana, if:

10 “(A) The date of the conviction is more than [five] **two** years before the  
11 date of the application; and

12 “(B) The person has not been convicted more than once for the manufac-  
13 ture or delivery of marijuana;

14 “(b) The delivery of marijuana to a person 21 years of age or older, if:

15 “(A) The date of the conviction is more than [five] **two** years before the  
16 date of the application; and

17 “(B) The person has not been convicted more than once for the manufac-  
18 ture or delivery of marijuana; or

19 “(c) The possession of marijuana.

20 “**SECTION 9.** Section 30, chapter 1, Oregon Laws 2015, is amended to  
21 read:

22 “**Sec. 30.** [(1)] The Oregon Liquor Control Commission may [~~cancel~~] **re-**  
23 **voke** or suspend any license issued under sections 3 to 70, **chapter 1,**  
24 **Oregon Laws 2015** [of this Act], if the commission finds or has reasonable  
25 ground to believe any of the following to be true:

26 “[(a)] (1) That the licensee:

27 “[(A)] (a) Has violated any provision of sections 3 to 70, **chapter 1,**  
28 **Oregon Laws 2015,** [of this Act] or any rule of the commission adopted  
29 pursuant thereto.

30 “[(B)] (b) Has made any false representation or statement to the com-

1 mission in order to induce or prevent action by the commission.

2 “[(C)] (c) Has maintained an insanitary establishment.

3 “[(D)] (d) Is insolvent or incompetent or physically unable to carry on the  
4 management of the establishment of the licensee.

5 “[(E)] (e) Is in the habit of using alcoholic liquor, habit-forming drugs,  
6 marijuana[,] or controlled substances to excess.

7 “[(F)] (f) Has misrepresented to a customer or the public any marijuana  
8 items sold by the licensee.

9 “[(G)] (g) Since the granting of the license, has been convicted of a fel-  
10 ony, of violating any of the marijuana laws of this state, general or local,  
11 or of any misdemeanor or violation of any municipal ordinance committed  
12 on the licensed premises.

13 “[(b)] (2) That there is any other reason that, in the opinion of the com-  
14 mission, based on public convenience or necessity, warrants canceling or  
15 suspending [*such*] **the** license.

16 “[(2) *Civil penalties under this section shall be imposed as provided in ORS*  
17 *183.745.*]

18 “**SECTION 10. For the purpose of requesting a state or nationwide**  
19 **criminal records check under ORS 181.534, the Oregon Liquor Control**  
20 **Commission may require the fingerprints of any individual listed on**  
21 **an application submitted under section 28, chapter 1, Oregon Laws**  
22 **2015.**

23 “**SECTION 11.** Section 18, chapter 1, Oregon Laws 2015, is amended to  
24 read:

25 “**Sec. 18.** (1) [*On or before January 4, 2016,*] The Oregon Liquor Control  
26 Commission shall [*begin receiving applications for the licensing of persons*]  
27 **approve or deny an application** to produce, process[,] and sell marijuana  
28 [*within the state*] **under sections 19, 20, 21 and 22, chapter 1, Oregon**  
29 **Laws 2015.** Upon [*receipt of a license*] **receiving an** application, the com-  
30 mission [*shall*] **may** not unreasonably delay [*the processing, approval, or re-*

1 *jection of]* **processing, approving or denying** the application or, if the  
2 application is approved, [*the issuance of]* **issuing** the license.

3 “(2) The licenses described in sections [*3 to 70 of this Act shall]* **19, 20,**  
4 **21 and 22, chapter 1, Oregon Laws 2015, must** be issued by the commis-  
5 sion, subject to [*its regulations and restrictions and]* the provisions of  
6 sections 3 to 70 [*of this Act*], **chapter 1, Oregon Laws 2015, and the rules**  
7 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.**

8 “(3) The commission may not license a premises that does not have de-  
9 fined boundaries. A licensed premises [*need not*] **does not need to** be en-  
10 closed by a wall, fence or other structure, but the commission may require  
11 [*that any*] **a licensed premises be enclosed as a condition of issuing or re-**  
12 **newing a license. The commission may not license [*premises that are*] mobile**  
13 **premises.**

14

15

**“(License Holders)”**

16

17 **“SECTION 12.** Section 19, chapter 1, Oregon Laws 2015, is amended to  
18 read:

19 **“Sec. 19. (1)** The production of marijuana is subject to regulation by the  
20 Oregon Liquor Control Commission.

21 “(2) A marijuana producer must have a production license issued by the  
22 commission for the premises at which the marijuana is produced. **To hold**  
23 **a production license under this section, a marijuana producer:**

24 **“(a) Must apply for a license in the manner described in section 28,**  
25 **chapter 1, Oregon Laws 2015;**

26 **“(b) Must provide proof that an applicant listed on an application**  
27 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**  
28 **resident of this state for one or more years and is 21 years of age or**  
29 **older; and**

30 **“(c) Must meet the requirements of any rule adopted by the com-**

1 mission under subsection (3) of this section.

2 “(3) The commission shall adopt rules that:

3 “(a) Require a marijuana producer to renew a license issued under  
4 this section annually;

5 “(b) Establish application, licensure and renewal of licensure fees  
6 for marijuana producers;

7 “(c) Require marijuana produced by marijuana producers to be  
8 tested to ensure the public health and safety;

9 “(d) Require marijuana producers to submit, at the time of applying  
10 for or renewing a license under section 28, chapter 1, Oregon Laws  
11 2015:

12 “(A) A report describing the applicant’s or licensee’s water usage,  
13 as required by section 115 of this 2015 Act; and

14 “(B) If the applicant or licensee utilizes artificial grow lights to  
15 produce marijuana, an energy plan as required by section 119 of this  
16 2015 Act; and

17 “(e) Meet any public health and safety standards established by the  
18 commission by rule related to:

19 “(A) The production of marijuana; or

20 “(B) The propagation of immature marijuana plants and the seeds  
21 of the plant Cannabis family Cannabaceae.

22 “(4) For purposes of establishing rules under subsection (3)(e)(B) of  
23 this section, the commission may not limit:

24 “(a) The number of immature marijuana plants that may be pos-  
25 sessed by a person that holds a license under this section;

26 “(b) The size of the grow canopy used to grow immature marijuana  
27 plants by a person that holds a license under this section; or

28 “(c) The weight or size of shipments of immature marijuana plants  
29 made by a person that holds a license under this section.

30 “(5) The commission may adopt rules that establish merit-based

1 criteria for licensing marijuana producers under this section. For  
2 purposes of this subsection, merit-based criteria include, but are not  
3 limited to, possession of a developed business plan, access to sufficient  
4 capital, offering living wages and benefits to employees, provision of  
5 training and apprenticeship, provision of community benefits, imple-  
6 mentation of best environmental practices and provision of consumer  
7 safety practices.

8 “(6) Fees adopted under subsection (3)(b) of this section:

9 “(a) May not exceed the cost of administering sections 3 to 70,  
10 chapter 1, Oregon Laws 2015, with respect to marijuana producers;

11 “(b) Shall be in the form of a schedule that imposes a greater fee  
12 on premises with more square footage or on which more mature  
13 marijuana plants are grown; and

14 “(c) Shall be deposited in the Marijuana Control and Regulation  
15 Fund established under section 32 of this 2015 Act.

16 “SECTION 13. (1) The Oregon Liquor Control Commission shall  
17 adopt rules restricting the size of grow canopies of premises for which  
18 a license has been issued under section 19, chapter 1, Oregon Laws  
19 2015. In adopting rules under this subsection, the commission shall:

20 “(a) Limit the size of grow canopies for premises where marijuana  
21 is grown outdoors and the size of grow canopies for premises where  
22 marijuana is grown indoors in a manner estimated to result in prem-  
23 ises where marijuana is grown outdoors producing an equivalent  
24 amount of harvested marijuana leaves and harvested marijuana flow-  
25 ers as a premises where marijuana is grown indoors.

26 “(b) Adopt a tiered system under which the size of a marijuana  
27 producer’s grow canopy increases at the time of renewing a license  
28 under section 19, chapter 1, Oregon Laws 2015, except that the size of  
29 a marijuana producer’s grow canopy may not increase following any  
30 year during which the commission disciplined the marijuana producer

1 for violating a provision of sections 3 to 70, chapter 1, Oregon Laws  
2 2015, or a rule adopted under a provision of sections 3 to 70, chapter  
3 1, Oregon Laws 2015.

4 “(c) Take into consideration the market demand for marijuana  
5 items in this state and the number of persons applying for a license  
6 under section 19, chapter 1, Oregon Laws 2015, and to whom a license  
7 has been issued under section 19, chapter 1, Oregon Laws 2015, and  
8 whether the availability of marijuana items in this state is  
9 commensurate with that demand.

10 “(2) This section does not apply to a premises for which a license  
11 has been issued under section 19, chapter 1, Oregon Laws 2015, in so  
12 far as the premises is used to propagate immature marijuana plants.

13

14 **“SECTION 14.** Section 20, chapter 1, Oregon Laws 2015, is amended to  
15 read:

16 **“Sec. 20.** (1) The processing of marijuana items is subject to regulation  
17 by the Oregon Liquor Control Commission.

18 “(2) A marijuana processor must have a processor license issued by the  
19 commission for the premises at which marijuana items are processed. **To**  
20 **hold a processor license under this section, a marijuana processor:**

21 **“(a) Must apply for a license in the manner described in section 28,**  
22 **chapter 1, Oregon Laws 2015;**

23 **“(b) Must provide proof that an applicant listed on an application**  
24 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**  
25 **resident of this state for one or more years and is 21 years of age or**  
26 **older;**

27 **“(c) If the marijuana processor processes marijuana extracts, may**  
28 **not be located in an area zoned for residential use; and**

29 **“(d) Must meet the requirements of any rule adopted by the com-**  
30 **mission under subsection (3) of this section.**



1       **“(3) The commission shall adopt rules that:**

2       **“(a) Require a marijuana processor to renew a license issued under**  
3 **this section annually;**

4       **“(b) Establish application, licensure and renewal of licensure fees**  
5 **for marijuana processors;**

6       **“(c) Require marijuana processed by a marijuana processor to be**  
7 **tested to ensure the public health and safety; and**

8       **“(d) Meet any public health and safety standards established by the**  
9 **commission by rule related to:**

10       **“(A) Cannabinoid edibles, if the marijuana processor processes**  
11 **marijuana into cannabinoid edibles;**

12       **“(B) Cannabinoid concentrates, if the marijuana processor pro-**  
13 **cesses marijuana into cannabinoid concentrates;**

14       **“(C) Cannabinoid extracts, if the marijuana processor processes**  
15 **marijuana into cannabinoid extracts; and**

16       **“(D) Any other type of cannabinoid product identified by the com-**  
17 **mission by rule, if the marijuana processor processes marijuana into**  
18 **that type of cannabinoid product.**

19       **“(4) The commission may adopt rules that establish merit-based**  
20 **criteria for licensing marijuana processors under this section. For**  
21 **purposes of this subsection, merit-based criteria include, but are not**  
22 **limited to, possession of a developed business plan, access to sufficient**  
23 **capital, offering living wages and benefits to employees, provision of**  
24 **training and apprenticeship, provision of community benefits, imple-**  
25 **mentation of best environmental practices and provision of consumer**  
26 **safety practices.**

27       **“(5) Fees adopted under subsection (3)(b) of this section:**

28       **“(a) May not exceed the cost of administering sections 3 to 70,**  
29 **chapter 1, Oregon Laws 2015, with respect to marijuana processors;**  
30 **and**

1       **“(b) Shall be deposited in the Marijuana Control and Regulation**  
2 **Fund established under section 32 of this 2015 Act.**

3       **“SECTION 15.** Section 21, chapter 1, Oregon Laws 2015, is amended to  
4 read:

5       **“Sec. 21.** (1) The wholesale sale of marijuana items is subject to regu-  
6 lation by the Oregon Liquor Control Commission.

7       **“(2) A marijuana wholesaler must have a wholesale license issued by the**  
8 **commission for the premises at which marijuana items are received, kept,**  
9 **stored[,] or delivered. To hold a wholesale license under this section, a**  
10 **marijuana wholesaler:**

11       **“(a) Must apply for a license in the manner described in section 28,**  
12 **chapter 1, Oregon Laws 2015;**

13       **“(b) Must provide proof that an applicant listed on an application**  
14 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**  
15 **resident of this state for one or more years and is 21 years of age or**  
16 **older;**

17       **“(c) May not be located in an area that is zoned for residential use;**  
18 **and**

19       **“(d) Must meet the requirements of any rule adopted by the com-**  
20 **mission under subsection (3) of this section.**

21       **“(3) The commission shall adopt rules that:**

22       **“(a) Require a marijuana wholesaler to renew a license issued under**  
23 **this section annually;**

24       **“(b) Establish application, licensure and renewal of licensure fees**  
25 **for marijuana wholesalers;**

26       **“(c) Require marijuana items received, kept, stored or delivered by**  
27 **a marijuana wholesaler to be tested to ensure the public health and**  
28 **safety; and**

29       **“(d) Impose any other standard on the operation of marijuana**  
30 **wholesalers that ensures the public health and safety.**

1       “(4) The commission may adopt rules that establish merit-based  
2 criteria for licensing marijuana wholesalers under this section. For  
3 purposes of this subsection, merit-based criteria include, but are not  
4 limited to, possession of a developed business plan, access to sufficient  
5 capital, offering living wages and benefits to employees, provision of  
6 training and apprenticeship, provision of community benefits, imple-  
7 mentation of best environmental practices and provision of consumer  
8 safety practices.

9       “(5) Fees adopted under subsection (3)(b) of this section:

10       “(a) May not exceed the cost of administering sections 3 to 70,  
11 chapter 1, Oregon Laws 2015, with respect to marijuana wholesalers;  
12 and

13       “(b) Shall be deposited in the Marijuana Control and Regulation  
14 Fund established under section 32 of this 2015 Act.

15       “SECTION 16. Section 22, chapter 1, Oregon Laws 2015, is amended to  
16 read:

17       “**Sec. 22.** (1) The retail sale of marijuana items is subject to regulation  
18 by the Oregon Liquor Control Commission.

19       “(2) A marijuana retailer must have a retail license issued by the com-  
20 mission for the premises at which marijuana items are sold. **To hold a retail**  
21 **license under this section, a marijuana retailer:**

22       “(a) Must apply for a license in the manner described in section 28,  
23 chapter 1, Oregon Laws 2015;

24       “(b) Must provide proof that an applicant listed on an application  
25 submitted under section 28, chapter 1, Oregon Laws 2015, has been a  
26 resident of this state for one or more years and is 21 years of age or  
27 older;

28       “(d) May not be located in an area that is zoned for residential use;

29       “(d) May not be located within 1,000 feet of:

30       “(A) A public elementary or secondary school for which attendance

1 is compulsory under ORS 339.020; or

2 “(B) A private or parochial elementary or secondary school, teach-  
3 ing children as described in ORS 339.030 (1)(a); and

4 “(e) Must meet the requirements of any rule adopted by the com-  
5 mission under subsection (3) of this section.

6 “(3) The commission shall adopt rules that:

7 “(a) Require a marijuana retailer to renew a license issued under  
8 this section annually;

9 “(b) Establish application, licensure and renewal of licensure fees  
10 for marijuana retailers;

11 “(c) Require marijuana items sold by a marijuana retailer to be  
12 tested to ensure the public health and safety; and

13 “(d) Impose any other standard on the operation of marijuana  
14 retailers that ensures the public health and safety.

15 “(4) The commission may adopt rules that establish merit-based  
16 criteria for licensing marijuana retailers under this section. For pur-  
17 poses of this subsection, merit-based criteria include, but are not  
18 limited to, possession of a developed business plan, access to sufficient  
19 capital, offering living wages and benefits to employees, provision of  
20 training and apprenticeship, provision of community benefits, imple-  
21 mentation of best environmental practices and provision of consumer  
22 safety practices.

23 “(5) Fees adopted under subsection (3)(b) of this section:

24 “(a) May not exceed the cost of administering sections 3 to 70,  
25 chapter 1, Oregon Laws 2015, with respect to marijuana retailers; and

26 “(b) Shall be deposited in the Marijuana Control and Regulation  
27 Fund established under section 32 of this 2015 Act.

28 **SECTION 17.** If a school described in section 22 (2)(d), chapter 1,  
29 Oregon Laws 2015, that has not previously been attended by children  
30 is established within 1,000 feet of a premises for which a license has

1 been issued under section 22, chapter 1, Oregon Laws 2015, the  
2 marijuana retailer located at that premises may remain at that lo-  
3 cation unless the Oregon Liquor Control Commission revokes the li-  
4 cense of the marijuana retailer.

5  
6 **“(Segregated Premises)”**

7  
8 **“SECTION 18. As is necessary to protect the public health and  
9 safety, the Oregon Liquor Control Commission may require a premises  
10 licensed under sections 19, 20, 21 or 22 to be segregated into separate  
11 areas for conducting the activities permitted under each license or, if  
12 the licensee is a marijuana processor, for conducting activities related  
13 to processing marijuana into different types of cannabinoid products,  
14 cannabinoid concentrates or cannabinoid extracts:**

15 **“(1) If the licensee holds more than one license issued under section  
16 19, 20, 21 or 22, chapter 1, Oregon Laws 2015; or**

17 **“(2) If the licensee is a marijuana processor, the marijuana  
18 processor processes marijuana into any combination of different types  
19 of cannabinoid products, cannabinoid concentrates and cannabinoid  
20 extracts.**

21  
22 **“(Marijuana Handlers)”**

23  
24 **“SECTION 19. (1) An individual who performs work for or on behalf  
25 of a person who holds a license under section 22, chapter 1, Oregon  
26 Laws 2015, must have a valid permit issued by the Oregon Liquor  
27 Control Commission under section 20 of this 2015 Act if the individual  
28 participates in:**

29 **“(a) The possession, securing or selling of marijuana items at the  
30 premises for which the license has been issued;**

1       “(b) The recording of the possession, securing or selling of  
2 marijuana items at the premises for which the license has been issued;  
3 or

4       “(c) The verification of any document described in section 16,  
5 chapter 1, Oregon Laws 2015.

6       “(2) A person who holds a license under section 22, chapter 1,  
7 Oregon Laws 2015, must verify that an individual has a valid permit  
8 issued under section 20 of this 2015 Act before allowing the individual  
9 to perform any work described in subsection (1) of this section at the  
10 premises for which the license has been issued.

11       “SECTION 20. (1) The Oregon Liquor Control Commission shall is-  
12 sue permits to qualified applicants to perform work described in sec-  
13 tion 19 of this 2015 Act. The commission shall adopt rules establishing:

14       “(a) The qualifications for performing work described in section 19  
15 of this 2015 Act;

16       “(b) The term of a permit issued under this section;

17       “(c) Procedures for applying for and renewing a permit issued under  
18 this section; and

19       “(d) Reasonable application, issuance and renewal fees for a permit  
20 issued under this section.

21       “(2)(a) The commission may require an individual applying for a  
22 permit under this section to successfully complete a course, made  
23 available by or through the commission, through which the individual  
24 receives training on:

25       “(A) Checking identification;

26       “(B) Detecting intoxication;

27       “(C) Handling marijuana items;

28       “(D) The content of sections 3 to 70, chapter 1, Oregon Laws 2015,  
29 and rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015;  
30 and



1       “(B) Any matter deemed necessary by the commission to protect  
2 the public health and safety.

3       “(b) The commission or other provider of the course may charge a  
4 reasonable fee for the course.

5       “(c) The commission may not require an individual to successfully  
6 complete the course more than once, except that:

7       “(A) As part of a final order suspending a permit issued under this  
8 section, the commission may require a permit holder to successfully  
9 complete the course as a condition of lifting the suspension; and

10       “(B) As part of a final order revoking a permit issued under this  
11 section, the commission shall require an individual to successfully  
12 complete the course prior to applying for a new permit.

13       “(3) The commission shall conduct a criminal records check under  
14 ORS 181.534 on an individual applying for a permit under this section.

15       “(4) In addition to and not in lieu of the requirements of subsection  
16 (3) of this section, and subject to the applicable provisions of ORS  
17 chapter 183, the commission may suspend, revoke or refuse to issue  
18 or renew a permit if the individual who is applying for or who holds  
19 the permit:

20       “(a) Is convicted of a felony, except that the commission may not  
21 consider a conviction for the manufacture or delivery of marijuana if  
22 the date of conviction is more than two years before the date on which  
23 the individual applied under this section;

24       “(b) Violates any provision of sections 3 to 70, chapter 1, Oregon  
25 Laws 2015, or any rule adopted under sections 3 to 70, chapter 1,  
26 Oregon Laws 2015; or

27       “(c) Knowingly makes a false statement to the commission.

28       “(5) A permit issued under this section is a personal privilege and  
29 permits work described under section 19 of this 2015 Act for only the  
30 individual who holds the permit.

1                                   “(Bonds and Liability Insurance)

2  
3        **“SECTION 21. (1) Except as provided in subsection (2) of this sec-**  
4 **tion, the Oregon Liquor Control Commission may require a person**  
5 **that holds a license under section 22, chapter 1, Oregon Laws 2015, to**  
6 **maintain on file with the commission a bond with a corporate surety**  
7 **authorized to transact business in this state. The bond shall be in a**  
8 **form acceptable to the commission and shall be in an amount that the**  
9 **commission determines is reasonably affordable and available. The**  
10 **bond is payable to the commission if the licensee fails to pay the tax**  
11 **imposed upon the retail sale of marijuana items under section 70 of**  
12 **this 2015 Act.**

13        **“(2) In lieu of maintaining the bond required by subsection (1) of**  
14 **this section, a person that holds a license under section 22, chapter 1,**  
15 **Oregon Laws 2015, may deposit in a bank or trust company for the**  
16 **benefit of the commission an equivalent amount in cash, letters of**  
17 **credit recognized by the State Treasurer or negotiable securities of a**  
18 **character approved by the State Treasurer. Interest earned on depos-**  
19 **ited funds or securities shall accrue to the person that made the de-**  
20 **posit.**

21        **“SECTION 22. As is necessary to protect public health and safety,**  
22 **the Oregon Liquor Control Commission may require a person that**  
23 **holds a license under section 22, chapter 1, Oregon Laws 2015, to**  
24 **maintain general liability insurance in an amount that the commis-**  
25 **sion determines is reasonably available and affordable for the purpose**  
26 **of protecting the person against damages resulting from a cause of**  
27 **action related to activities undertaken pursuant to the license.**

28  
29                                   “(Seed to Sale Tracking System)



1       **“SECTION 23. (1) The Oregon Liquor Control Commission shall de-**  
2 **velop and maintain a system for tracking marijuana items offered for**  
3 **retail sale in this state.**

4       **“(2) The purposes of the system developed and maintained under**  
5 **this section include, but are not limited to:**

6       **“(a) Preventing the diversion of marijuana items to criminal en-**  
7 **terprises, gangs, cartels and other states;**

8       **“(b) Preventing persons from substituting or tampering with**  
9 **marijuana items;**

10       **“(c) Ensuring an accurate accounting of the production, processing**  
11 **and sale of marijuana items;**

12       **“(d) Ensuring that taxes collected for the purpose of being distrib-**  
13 **uted as described in section 44, chapter 1, Oregon Laws 2015, are**  
14 **maximized; and**

15       **“(e) Ensuring compliance with the provisions of sections 3 to 70,**  
16 **chapter 1, Oregon Laws 2015, rules adopted under the provisions of**  
17 **sections 3 to 70, chapter 1, Oregon Laws 2015 and any other law of this**  
18 **state that charges the commission with a duty, function or power re-**  
19 **lated to marijuana.**

20       **“(3) The system developed and maintained under this section must**  
21 **be capable of tracking, at a minimum:**

22       **“(a) The propagation of immature marijuana plants or the pro-**  
23 **duction of marijuana by a marijuana producer;**

24       **“(b) The processing of marijuana by a marijuana processor;**

25       **“(c) The receiving, keeping, storing or delivering of marijuana**  
26 **items by a marijuana wholesaler;**

27       **“(d) The sale of marijuana items by a marijuana retailer to a con-**  
28 **sumer;**

29       **“(e) The purchase and sale of marijuana items between licensees,**  
30 **as permitted by sections 3 to 70, chapter 1, Oregon Laws 2015;**



1       “(2) The Oregon Liquor Control Commission may adopt rules ex-  
2       empting a licensee or licensee representative from this section.

3  
4                       “(Protection of Persons Under 21 Years of Age)

5  
6       “SECTION 25. Section 49, chapter 1, Oregon Laws 2015, is amended to  
7       read:

8       “**Sec. 49.** (1) A person under 21 years of age may not **purchase or attempt**  
9       to purchase, **or acquire**, marijuana items.

10       “(2) Except as authorized by rule or as necessitated in an emergency, a  
11       person under 21 years of age may not enter or attempt to enter any portion  
12       of a licensed premises [*that is posted or otherwise identified as being prohib-*  
13       *ited to the use of minors*].

14       “(3) A person who violates subsection (1) or (2) of this section commits  
15       a Class B violation.

16       “(4) In addition to and not in lieu of any other penalty established by law,  
17       **a court may order** a person under 21 years of age who violates subsection  
18       (1) of this section through misrepresentation of age [*may be required*] to  
19       perform community service and [*the court*] shall order that the person’s  
20       driving privileges and right to apply for driving privileges be suspended for  
21       a period not to exceed one year. If a court [*has issued*] **issues** an order sus-  
22       pending driving privileges under this section, the court, upon petition of the  
23       person, may withdraw the order at any time the court deems appropriate.  
24       The court notification to the Department of Transportation under this sub-  
25       section may include a recommendation that the person be granted a hardship  
26       permit under ORS 807.240 if the person is otherwise eligible for the permit.

27       “(5) If a person cited under this section **is found in default under ORS**  
28       **153.102 or 419C.472 for failure to appear and** is at least 13 years of age  
29       [*but less than 21 years of age*] at the time the person is found in default  
30       [*under ORS 153.102 or 419C.472 for failure to appear*], in addition to and not

1 in lieu of any other penalty, the court shall issue notice under ORS 809.220  
2 to the department for the department to suspend the person's driving privi-  
3 leges under ORS 809.280 (4).

4 “(6) The prohibitions of this section do not apply to a person under 21  
5 years of age who is acting under the direction of the Oregon Liquor Control  
6 Commission or under the direction of state or local law enforcement agencies  
7 for the purpose of investigating possible violations of laws prohibiting sales  
8 of marijuana items to persons [*who are*] under 21 years of age.

9 **“SECTION 26. The Oregon Liquor Control Commission may require**  
10 **a marijuana retailer that holds a license issued under section 22,**  
11 **chapter 1, Oregon Laws 2015, to use an age verification scanner or any**  
12 **other equipment used to verify a person's age for the purpose of en-**  
13 **sureing that the marijuana retailer does not sell marijuana items to a**  
14 **person under 21 years of age. The marijuana retailer may not retain**  
15 **any information obtained under this section after verifying a person's**  
16 **age. The marijuana retailer may not use any information obtained**  
17 **under this section for any purpose other than verifying a person's age.**

18 **“SECTION 27. ORS 659A.403 is amended to read:**

19 “659A.403. (1) Except as provided in subsection (2) of this section, all  
20 persons within the jurisdiction of this state are entitled to the full and equal  
21 accommodations, advantages, facilities and privileges of any place of public  
22 accommodation, without any distinction, discrimination or restriction on  
23 account of race, color, religion, sex, sexual orientation, national origin,  
24 marital status or age if the individual is [*18 years*] of age, **as described in**  
25 **this section,** or older.

26 “(2) Subsection (1) of this section does not prohibit:

27 “(a) The enforcement of laws governing the consumption of alcoholic  
28 beverages by minors and the frequenting by minors of places of public ac-  
29 commodation where alcoholic beverages are served; [*or*]

30 **“(b) The enforcement of laws governing the use of marijuana items,**

1 **as defined in section 5, chapter 1, Oregon Laws 2015, by persons under**  
2 **21 years of age and the frequenting by persons under 21 years of age**  
3 **of places of public accommodation where marijuana items are sold;**  
4 **or**

5 “[(b)] (c) The offering of special rates or services to persons 50 years of  
6 age or older.

7 “(3) It is an unlawful practice for any person to deny full and equal ac-  
8 commodation, advantages, facilities and privileges of any place of public  
9 accommodation in violation of this section.

10 **“SECTION 28.** ORS 659A.409 is amended to read:

11 “659A.409. Except as provided by laws governing the consumption of al-  
12 coholic beverages by minors [*and*], **the use of marijuana items, as defined**  
13 **in section 5, chapter 1, Oregon Laws 2015, by persons under 21 years**  
14 **of age, the frequenting by minors of places of public accommodation where**  
15 **alcoholic beverages are served[,] and the frequenting by persons under**  
16 **21 years of age of places of public accommodation where marijuana**  
17 **items are sold, and except for special rates or services offered to persons**  
18 **50 years of age or older, it is an unlawful practice for any person acting on**  
19 **behalf of any place of public accommodation as defined in ORS 659A.400 to**  
20 **publish, circulate, issue or display, or cause to be published, circulated, is-**  
21 **sued or displayed, any communication, notice, advertisement or sign of any**  
22 **kind to the effect that any of the accommodations, advantages, facilities,**  
23 **services or privileges of the place of public accommodation will be refused,**  
24 **withheld from or denied to, or that any discrimination will be made against,**  
25 **any person on account of race, color, religion, sex, sexual orientation, na-**  
26 **tional origin, marital status or age if the individual is [18 years] of age, as**  
27 **described in this section, or older.**

28

29

**“(Enforcement)”**

30

1       **“SECTION 29.** In addition to any other liability or penalty provided  
2 by law, the Oregon Liquor Control Commission may impose for each  
3 violation of a provision of sections 3 to 70, chapter 1, Oregon Laws  
4 2015, or a rule adopted under a provision of sections 3 to 70, chapter  
5 1, Oregon Laws 2015, a civil penalty that does not exceed \$5,000 for  
6 each violation. The commission shall impose civil penalties under this  
7 section in the manner provided by ORS 183.745. Moneys collected under  
8 this section shall be deposited in the Marijuana Control and Regu-  
9 lation Fund established under section 32 of this 2015 Act.

10       **“SECTION 30. (1)** An Oregon Liquor Control Commission licensing  
11 and enforcement specialist has the authority as provided in ORS  
12 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235  
13 and 161.245, ORS chapter 153, chapter 743, Oregon Laws 1971, and  
14 sections 3 to 70, chapter 1, Oregon Laws 2015, to conduct inspections  
15 and investigations, make arrests and seizures, aid in prosecutions for  
16 offenses, issue citations for violations and otherwise enforce the pro-  
17 visions of sections 3 to 70, chapter 1, Oregon Laws 2015, any rule  
18 adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, and any  
19 other law of this state that charges the commission with a duty,  
20 function or power related to marijuana, including enforcing any pro-  
21 vision of law or rule adopted pursuant to a provision of law related to  
22 individuals who use false identification for purposes of purchasing or  
23 possessing a marijuana item or who engage in illegal activity on or  
24 near a licensed premises.

25       **“(2)** A commission licensing and enforcement specialist may not:

26       **“(a)** Be sworn in as a federal law enforcement official and act in  
27 that capacity while performing duties under this section.

28       **“(b)** Carry a firearm while performing duties under this section.

29       **“(c)** Except as provided in section 114 of this 2015 Act, conduct in-  
30 spections and investigations for purposes of ensuring compliance with

1 **ORS 475.300 to 475.346.**

2 **“SECTION 31.** For purposes of sections 3 to 70, chapter 1, Oregon  
3 **Laws 2015,** the provisions of ORS 183.440 apply to subpoenas issued by  
4 **the Oregon Liquor Control Commission and any authorized agent of**  
5 **the commission.**

6  
7 **“(Marijuana Control and Regulation Fund)**

8  
9 **“SECTION 32.** The Marijuana Control and Regulation Fund is es-  
10 **tablished in the State Treasury, separate and distinct from the General**  
11 **Fund. Interest earned by the Marijuana Control and Regulation Fund**  
12 **shall be credited to the fund. Moneys in the fund are continuously**  
13 **appropriated to the Oregon Liquor Control Commission to administer**  
14 **and enforce sections 3 to 70, chapter 1, Oregon Laws 2015.**

15  
16 **“(Land Use)**

17  
18 **“SECTION 33.** Section 58, chapter 1, Oregon Laws 2015, is amended to  
19 read:

20 **“Sec. 58.** *[Sections 3 to 70 of this Act,]* **The provisions of sections 3 to**  
21 **70, chapter 1, Oregon Laws 2015, are** designed to operate uniformly  
22 throughout the state<sup>*[ shall be]*</sup> **and are** paramount and superior to and  
23 <sup>*[shall]*</sup> fully replace and supersede any <sup>*[and all]*</sup> municipal charter  
24 <sup>*[enactments]*</sup> **amendment** or local <sup>*[ordinances]*</sup> **ordinance** inconsistent with  
25 <sup>*[it]*</sup> **the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015.**  
26 <sup>*[Such charters]*</sup> **Amendments** and ordinances **that are inconsistent with**  
27 **the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015,**  
28 <sup>*[hereby]*</sup> are repealed.

29 **“SECTION 34.** Section 59, chapter 1, Oregon Laws 2015, is amended to  
30 read:

1       **“Sec. 59.** *[(1) Cities and counties may adopt reasonable time, place and*  
2 *manner regulations of the nuisance aspects of establishments that sell*  
3 *marijuana to consumers if the city or county makes specific findings that the*  
4 *establishment would cause adverse effects to occur.]*

5       *“[(2) The authority granted to cities and counties by this section is in ad-*  
6 *dition to, and not in lieu of, the authority granted to a city or county under*  
7 *its charter and the statutes and Constitution of this state.]*

8       **“(1) For purposes of this section, ‘reasonable regulations’ includes:**

9       **“(a) Reasonable conditions on the manner in which a marijuana**  
10 **producer licensed under section 19, chapter 1, Oregon Laws 2015, may**  
11 **produce marijuana;**

12       **“(b) Reasonable conditions on the manner in which a marijuana**  
13 **processor licensed under section 20, chapter 1, Oregon Laws 2015, may**  
14 **process marijuana;**

15       **“(c) Reasonable limitations on the hours during which a marijuana**  
16 **retailer licensed under section 22, chapter 1, Oregon Laws 2015, may**  
17 **operate;**

18       **“(d) Reasonable conditions on the manner in which a marijuana**  
19 **retailer licensed under section 22, chapter 1, Oregon Laws 2015, may**  
20 **sell marijuana items;**

21       **“(e) Reasonable requirements related to the public’s access to a**  
22 **premises for which a license has been issued under section 19, 20, 21**  
23 **or 22, chapter 1, Oregon Laws 2015; and**

24       **“(f) Reasonable limitations on where a premises for which a license**  
25 **has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws**  
26 **2015, may be located.**

27       **“(2) Notwithstanding ORS 633.738, the governing body of a city or**  
28 **county may adopt ordinances that impose reasonable regulations on**  
29 **the operation of businesses located at premises for which a license has**  
30 **been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015,**



1 if the premises is located in the area subject to the jurisdiction of the  
2 city or county.

3 “(3) Regulations adopted under this section must be consistent with  
4 city and county comprehensive plans, zoning ordinances and applicable  
5 provisions of public health and safety laws.

6 **“SECTION 35. (1) Notwithstanding ORS chapters 197, 215 and 227,  
7 marijuana is:**

8 **“(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;**

9 **“(b) A crop for purposes of ‘farm’ and ‘farming practice,’ both as  
10 defined in ORS 30.930;**

11 **“(c) A product of farm use as described in ORS 308A.062; and**

12 **“(d) The product of an agricultural activity as described in ORS  
13 568.909.**

14 **“(2) Notwithstanding ORS 215.213 or 215.283, a new dwelling used in  
15 conjunction with a marijuana crop is not a permitted use on land  
16 designated for exclusive farm use.**

17 **“(3) A county may allow the production of marijuana as a farm use  
18 or agricultural use in an agricultural zone or rural residential zone in  
19 the same manner as the production of marijuana is allowed in exclu-  
20 sive farm use zones under this section and ORS 215.213 and 215.283.**

21 **“(4) For the purposes of processing marijuana on lands outside ur-  
22 ban growth boundaries, a county may allow marijuana processing  
23 through a home occupation permit that is consistent with the county’s  
24 zoning ordinances.**

25 **“(5) Prior to the issuance of any license under section 19, 20, 21 or  
26 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commis-  
27 sion shall request a land use compatibility statement from the city or  
28 county that authorizes the land use. The land use compatibility  
29 statement must demonstrate that the requested license is for a land  
30 use that is allowable as a permitted or conditional use within the given**

1 zoning designation where the land is located. The commission may not  
2 issue a license if the land use compatibility statement shows that the  
3 proposed land use is prohibited in the applicable zone.

4  
5 **“(Amendments to Fix References)”**

6  
7 **“SECTION 36.** Section 1, chapter 1, Oregon Laws 2015, is amended to  
8 read:

9 **“Sec. 1.** (1) The People of the State of Oregon declare that the purposes  
10 of **sections 3 to 70, chapter 1, Oregon Laws 2015, [this Act]** are:

11 “(a) To eliminate the problems caused by the prohibition and uncontrolled  
12 manufacture, delivery[,] and possession of marijuana within this state;

13 “(b) To protect the safety, welfare, health[,] and peace of the people of  
14 this state by prioritizing [*the*] **this** state’s limited law enforcement resources  
15 in the most effective, consistent[,] and rational way;

16 “(c) To permit persons licensed, controlled[,] **and** regulated[, *and taxed*]  
17 by this state to legally manufacture and sell marijuana to persons 21 years  
18 of age and older, subject to the provisions of **sections 3 to 70, chapter 1,**  
19 **Oregon Laws 2015 [this Act];**

20 “(d) To ensure that the State Department of Agriculture issues industrial  
21 hemp licenses and agricultural hemp seed production permits in accordance  
22 with existing state law; and

23 “(e) To establish a comprehensive regulatory framework concerning  
24 marijuana under existing state law.

25 “(2) The People of the State of Oregon intend that the provisions of  
26 **sections 3 to 70, chapter 1, Oregon Laws 2015 [this Act],** together with the  
27 other provisions of existing state law, will:

28 “(a) Prevent the distribution of marijuana to persons under 21 years of  
29 age;

30 “(b) Prevent revenue from the sale of marijuana from going to criminal

1 enterprises, gangs[,] and cartels;

2 “(c) Prevent the diversion of marijuana from this state to other states;

3 “(d) Prevent marijuana activity that is legal under state law from being  
4 used as a cover or pretext for the trafficking of other illegal drugs or other  
5 illegal activity;

6 “(e) Prevent violence and the use of firearms in the cultivation and dis-  
7 tribution of marijuana;

8 “(f) Prevent drugged driving and the exacerbation of other adverse public  
9 health consequences associated with the use of marijuana;

10 “(g) Prevent the growing of marijuana on public lands and the attendant  
11 public safety and environmental dangers posed by marijuana production on  
12 public lands; and

13 “(h) Prevent the possession and use of marijuana on federal property.

14 **“SECTION 37.** Section 2, chapter 1, Oregon Laws 2015, is amended to  
15 read:

16 **“Sec. 2.** *[(1) Sections 3 to 70 of this Act are added to and made a part of*  
17 *the Oregon Revised Statutes.]*

18 *“[(2) Section 71 is added to and made a part of ORS chapter 317.]*

19 **“[(3)] (1)** Section 72, **chapter 1, Oregon Laws 2015**, is added to and made  
20 a part of ORS chapter 475.

21 **“[(4)] (2)** Section 73, **chapter 1, Oregon Laws 2015**, is added to and made  
22 a part of ORS chapter 811.

23 **“SECTION 38.** Section 3, chapter 1, Oregon Laws 2015, is amended to  
24 read:

25 **“Sec. 3.** Sections 3 to 70, **chapter 1, Oregon Laws 2015**, *[of this Act]*  
26 shall be known and may be cited as the Control[,] and Regulation[, and  
27 Taxation] of Marijuana *[and Industrial Hemp]* Act.

28 **“SECTION 39.** Section 4, chapter 1, Oregon Laws 2015, is amended to  
29 read:

30 **“Sec. 4.** Sections 3 to 70, **chapter 1, Oregon Laws 2015**, *[of this Act]*

1 may not be construed:

2 “(1) To amend or affect in any way any state or federal law pertaining  
3 to employment matters;

4 “(2) To amend or affect in any way any state or federal law pertaining  
5 to landlord-tenant matters;

6 “(3) To prohibit a recipient of a federal grant or an applicant for a federal  
7 grant from prohibiting the manufacture, delivery, possession[,] or use of  
8 marijuana to the extent necessary to satisfy federal requirements for the  
9 grant;

10 “(4) To prohibit a party to a federal contract or a person applying to be  
11 a party to a federal contract from prohibiting the manufacture, delivery,  
12 possession[,] or use of marijuana to the extent necessary to comply with the  
13 terms and conditions of the contract or to satisfy federal requirements for  
14 the contract;

15 “(5) To require a person to violate a federal law;

16 “(6) To exempt a person from a federal law or obstruct the enforcement  
17 of a federal law; or

18 “(7) To amend or affect in any way the Oregon Medical Marijuana Act.

19 “**SECTION 40.** Section 6, chapter 1, Oregon Laws 2015, is amended to  
20 read:

21 “**Sec. 6.** (1) Sections 7 to 44 and 60 to 62, **chapter 1, Oregon Laws 2015,**  
22 [*of this Act*] do not apply:

23 “(a) To the production, processing, keeping[,] or storage of homegrown  
24 marijuana at a household by one or more persons 21 years of age and older  
25 if the total of homegrown marijuana at the household does not exceed four  
26 marijuana plants and eight ounces of usable marijuana at a given time.

27 “(b) To the making, processing, keeping[,] or storage of homemade  
28 [*marijuana*] **cannabinoid** products at a household by one or more persons  
29 21 years of age and older if the total of homemade [*marijuana*] **cannabinoid**  
30 products at the household does not exceed [*sixteen*] **16** ounces in solid form

1 at a given time.

2 “(c) To the making, processing, keeping[,] or storage of homemade  
3 [*marijuana*] **cannabinoid** products at a household by one or more persons  
4 21 years of age and older if the total of homemade [*marijuana*] **cannabinoid**  
5 products at the household does not exceed [*seventy-two*] **72** ounces in liquid  
6 form at a given time.

7 **“(d) To the making, processing, keeping or storage of homemade**  
8 **cannabinoid concentrates at a household by one or more persons 21**  
9 **years of age or older if the total amount of homemade cannabinoid**  
10 **concentrates at the household does not exceed one ounce at a given**  
11 **time.**

12 “[*(d)*] **(e)** To the delivery of not more than one ounce of homegrown  
13 marijuana at a given time by a person 21 years of age or older to another  
14 person 21 years of age or older for noncommercial purposes.

15 “[*(e)*] **(f)** To the delivery of not more than [*sixteen*] **16** ounces of homemade  
16 [*marijuana*] **cannabinoid** products in solid form at a given time by a person  
17 21 years of age or older to another person 21 years of age or older for non-  
18 commercial purposes.

19 “[*(f)*] **(g)** To the delivery of not more than [*seventy-two*] **72** ounces of  
20 homemade [*marijuana*] **cannabinoid** products in liquid form at a given time  
21 by a person 21 years of age or older to another person 21 years of age or  
22 older for noncommercial purposes.

23 **“(h) To the delivery of not more than one ounce of cannabinoid**  
24 **concentrates at a given time by a person 21 years of age or older to**  
25 **another person 21 years of age or older for noncommercial purposes.**

26 “(2) Sections 7 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*]:

27 “(a) Do not apply to the extent a person acts within the scope of and in  
28 compliance with the Oregon Medical Marijuana Act; or

29 “(b) Do not amend or affect in any way the [*function*] **functions,**  
30 **duties[,] and powers of the Oregon Health Authority under the Oregon**

1 Medical Marijuana Act.

2 **“SECTION 41.** Section 10, chapter 1, Oregon Laws 2015, is amended to  
3 read:

4 **“Sec. 10.** [No] A member of the Oregon Liquor Control Commission, the  
5 State Department of Agriculture[,] or the Oregon Health Authority may **not**  
6 be sued for doing or omitting to do any act in the performance of duties [*as*  
7 *prescribed in*] **required under sections 3 to 70, chapter 1, Oregon Laws**  
8 **2015** [*of this Act*].

9 **“SECTION 42.** Section 11, chapter 1, Oregon Laws 2015, is amended to  
10 read:

11 **“Sec. 11.** (1) [*Neither*] The Oregon Liquor Control Commission, the State  
12 Department of Agriculture[, *nor*] **and** the Oregon Health Authority may **not**  
13 refuse to perform any duty under sections 3 to 70, **chapter 1, Oregon Laws**  
14 **2015**, [*of this Act*] on the basis that manufacturing, distributing, dispensing,  
15 possessing[,] or using marijuana is prohibited by federal law.

16 “(2) The commission may not revoke or refuse to issue or renew a license  
17 under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] on the  
18 basis that manufacturing, distributing, dispensing, possessing[,] or using  
19 marijuana is prohibited by federal law.

20 **“SECTION 43.** Section 12, chapter 1, Oregon Laws 2015, is amended to  
21 read:

22 **“Sec. 12.** [No] A contract [*shall be*] **is not** unenforceable on the basis that  
23 manufacturing, distributing, dispensing, possessing[,] or using marijuana is  
24 prohibited by federal law.

25 **“SECTION 44.** Section 13, chapter 1, Oregon Laws 2015, is amended to  
26 read:

27 **“Sec. 13.** Licensees and licensee representatives may produce, deliver[,]  
28 and possess marijuana items subject to the provisions of sections 3 to 70,  
29 **chapter 1, Oregon Laws 2015** [*of this Act*]. The production, delivery[,] and  
30 possession of marijuana items by a licensee or a licensee representative in

1 compliance with sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*  
2 *Act shall*] **does** not constitute a criminal or civil offense under Oregon law.

3 **“SECTION 45.** Section 14, chapter 1, Oregon Laws 2015, is amended to  
4 read:

5 **“Sec. 14.** [*No*] A licensee or licensee representative may **not** sell or de-  
6 liver [*any marijuana items to any*] **a marijuana item to a person** under 21  
7 years of age.

8 **“SECTION 46.** Section 17, chapter 1, Oregon Laws 2015, is amended to  
9 read:

10 **“Sec. 17.** (1) [*No*] A person [*shall*] **may not** produce any piece of iden-  
11 tification that would falsely indicate the person’s age.

12 **“(2)** If a piece of identification is offered as evidence in any administra-  
13 tive or criminal prosecution of a licensee or licensee representative for sale  
14 or service of marijuana items to a person [*not having reached*] **under** 21  
15 years of age, the licensee or licensee representative [*shall be found to have*  
16 *committed no crime or other wrong*] **is not guilty of any offense prohibiting**  
17 **a person from selling or serving marijuana items to a person under**  
18 **21 years of age** unless it is demonstrated that a reasonable person would  
19 have determined that the identification exhibited was altered or did not ac-  
20 curately describe the person to whom the marijuana items were sold or  
21 served.

22 **“SECTION 47.** Section 23, chapter 1, Oregon Laws 2015, is amended to  
23 read:

24 **“Sec. 23.** (1) The Oregon Liquor Control Commission has the right after  
25 72 hours’ notice to the owner or the agent of the owner to make an exam-  
26 ination of the books and may at any time make an examination of the  
27 premises of any person licensed under sections 3 to 70, **chapter 1, Oregon**  
28 **Laws 2015** [*of this Act*], for the purpose of determining compliance with  
29 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] and the rules  
30 of the commission.

1       “(2) The commission [*shall*] **may** not require the books of any licensee to  
2 be maintained on the premises of the licensee.

3       “(3) **This section does not authorize the commission to make an**  
4 **examination of the premises of any person registered under ORS**  
5 **475.300 to 475.346.**

6       “**SECTION 48.** Section 24, chapter 1, Oregon Laws 2015, is amended to  
7 read:

8       “**Sec. 24.** The same person may hold one or more production licenses, one  
9 or more processor licenses, one or more wholesale licenses[,] and one or more  
10 retail licenses.

11       “**SECTION 49.** Section 45, chapter 1, Oregon Laws 2015, is amended to  
12 read:

13       “**Sec. 45. (1) A licensee or licensee representative may not import**  
14 **marijuana items [*may not be imported*] into this state or [*exported*] export**  
15 **marijuana items** from this state [*by any licensee or licensee representative*].

16       “(2) A violation of subsection (1) of this section is a:

17       “(a) Class C felony, if the importation or exportation is for consideration;  
18 or

19       “(b) Class A misdemeanor, if the importation or exportation is not for  
20 consideration.

21       “**SECTION 50.** Section 46, chapter 1, Oregon Laws 2015, is amended to  
22 read:

23       “**Sec. 46.** Marijuana items may not be given as a prize, premium or con-  
24 sideration for a lottery, contest, game of chance [*or*], **game of skill**[,] or  
25 competition of any kind.

26       “**SECTION 51.** Section 47, chapter 1, Oregon Laws 2015, is amended to  
27 read:

28       “**Sec. 47. (1)** A person may not sell, give or otherwise make available any  
29 marijuana items to any person who is visibly intoxicated.

30       “(2)(a) A person who exercises control over private real property may not



1 knowingly allow any other person under the age of 21 years to consume  
2 marijuana items on the property, or allow any other person under the age  
3 of 21 years to remain on the property if the person under the age of 21 years  
4 consumes marijuana items on the property.

5 “(b) This subsection:

6 “(A) Applies only to a person who is present and in control of the lo-  
7 cation at the time the consumption occurs; and

8 “(B) Does not apply to the owner of rental property, or the agent of an  
9 owner of rental property, unless the consumption occurs in the individual  
10 **housing** unit in which the owner or agent resides.

11 **“SECTION 52.** Section 48, chapter 1, Oregon Laws 2015, is amended to  
12 read:

13 **“Sec. 48.** (1) [No] A person [shall] **may not** make false representations  
14 or statements to the Oregon Liquor Control Commission in order to induce  
15 or prevent action by the commission.

16 “(2) [No] A licensee of the commission [shall] **may not** maintain a noisy,  
17 lewd, disorderly or insanitary establishment or supply impure or otherwise  
18 deleterious marijuana items.

19 “(3) [No] A licensee of the commission [shall] **may not** misrepresent to  
20 a customer or to the public any marijuana items.

21 **“SECTION 53.** Section 50, chapter 1, Oregon Laws 2015, is amended to  
22 read:

23 **“Sec. 50.** (1) [No] Marijuana items [shall] **may not** be sold or offered for  
24 sale within this state unless [such] **the** marijuana items comply with the  
25 minimum standards [fixed pursuant to law] **prescribed by the statutory**  
26 **laws of this state.**

27 “[*(2) The Oregon Liquor Control Commission may require a marijuana*  
28 *producer, marijuana processor, or marijuana wholesaler to provide a labora-*  
29 *tory analysis demonstrating to the satisfaction of the commission that partic-*  
30 *ular marijuana items comply with the minimum standards in this state.*]

1       “[(3) *No marijuana items offered for sale within this state may be altered*  
2 *or tampered with in any way by any person not licensed to do so by the com-*  
3 *mission.*]

4       “[(4) (2) The **Oregon Liquor Control** Commission may prohibit the sale  
5 of *[any]* marijuana items **by a marijuana retailer** for a reasonable period  
6 of time *[while it is determining]* **for the purpose of determining** whether  
7 the marijuana items comply with **the** minimum standards *[in this]* **pre-**  
8 **scribed by the statutory laws of this** state.

9       “**SECTION 54.** Section 51, chapter 1, Oregon Laws 2015, is amended to  
10 read:

11       “**Sec. 51.** (1) *[No]* A licensee *[shall]* **may not** use or allow the use of any  
12 mark or label on the container of any marijuana items *[which]* **that** are kept  
13 for sale[,] if the container does not precisely and clearly indicate the nature  
14 of *[its]* **the container’s** contents or in any way might deceive any customer  
15 as to the nature, composition, quantity, age or quality of *[such]* **the**  
16 marijuana items.

17       “(2) The Oregon Liquor Control Commission may prohibit any licensee  
18 from selling any brand of marijuana items *[which]* **that** in *[its]* **the**  
19 **commission’s** judgment is deceptively labeled or branded as to content[,]  
20 or contains injurious or adulterated ingredients.

21       “**SECTION 55.** Section 53, chapter 1, Oregon Laws 2015, is amended to  
22 read:

23       “**Sec. 53.** (1) Except for licensed marijuana producers and their licensee  
24 representatives, *[no]* a licensee may **not** possess a mature marijuana plant.

25       “(2) *[No]* A licensee may **not** sell a mature marijuana plant.

26       “**SECTION 56.** Section 56, chapter 1, Oregon Laws 2015, is amended to  
27 read:

28       “**Sec. 56.** (1) *[No]* A person may **not** produce, process, keep[,] or store  
29 homegrown marijuana or homemade *[marijuana]* **cannabinoid products or**  
30 **cannabinoid concentrates** if the homegrown marijuana or homemade

1 [marijuana] **cannabinoid** products or **cannabinoid concentrates** can be  
2 readily seen by normal unaided vision from a public place.

3 “(2) A violation of subsection (1) of this section is a Class B violation.

4 “**SECTION 57.** Section 57, chapter 1, Oregon Laws 2015, is amended to  
5 read:

6 “**Sec. 57.** [No] A person may **not** produce, process, keep[,] or store  
7 homemade [marijuana] **cannabinoid** extracts.

8 “**SECTION 58.** Section 60, chapter 1, Oregon Laws 2015, is amended to  
9 read:

10 “**Sec. 60. (1) Marijuana producers, marijuana processors, marijuana**  
11 **wholesalers and marijuana retailers are prohibited from operating in**  
12 **the area subject to the jurisdiction of a city or in the unincorporated**  
13 **areas subject to the jurisdiction of a county that approves a petition**  
14 **described in this section.**

15 “[~~(1)~~] **(2)** The governing body of a city or a county, when a petition is  
16 filed as provided in this section, shall order an election on the question  
17 whether the operation of licensed premises [~~shall~~] **should** be prohibited in  
18 the city or county.

19 “[~~(2)~~] **(3)** Except as **otherwise** provided in [~~subsections (3), (4) and (5) of~~]  
20 this section, the requirements for preparing, circulating and filing a petition  
21 under this section:

22 “(a) In the case of a city, [~~shall~~] **must** be as provided for an initiative  
23 petition under ORS 250.265 to 250.346.

24 “(b) In the case of a county, [~~shall~~] **must** be as provided for an initiative  
25 petition under ORS 250.165 to 250.235.

26 “[~~(3)~~] **(4)** A petition under [~~subsection (2) of~~] this section:

27 “(a) Must be filed not less than 60 days before the day of the election;  
28 and

29 “(b) Must be signed by not less than 10 percent of the electors registered  
30 in the city or county.

1       “[(4)] (5) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a  
2 county or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city,  
3 the requirements for preparing, circulating and filing a petition under this  
4 section [shall] **must** be as provided for an initiative petition under the  
5 county or city charter or an ordinance adopted under the county or city  
6 charter.

7       “[(5)] (6) [No] A signature is **not** valid unless signed within 180 days be-  
8 fore the petition is filed.

9       “[(6)] (7) An election under this section [shall] **must** be held at the time  
10 of the next statewide general election.

11       “[(7)] (8) An election under this section [shall] **must** be conducted under  
12 ORS chapters 246 to 260.

13       “**SECTION 59.** Section 61, chapter 1, Oregon Laws 2015, is amended to  
14 read:

15       “**Sec. 61.** Section 60, **chapter 1, Oregon Laws 2015, does** [of this Act  
16 shall] not prevent any person residing in the county or city from having, for  
17 personal use, marijuana items purchased from marijuana retailers duly li-  
18 censed under **sections 3 to 70, chapter 1, Oregon Laws 2015** [this Act].

19       “**SECTION 60.** Section 63, chapter 1, Oregon Laws 2015, is amended to  
20 read:

21       “**Sec. 63.** The state police, sheriffs, constables and all police officers  
22 within the State of Oregon shall enforce sections 3 to [30 of this Act and  
23 sections 45 to] 70, **chapter 1, Oregon Laws 2015, [of this Act]** and assist the  
24 Oregon Liquor Control Commission in detecting violations of sections 3 to  
25 [30 of this Act and sections 45 to] 70, **chapter 1, Oregon Laws 2015, [of this**  
26 **Act]** and apprehending offenders. Each such enforcing officer having notice,  
27 knowledge or reasonable ground of suspicion of any violation of sections 3  
28 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon Laws 2015, [of this**  
29 **Act]** shall immediately notify the district attorney[,] and furnish the district  
30 attorney with names and addresses of any witnesses, or other information

1 within the officer's knowledge, of such violation.

2 **"SECTION 61.** Section 64, chapter 1, Oregon Laws 2015, is amended to  
3 read:

4 **"Sec. 64.** (1) Whenever any officer arrests any person for violation of  
5 sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon Laws**  
6 **2015** [of this Act], the officer may take into possession all marijuana  
7 items[,] and other property [which] **that** the person so arrested has in pos-  
8 session, or **is** on the premises, [which] **that** is apparently being used in vio-  
9 lation of sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon**  
10 **Laws 2015** [of this Act].

11 "(2) If [the] a person [so] arrested **as described in this section** is con-  
12 victed, and [it is found] **the court finds** that the marijuana items[,] and  
13 other property [has] **have** been used in violation of [Oregon law] **the laws**  
14 **of this state:**

15 "(a) The marijuana items [shall] **must** be forfeited to an appropriate state  
16 or local law enforcement agency[,] and [shall] **must** be delivered by the court  
17 or officer, **at the direction of the court,** to the law enforcement agency;  
18 and

19 "(b) Subject to other applicable law, the other property [shall] **must** be  
20 forfeited to the Oregon Liquor Control Commission, and [shall] **must** be de-  
21 livered by the court or officer to the commission.

22 "(3) The commission is authorized to destroy or make such other disposi-  
23 tion of any property it receives under [paragraph (b) of] subsection (2)(b) of  
24 this section as it considers to be in the public interest. In any such case, all  
25 such property, including lockers, chairs, tables, cash registers, music devices,  
26 gambling devices, furniture, furnishings, equipment and facilities for the  
27 storing, serving or using of marijuana items [shall] **must** be confiscated and  
28 forfeited to [the] **this** state, and the clear proceeds [shall] **must** be deposited  
29 with the State Treasury in the Common School Fund in the manner provided  
30 in this section.

1        **SECTION 62.** Section 65, chapter 1, Oregon Laws 2015, is amended to  
2 read:

3        **"Sec. 65.** The county courts, district attorneys and municipal authorities,  
4 immediately upon the conviction of any licensee of the Oregon Liquor Con-  
5 trol Commission of a violation of any provision of sections 3 to [30 of this  
6 Act or sections 45 to] 70, **chapter 1, Oregon Laws 2015, [of this Act]** or the  
7 violation of any other law of this state or ordinance of any municipality  
8 [therein] **in this state**, in which violation marijuana had any part, shall  
9 notify the commission [thereof. Such officials] **of the conviction. The**  
10 **county courts, district attorneys and municipal authorities** shall notify  
11 the commission of any acts, practices or other conduct of [any such] a  
12 licensee [which] **convicted as described in this section** that may be  
13 subversive of the general welfare or contrary to the spirit of **sections 3 to**  
14 **70, chapter 1, Oregon Laws 2015, [this Act]** and shall recommend such  
15 action on the part of the commission as will remove the evil.

16        **SECTION 63.** Section 66, chapter 1, Oregon Laws 2015, is amended to  
17 read:

18        **"Sec. 66.** Any room, house, building, boat, structure or place of any kind  
19 where marijuana items are sold, manufactured, bartered or given away in  
20 violation of Oregon law, or where persons are permitted to resort for the  
21 purpose of using marijuana items in violation of Oregon law, or any place  
22 where marijuana items are kept for sale, barter or gift in violation of Oregon  
23 law, and all marijuana items or property subject to confiscation under sec-  
24 tion 64, **chapter 1, Oregon Laws 2015, [of this Act]** kept and used in such  
25 place, [is] **are** a common nuisance. Any person who maintains or assists in  
26 maintaining [such] **the** common nuisance or knowingly suffers or permits  
27 [such] **the** nuisance to exist in any place of which the person is the owner,  
28 manager or lessor, [shall be] **is** guilty of a violation of sections 3 to [30 of  
29 this Act and sections 45 to] 70, **chapter 1, Oregon Laws 2015 [of this Act].**

30        **SECTION 64.** Section 67, chapter 1, Oregon Laws 2015, is amended to



1 read:

2 “**Sec. 67.** If it is proved that the owner of any building or premises  
3 knowingly has [*suffered the same to be used or*] **used the building or**  
4 **premises or allowed the building or premises to be** occupied for the  
5 manufacture, sale or possession of marijuana items[,] contrary to the pro-  
6 visions of sections 3 to [*30 of this Act or sections 45 to*] 70, **chapter 1,**  
7 **Oregon Laws 2015** [*of this Act*], [*such*] **the** building or premises are subject  
8 to a lien for, and may be sold to pay all fines and costs assessed against their  
9 occupants for, any violation of sections 3 to [*30 of this Act or sections 45*  
10 *to*] 70, **chapter 1, Oregon Laws 2015** [*of this Act*]. The lien [*shall*] **must** be  
11 enforced immediately by civil action in any court having jurisdiction, by the  
12 district attorney of the county [*wherein*] **in which** the building or premises  
13 are located.

14 “**SECTION 65.** Section 68, chapter 1, Oregon Laws 2015, is amended to  
15 read:

16 “**Sec. 68.** In case of invasion, disaster, insurrection[,] **or** riot, or imminent  
17 danger [*thereof*] **of invasion, disaster, insurrection or riot**, the Governor  
18 may, for the duration of [*such*] **the** invasion, disaster, insurrection[,] **or** riot,  
19 or imminent danger [*thereof*], immediately suspend without notice any license  
20 in the area involved granted under sections 3 to [*30 of this Act or sections*  
21 *45 to*] 70, **chapter 1, Oregon Laws 2015** [*of this Act*].

22 “**SECTION 66.** Section 69, chapter 1, Oregon Laws 2015, is amended to  
23 read:

24 “**Sec. 69.** (1) Except where other punishment is specifically provided for  
25 in sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of this Act*], violation of  
26 any provision of sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*  
27 *Act*] is a Class A misdemeanor.

28 “[*(2) A violation of subsection (1) of section 40 of this Act is a Class B*  
29 *misdemeanor.*]

30 “[*(3)*] **(2)** Subject to ORS 153.022, violation of any [*regulation*

1 *promulgated*] **rule adopted** under **section 7 (2)(d), chapter 1, Oregon Laws**  
2 **2015**, [*paragraph (e) of subsection (2) of section 7 of this Act*] is a Class C  
3 violation.

4 **“SECTION 67.** Section 70, chapter 1, Oregon Laws 2015, is amended to  
5 read:

6 **“Sec. 70.** If any [*sections, subsections, paragraphs, phrases, or words*]  
7 **section, subsection, paragraph, phrase or word** of sections 3 to 70,  
8 **chapter 1, Oregon Laws 2015**, [*of this Act shall be*] **is held to be** uncon-  
9 **stitutional, void[,] or illegal**, either on [*their*] **its** face or as applied, [*this*  
10 *shall*] **that holding does** not affect the applicability, constitutionality[,] or  
11 legality of any other [*sections, subsections, paragraphs, phrases, and words*]  
12 **section, subsection, paragraph, phrase or word** of sections 3 to 70,  
13 **chapter 1, Oregon Laws 2015** [*of this Act*]. To that end, the sections, sub-  
14 sections, paragraphs, phrases[,] and words of sections 3 to 70, **chapter 1,**  
15 **Oregon Laws 2015**, [*of this Act*] are intended to be severable. It is hereby  
16 declared to be the intent of **the people of this state in adopting** sections  
17 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] that sections 3 to 70,  
18 **chapter 1, Oregon Laws 2015**, [*of this Act*] would have been adopted had  
19 such unconstitutional, void[,] or illegal sections, subsections, paragraphs,  
20 phrases[,] or words, if any, not been included in sections 3 to 70, **chapter**  
21 **1, Oregon Laws 2015** [*of this Act*].

22 **“SECTION 68.** Section 72, chapter 1, Oregon Laws 2015, is amended to  
23 read:

24 **“Sec. 72.** As used in the following statutes and any rule adopted [*there-*  
25 *under*] **under the following statutes**, the term ‘controlled substance’  
26 [*shall*] **does** not include marijuana:

27 **“(1)** ORS 475.125 [*to ORS*], **475.135, 475.145, 475.155 and 475.165** [*(regis-*  
28 *tration with the State Board of Pharmacy)*].

29 **“(2)** ORS 475.175 [*to ORS*], **475.185, 475.188 and 475.190** [*(records)*].

30 **“SECTION 68a.** ORS 475.752, as amended by section 76, chapter 1,



1 Oregon Laws 2015, is amended to read:

2 "475.752. (1) Except for licensees and licensee representatives, **both as**  
3 **defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in**  
4 **lawful activities** [*as defined in subsections (10) and (11) of section 5 of this*  
5 *Act*], and except for a person acting within the scope of and in compliance  
6 with **section 6 (1), chapter 1, Oregon Laws 2015** [*subsection (1) of section*  
7 *6 of this Act*], and except as authorized by ORS 475.005 to 475.285 and 475.752  
8 to 475.980, it is unlawful for any person to manufacture or deliver a con-  
9 trolled substance. Any person who violates this subsection with respect to:

10 "(a) A controlled substance in Schedule I, is guilty of a Class A felony,  
11 except as otherwise provided in ORS 475.886 and 475.890.

12 "(b) A controlled substance in Schedule II, is guilty of a Class B felony,  
13 except as otherwise provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880,  
14 475.882, 475.904 and 475.906.

15 "(c) A controlled substance in Schedule III, is guilty of a Class C felony,  
16 except as otherwise provided in ORS 475.904 and 475.906.

17 "(d) A controlled substance in Schedule IV, is guilty of a Class B  
18 misdemeanor.

19 "(e) A controlled substance in Schedule V, is guilty of a Class C  
20 misdemeanor.

21 "(2) Except as authorized in ORS 475.005 to 475.285 and 475.752 to 475.980,  
22 it is unlawful for any person to create or deliver a counterfeit substance.  
23 Any person who violates this subsection with respect to:

24 "(a) A counterfeit substance in Schedule I, is guilty of a Class A felony.

25 "(b) A counterfeit substance in Schedule II, is guilty of a Class B felony.

26 "(c) A counterfeit substance in Schedule III, is guilty of a Class C felony.

27 "(d) A counterfeit substance in Schedule IV, is guilty of a Class B  
28 misdemeanor.

29 "(e) A counterfeit substance in Schedule V, is guilty of a Class C  
30 misdemeanor.

1       “(3) It is unlawful for any person knowingly or intentionally to possess  
2 a controlled substance, other than marijuana, unless the substance was ob-  
3 tained directly from, or pursuant to a valid prescription or order of, a prac-  
4 titioner while acting in the course of professional practice, or except as  
5 otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any  
6 person who violates this subsection with respect to:

7       “(a) A controlled substance in Schedule I, is guilty of a Class B felony,  
8 except as otherwise provided in ORS 475.894.

9       “(b) A controlled substance in Schedule II, is guilty of a Class C felony,  
10 except as otherwise provided in ORS 475.864.

11       “(c) A controlled substance in Schedule III, is guilty of a Class A  
12 misdemeanor.

13       “(d) A controlled substance in Schedule IV, is guilty of a Class C  
14 misdemeanor.

15       “(e) A controlled substance in Schedule V, is guilty of a violation.

16       “(4) In any prosecution under this section for manufacture, possession or  
17 delivery of that plant of the genus *Lophophora* commonly known as peyote,  
18 it is an affirmative defense that the peyote is being used or is intended for  
19 use:

20       “(a) In connection with the good faith practice of a religious belief;

21       “(b) As directly associated with a religious practice; and

22       “(c) In a manner that is not dangerous to the health of the user or others  
23 who are in the proximity of the user.

24       “(5) The affirmative defense created in subsection (4) of this section is  
25 not available to any person who has possessed or delivered the peyote while  
26 incarcerated in a correctional facility in this state.

27       “(6)(a) Notwithstanding subsection (1) of this section, a person who un-  
28 lawfully manufactures or delivers a controlled substance in Schedule IV and  
29 who thereby causes death to another person is guilty of a Class C felony.

30       “(b) For purposes of this subsection, causation is established when the

1 controlled substance plays a substantial role in the death of the other per-  
2 son.

3  
4 **"TAXATION**  
5 **"EFFECTIVE ON PASSAGE**

6  
7 **"SECTION 69.** As used in sections 69 to 80 of this 2015 Act:

8 **"(1) 'Cannabinoid concentrate,' 'cannabinoid edible,' 'cannabinoid**  
9 **extract,' 'cannabinoid product,' 'marijuana,' 'marijuana flowers,'**  
10 **'marijuana items,' 'marijuana leaves' and 'marijuana retailer' have**  
11 **the meanings given those terms in section 5, chapter 1, Oregon Laws**  
12 **2015.**

13 **"(2) 'Retail sales price' means the price paid for an untaxed**  
14 **marijuana item to a marijuana retailer by or on behalf of a consumer**  
15 **of the untaxed marijuana item.**

16 **"(3) 'Untaxed marijuana item' means a marijuana item for which**  
17 **the tax required under section 70 of this 2015 Act has not been paid.**

18 **"SECTION 70. (1) A tax is hereby imposed upon the retail sale of**  
19 **marijuana items in this state. The tax imposed by this section is in-**  
20 **tended to be a direct tax on the consumer, for which payment upon**  
21 **retail sale is required to achieve convenience and facility in the col-**  
22 **lection and administration of the tax. The tax shall be collected at the**  
23 **point of sale of a marijuana item by a marijuana retailer at the time**  
24 **at which the sale occurs.**

25 **"(2) The tax imposed under this section shall be imposed at the rate**  
26 **of:**

27 **"(a) \_\_\_\_\_ percent of the retail sales price of marijuana leaves;**

28 **"(b) \_\_\_\_\_ percent of the retail sales price of marijuana flowers;**

29 **"(c) \_\_\_\_\_ percent of the retail sales price of a cannabinoid edible;**

30 **"(d) \_\_\_\_\_ percent of the retail sales price of a cannabinoid con-**

1 centrate;

2 “(e) \_\_\_\_\_ percent of the retail sales price of a cannabinoid extract;

3 and

4 “(f) \_\_\_\_\_ percent of the retail sales price of a cannabinoid product  
5 that is intended to be used by applying the cannabinoid product to the  
6 skin or hair.

7 “(3) If the tax imposed under this section does not equal an amount  
8 calculable to a whole cent, the tax shall be equal to the next higher  
9 whole cent.

10 “(4) Marijuana items are not subject to tax if previously taxed un-  
11 der this section.

12 **“SECTION 71. (1)** Except as otherwise provided in sections 69 to 80  
13 of this 2015 Act, the tax imposed under section 70 of this 2015 Act shall  
14 be collected and remitted by each marijuana retailer holding a license  
15 required under section 22, chapter 1, Oregon Laws 2015, that engages  
16 in the retail sale of marijuana items. The tax shall be paid to the De-  
17 partment of Revenue not more than 30 days after the last day of each  
18 calendar quarter for the previous calendar quarter.

19 “(2) With each quarterly payment, the marijuana retailer shall  
20 submit a return to the department in a form and manner prescribed  
21 by the department.

22 “(3) The tax, penalties and interest imposed by sections 69 to 80 of  
23 this 2015 Act shall be a personal debt, from the time liability is in-  
24 curred, owed by the marijuana retailer to this state until paid.

25 “(4) The returns required of marijuana retailers under this section  
26 shall be filed regardless of whether any tax is owed.

27 “(5)(a) The department for good cause may extend the time for  
28 making any return under this section. The extension may be granted  
29 at any time if a written request is filed with the department during  
30 or prior to the period for which the extension may be granted. The

1 department may not grant an extension of more than one month.

2 “(b) When the time for filing a return is extended at the request  
3 of a marijuana retailer, interest shall be added at the rate established  
4 under ORS 305.220 for each month, or fraction of a month, from the  
5 time the return was originally required to be filed to the time of pay-  
6 ment.

7 “SECTION 72. (1) The Department of Revenue shall administer and  
8 enforce sections 69 to 80 of this 2015 Act. The department is authorized  
9 to establish rules and procedures for the implementation and enforce-  
10 ment of sections 69 to 80 of this 2015 Act that are consistent with  
11 sections 69 to 80 of this 2015 Act and that the department considers  
12 necessary and appropriate to administer and enforce sections 69 to 80  
13 of this 2015 Act.

14 “(2) The Oregon Liquor Control Commission shall enter into an  
15 agreement with the department for the purpose of administering and  
16 enforcing those provisions of sections 69 to 80 of this 2015 Act and rules  
17 or procedures established for the purpose of implementing and en-  
18 forcing sections 69 to 80 of this 2015 Act that the commission and the  
19 department determine are necessary for the effective and efficient  
20 administration, implementation and enforcement of sections 69 to 80  
21 of this 2015 Act.

22 “SECTION 73. (1) If any tax imposed under sections 69 to 80 of this  
23 2015 Act, or any portion of the tax, is not paid within the time provided  
24 by law, and if no provision is made to secure the payment of the tax  
25 by bond, deposit or otherwise, pursuant to rules adopted by the De-  
26 partment of Revenue, the department may issue a warrant for the  
27 payment of the amount of the tax, with the added penalties, interest  
28 and the sheriff’s cost of executing the warrant. A copy of the warrant  
29 shall be mailed or delivered to the taxpayer by the department at the  
30 taxpayer’s last-known address.

1       “(2) At any time after issuing a warrant under this section, the  
2 department may record the warrant in the County Clerk Lien Record  
3 of any county of this state. Recording of the warrant has the effect  
4 described in ORS 205.125. After recording a warrant, the department  
5 may direct the sheriff for the county in which the warrant is recorded  
6 to levy upon and sell the real and personal property of the taxpayer  
7 found within that county, and to levy upon any currency of the tax-  
8 payer found within that county, for the application of the proceeds or  
9 currency against the amount reflected in the warrant and the sheriff’s  
10 cost of executing the warrant. The sheriff shall proceed on the warrant  
11 in the same manner prescribed by law for executions issued against  
12 property pursuant to a judgment, and the sheriff is entitled to the  
13 same fees as provided for executions issued against property pursuant  
14 to a judgment. The fees of the sheriff shall be added to and collected  
15 as a part of the warrant liability.

16       “(3) In the discretion of the department a warrant under this sec-  
17 tion may be directed to any agent authorized by the department to  
18 collect the tax imposed by sections 69 to 80 of this 2015 Act. In the  
19 execution of the warrant the agent has all of the powers conferred by  
20 law upon sheriffs, but is entitled to no fee or compensation in excess  
21 of actual expenses paid in the performance of the agent’s duties.

22       “(4) Until a warrant issued under this section is satisfied in full, the  
23 department has the same remedies to enforce the claim for taxes  
24 against the taxpayer as if this state had recovered judgment against  
25 the taxpayer for the amount of the tax.

26       “SECTION 74. Unless the context requires otherwise, the provisions  
27 of ORS chapters 305, 314 and 316 as to the audit and examination of  
28 reports and returns, determination of deficiencies, assessments, claims  
29 for refunds, penalties, interest, jeopardy assessments, warrants, con-  
30 ferences and appeals to the Oregon Tax Court, and procedures related

1 to those provisions, apply to sections 69 to 80 of this 2015 Act the same  
2 as if the tax were a tax imposed upon or measured by net income. The  
3 provisions of ORS chapters 305, 314 and 316 apply to the consumer li-  
4 able for the tax and to the marijuana retailer required to collect the  
5 tax. As to any amount collected and required to be remitted to the  
6 Department of Revenue, the tax is considered a tax upon the  
7 marijuana retailer required to collect the tax and that marijuana  
8 retailer is considered a taxpayer.

9 **SECTION 75.** If, under sections 69 to 80 of this 2015 Act, the De-  
10 partment of Revenue is not satisfied with the return or the amount  
11 of tax paid to this state by any person, the department may compute  
12 and determine the amount required to be paid upon the basis of the  
13 facts contained in the return or upon the basis of any information in  
14 the department's possession or that may come into the department's  
15 possession. One or more deficiency determinations may be made of the  
16 amount due for one or for more than one period. Notices of deficiency  
17 shall be given and interest on deficiencies shall be computed as pro-  
18 vided in ORS 305.265. Subject to ORS 314.421 and 314.423, liens for taxes  
19 or deficiencies arise at the time of assessment, continue until the  
20 taxes, interest and penalties are fully satisfied and may be recorded  
21 and collected in the manner provided for the collection of delinquent  
22 income taxes.

23 **SECTION 76.** If the Department of Revenue believes that the col-  
24 lection of any tax imposed under sections 69 to 80 of this 2015 Act or  
25 any amount of the tax required to be paid to this state will be jeop-  
26 ardized by delay, the department shall make a determination of the  
27 tax or amount of tax required to be collected, noting that fact upon  
28 the determination. The amount determined is immediately due and  
29 payable, and the department shall assess the taxes, notify the person  
30 and proceed to collect the tax in the same manner and using the same

1 procedures as for the collection of income taxes under ORS 314.440.

2 **SECTION 77.** Every marijuana retailer responsible for the col-  
3 lection of the tax imposed by sections 69 to 80 of this 2015 Act shall  
4 keep records, render statements, make returns and comply with rules  
5 adopted by the Department of Revenue with respect to the tax.  
6 Whenever in the judgment of the department it is necessary, the de-  
7 partment may require the marijuana retailer, by notice served upon  
8 that person by first class mail, to make returns, render statements or  
9 keep records sufficient to show whether there is tax liability under  
10 sections 69 to 80 of this 2015 Act.

11 **SECTION 78.** (1) All moneys received by the Department of Reve-  
12 nue under sections 69 to 80 of this 2015 Act shall be deposited in the  
13 State Treasury and credited to a suspense account established under  
14 ORS 293.445. The department may pay expenses for administration and  
15 enforcement of sections 69 to 80 of this 2015 Act out of moneys received  
16 from the tax imposed under section 70 of this 2015 Act. Amounts nec-  
17 essary to pay administrative and enforcement expenses are contin-  
18 uously appropriated to the department from the suspense account.

19 **(2)** Upon request, the department shall transfer available moneys  
20 from the account to the Oregon Liquor Control Commission for de-  
21 posit in the Marijuana Control and Regulation Fund established under  
22 section 32 of this 2015 Act for purposes related to administering and  
23 enforcing sections 3 to 70, chapter 1, Oregon Laws 2015.

24 **(3)** After the payment of administrative and enforcement expenses  
25 and refunds or credits arising from erroneous overpayments, and after  
26 transferring available moneys pursuant to subsection (2) of this sec-  
27 tion, the balance of the moneys received by the department under this  
28 section shall be credited to the Oregon Marijuana Account established  
29 under section 44, chapter 1, Oregon Laws 2015.

30 **SECTION 79.** (1) Except as expressly authorized by state statute,



1 the authority to impose a tax or fee on the production, processing or  
2 sale of marijuana items in this state is vested solely in the Legislative  
3 Assembly.

4 “(2) Except as expressly authorized by state statute, a county, city  
5 or other municipal corporation or district may not adopt ordinances  
6 imposing a tax or fee on the production, processing or sale of  
7 marijuana items in this state.

8 “SECTION 80. For the purpose of compensating marijuana retailers  
9 for expenses incurred in collecting the tax imposed under section 70  
10 of this 2015 Act, each marijuana retailer is permitted to deduct and  
11 retain two percent of the amount of taxes that are collected by the  
12 marijuana retailer from all sales of marijuana items conducted by the  
13 marijuana retailer.

14 “SECTION 81. Section 44, chapter 1, Oregon Laws 2015, is amended to  
15 read:

16 “Sec. 44. (1) There is established the Oregon Marijuana Account, sepa-  
17 rate and distinct from the General Fund.

18 “(2) The account shall consist of moneys transferred to the account  
19 under section 78 of this 2015 Act.

20 “[~~(2)~~] (3) [*At the end of each month,*] The Oregon Liquor Control Com-  
21 mission shall certify the amount of moneys available for distribution in the  
22 Oregon Marijuana Account and[*, after withholding such moneys as it may*  
23 *deem necessary to carry out its obligations under sections 3 to 70 of this Act,*  
24 *shall within 35 days of the month for which a distribution is made*] distribute  
25 the moneys as follows:

26 “(a) Forty percent [*shall*] **must** be transferred to the Common School  
27 Fund;

28 “(b) Twenty percent [*shall*] **must** be transferred to the Mental Health  
29 Alcoholism and Drug Services Account established under ORS 430.380;

30 “(c) Fifteen percent [*shall*] **must** be transferred to the State Police Ac-

1 count established under ORS 181.175;

2 “(d) To assist local law enforcement in performing its duties under [*this*  
3 *Act, ten percent shall*] **sections 3 to 70, chapter 1, Oregon Laws 2015, 10**  
4 **percent must** be transferred to the cities of [*the*] **this** state in the following  
5 shares:

6 “(A) For all distributions made from the Oregon Marijuana Account be-  
7 fore July 1, 2017, in such shares as the population of each city bears to the  
8 population of the cities of [*the*] **this** state, as determined by [*the State Board*  
9 *of Higher Education*] **Portland State University** last preceding such appor-  
10 tionment, under ORS 190.510 to 190.610; and

11 “(B) For all distributions made from the Oregon Marijuana Account on  
12 or after July 1, 2017:

13 “(i) Fifty percent of [*such ten*] **the 10 percent** [*shall*] **must** be transferred  
14 in such shares as the number of licenses issued by the commission under  
15 sections 19 to 21, **chapter 1, Oregon Laws 2015**, [*of this Act*] during the  
16 calendar year preceding the date of the distribution for premises located in  
17 each city bears to the number of such licenses issued by the commission  
18 during such calendar year for all premises in [*the*] **this** state; and

19 “(ii) Fifty percent of [*such ten*] **the 10 percent** [*shall*] **must** be transferred  
20 in such shares as the number of licenses issued by the commission under  
21 section 22, **chapter 1, Oregon Laws 2015**, [*of this Act*] during the calendar  
22 year preceding the date of the distribution for premises located in each city  
23 bears to the number of such licenses issued by the commission during such  
24 calendar year for all premises in [*the*] **this** state;

25 “(e) To assist local law enforcement in performing its duties under [*this*  
26 *Act, ten percent shall*] **sections 3 to 70, chapter 1, Oregon Laws 2015, 10**  
27 **percent must** be transferred to counties in the following shares:

28 “(A) For all distributions made from the Oregon Marijuana Account be-  
29 fore July 1, 2017, in such shares as their respective populations bear to the  
30 total population of [*the*] **this** state, as estimated from time to time by [*the*

1 *State Board of Higher Education*] **Portland State University**; and

2 “(B) For all distributions made from the Oregon Marijuana Account on  
3 or after July 1, 2017:

4 “(i) Fifty percent of [*such ten*] **the 10 percent** [*shall*] **must** be transferred  
5 in such shares as the number of licenses issued by the commission under  
6 sections 19 to 21, **chapter 1, Oregon Laws 2015**, [*of this Act*] during the  
7 calendar year preceding the date of the distribution for premises located in  
8 each county bears to the number of such licenses issued by the commission  
9 during such calendar year for all premises in [*the*] **this** state; and

10 “(ii) Fifty percent of [*such ten*] **the 10 percent** [*shall*] **must** be transferred  
11 in such shares as the number of licenses issued by the commission under  
12 section 22, **chapter 1, Oregon Laws 2015**, [*of this Act*] during the calendar  
13 year preceding the date of the distribution for premises located in each  
14 county bears to the number of such licenses issued by the commission during  
15 such calendar year for all premises in [*the*] **this** state; and

16 “(f) Five percent [*shall*] **must** be transferred to the Oregon Health Au-  
17 thority to be used for the establishment, operation[,] and maintenance of al-  
18 cohool and drug abuse prevention, early intervention and treatment services.

19 “[*(3)*] **(4)** It is the intent of [*this section*] **the Legislative Assembly** that  
20 the moneys distributed from the Oregon Marijuana Account to the  
21 [*distributees*] **persons listed** in subsection [*(2)*] **(3)** of this section are in ad-  
22 dition to, **and not in lieu of**, any other [*available*] moneys **available** to such  
23 [*distributees and do not supplant moneys available from any other source*]  
24 **persons.**

25 “**SECTION 82.** ORS 305.140 is amended to read:

26 “305.140. (1) Any person having an interest in or lien upon any real  
27 property may request the Department of Revenue in writing to release such  
28 real property from a cloud on the title of or lien on such property existing,  
29 created or continued under any one or more of the following:

30 “(a) A warrant provided for in ORS 314.430, 321.570 or 323.610 **or section**

1 **73 of this 2015 Act**; or

2 “(b) The provisions of ORS 311.673, 311.679, 311.689, 311.711 or 311.771.

3 “(2) If, upon a request under subsection (1) of this section, the department  
4 finds that a sale of such real property would not result in satisfaction in  
5 whole or in part of the taxes due, it shall execute a release of such cloud  
6 or lien upon such property, and such release shall be conclusive evidence of  
7 the removal and extinguishment of such cloud or lien in respect of such real  
8 property.

9 “(3) In addition to the release of cloud or lien provided for in subsection  
10 (1) of this section, the department may execute releases on part or all of any  
11 real property in the following cases, which releases shall be conclusive evi-  
12 dence of the removal and extinguishment of such cloud or lien:

13 “(a) If the department finds that liability for the amount assessed, to-  
14 gether with all interest thereon and penalties and costs in respect thereof,  
15 has been satisfied;

16 “(b) If the department finds that the fair market value of that part of the  
17 property remaining subject to the cloud or lien is at least double the amount  
18 of the liability remaining unsatisfied in respect of such tax and the amount  
19 of all prior liens upon the property;

20 “(c) If there is supplied to the department either an irrevocable letter of  
21 credit issued by an insured institution as defined in ORS 706.008 or a bond,  
22 in such form and with such surety as the department considers sufficient,  
23 conditioned upon the payment of the amount of the warrant, together with  
24 all interest in respect thereof, within 60 days after the issuance of the re-  
25 lease; or

26 “(d) If there is paid to the department in partial satisfaction of the  
27 amount of the warrant provided for in ORS 314.430, 321.570 or 323.610 or  
28 **section 73 of this 2015 Act** or the amount of any lien under ORS 311.673,  
29 311.679, 311.689, 311.711 or 311.771, an amount not less than the value, as  
30 determined by the department, of the lien of the State of Oregon upon the

1 part of the property so to be released. In determining such value the de-  
2 partment shall give consideration to the fair market value of the part of the  
3 property so to be released and to such liens thereon as have priority to the  
4 lien of the State of Oregon.

5 **SECTION 83.** ORS 305.895 is amended to read:

6 "305.895. (1) Except as provided in ORS 314.440 or other jeopardy assess-  
7 ment procedure, the Department of Revenue shall take no action against a  
8 taxpayer's or transferee's real or personal property before issuing a warrant  
9 for the collection of tax or an amount payable by a transferee under ORS  
10 311.695 as provided in ORS 314.430, 320.080, 321.570, 323.390, 323.610 and  
11 324.190 **and section 73 of this 2015 Act.**

12 "(2) At least 30 days before issuing a warrant for collection of any tax  
13 collected by the department or any amount payable under ORS 311.695, the  
14 department shall send the taxpayer or transferee a written notice and de-  
15 mand for payment. The notice shall:

16 "(a) Be sent by mail, addressed to the taxpayer or transferee at the  
17 taxpayer's or transferee's last-known address.

18 "(b) Inform the taxpayer or transferee that, even if the taxpayer or  
19 transferee is compliant with an installment agreement between the taxpayer  
20 or transferee and the department and is in communication with the depart-  
21 ment, if the tax or any portion of the tax or the amount payable under ORS  
22 311.695 is not paid within 30 days after the date of the notice and demand  
23 for payment, a warrant may be issued and recorded as provided in ORS  
24 314.430, 320.080, 321.570, 323.390, 323.610 and 324.190 **and section 73 of this**  
25 **2015 Act.**

26 "(c) Describe in clear nontechnical terms the legal authority for the  
27 warrant.

28 "(d) Contain the name, office mailing address and office telephone number  
29 of the person issuing the warrant and advise the taxpayer or transferee that  
30 questions or complaints concerning the warrant, other than liability for the

1 underlying tax or amount payable under ORS 311.695, may be directed to that  
2 person.

3 “(e) Include alternatives available to the taxpayer or transferee that  
4 would prevent issuance of the warrant.

5 “(f) Inform the taxpayer or transferee of possible consequences to the  
6 taxpayer or transferee of noncompliance, and of issuance of a warrant, in-  
7 cluding garnishment of wages or bank accounts and seizure and sale of real  
8 or personal property.

9 **“SECTION 84.** ORS 305.992 is amended to read:

10 “305.992. (1) If any returns required to be filed under ORS chapter 118,  
11 314, 316, 317, 318, 321 or 323 **or sections 69 to 80 of this 2015 Act** or under  
12 a local tax administered by the Department of Revenue under ORS 305.620  
13 are not filed for three consecutive years by the due date (including exten-  
14 sions) of the return required for the third consecutive year, there shall be a  
15 penalty for each year of 100 percent of the tax liability determined after  
16 credits and prepayments for each such year.

17 “(2) The penalty imposed under this section is in addition to any other  
18 penalty imposed by law. However, the total amount of penalties imposed for  
19 any taxable year under this section, ORS 305.265 (13), 314.400, 323.403 or  
20 323.585 [*shall*] **or section 74 of this 2015 Act** may not exceed 100 percent  
21 of the tax liability.

22 **“SECTION 85.** Section 86 of this 2015 Act is added to and made a  
23 part of ORS chapter 317.

24 **“SECTION 86.** Section 280E of the Internal Revenue Code applies to  
25 all trafficking in controlled substances in Schedule I or Schedule II  
26 that is prohibited by federal law or the laws of this state, other than  
27 conduct authorized under sections 3 to 70, chapter 1, Oregon Laws  
28 2015.

29 **“SECTION 87.** ORS 316.680 is amended to read:

30 “316.680. (1) There shall be subtracted from federal taxable income:

1       “(a) The interest or dividends on obligations of the United States and its  
2 territories and possessions or of any authority, commission or  
3 instrumentality of the United States to the extent includable in gross income  
4 for federal income tax purposes but exempt from state income taxes under  
5 the laws of the United States. However, the amount subtracted under this  
6 paragraph shall be reduced by any interest on indebtedness incurred to carry  
7 the obligations or securities described in this paragraph, and by any expenses  
8 incurred in the production of interest or dividend income described in this  
9 paragraph to the extent that such expenses, including amortizable bond pre-  
10 miums, are deductible in determining federal taxable income.

11       “(b) The amount of any federal income taxes accrued by the taxpayer  
12 during the taxable year as described in ORS 316.685, less the amount of any  
13 refunds of federal taxes previously accrued for which a tax benefit was re-  
14 ceived.

15       “(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the  
16 Internal Revenue Code to the extent that the taxpayer does not elect under  
17 section 642(g) of the Internal Revenue Code to reduce federal taxable income  
18 by those amounts.

19       “(d) Any supplemental payments made to JOBS Plus Program participants  
20 under ORS 411.892.

21       “(e)(A) Federal pension income that is attributable to federal employment  
22 occurring before October 1, 1991. Federal pension income that is attributable  
23 to federal employment occurring before October 1, 1991, shall be determined  
24 by multiplying the total amount of federal pension income for the tax year  
25 by the ratio of the number of months of federal creditable service occurring  
26 before October 1, 1991, over the total number of months of federal creditable  
27 service.

28       “(B) The subtraction allowed under this paragraph applies only to federal  
29 pension income received at a time when:

30       “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are

1 in effect; or

2 “(ii) Public Employees Retirement System benefits received for service  
3 prior to October 1, 1991, are exempt from state income tax.

4 “(C) As used in this paragraph:

5 “(i) ‘Federal creditable service’ means those periods of time for which a  
6 federal employee earned a federal pension.

7 “(ii) ‘Federal pension’ means any form of retirement allowance provided  
8 by the federal government, its agencies or its instrumentalities to retirees  
9 of the federal government or their beneficiaries.

10 “(f) Any amount included in federal taxable income for the tax year that  
11 is attributable to the conversion of a regular individual retirement account  
12 into a Roth individual retirement account described in section 408A of the  
13 Internal Revenue Code, to the extent that:

14 “(A) The amount was subject to the income tax of another state or the  
15 District of Columbia in a prior tax year; and

16 “(B) The taxpayer was a resident of the other state or the District of  
17 Columbia for that prior tax year.

18 “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial  
19 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has  
20 not taken the amount as a deduction in determining the taxpayer’s federal  
21 taxable income for the tax year.

22 “(h) If included in taxable income for federal tax purposes, the amount  
23 withdrawn during the tax year in qualified withdrawals from a college  
24 savings network account established under ORS 348.841 to 348.873.

25 **“(i) Any federal deduction that the taxpayer would have been al-**  
26 **lowed for the production, processing or sale of marijuana items au-**  
27 **thorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for**  
28 **section 280E of the Internal Revenue Code.**

29 “(2) There shall be added to federal taxable income:

30 “(a) Interest or dividends, exempt from federal income tax, on obligations



1 or securities of any foreign state or of a political subdivision or authority  
2 of any foreign state. However, the amount added under this paragraph shall  
3 be reduced by any interest on indebtedness incurred to carry the obligations  
4 or securities described in this paragraph and by any expenses incurred in the  
5 production of interest or dividend income described in this paragraph.

6 “(b) Interest or dividends on obligations of any authority, commission,  
7 instrumentality and territorial possession of the United States that by the  
8 laws of the United States are exempt from federal income tax but not from  
9 state income taxes. However, the amount added under this paragraph shall  
10 be reduced by any interest on indebtedness incurred to carry the obligations  
11 or securities described in this paragraph and by any expenses incurred in the  
12 production of interest or dividend income described in this paragraph.

13 “(c) The amount of any federal estate taxes allocable to income in respect  
14 of a decedent not taxable by Oregon.

15 “(d) The amount of any allowance for depletion in excess of the taxpayer’s  
16 adjusted basis in the property depleted, deducted on the taxpayer’s federal  
17 income tax return for the taxable year, pursuant to sections 613, 613A, 614,  
18 616 and 617 of the Internal Revenue Code.

19 “(e) For taxable years beginning on or after January 1, 1985, the dollar  
20 amount deducted under section 151 of the Internal Revenue Code for personal  
21 exemptions for the taxable year.

22 “(f) The amount taken as a deduction on the taxpayer’s federal return for  
23 unused qualified business credits under section 196 of the Internal Revenue  
24 Code.

25 “(g) The amount of any increased benefits paid to a taxpayer under  
26 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon  
27 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not  
28 includable in the taxpayer’s federal taxable income under the Internal Rev-  
29 enue Code.

30 “(h) The amount of any long term care insurance premiums paid or in-

1 curred by the taxpayer during the tax year if:

2 “(A) The amount is taken into account as a deduction on the taxpayer’s  
3 federal return for the tax year; and

4 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax  
5 year.

6 “(i) Any amount taken as a deduction under section 1341 of the Internal  
7 Revenue Code in computing federal taxable income for the tax year, if the  
8 taxpayer has claimed a credit for claim of right income repayment adjust-  
9 ment under ORS 315.068.

10 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS  
11 348.841, from a college savings network account established under ORS  
12 348.841 to 348.873, the amount of the withdrawal that is attributable to con-  
13 tributions that were subtracted from federal taxable income under ORS  
14 316.699.

15 “(3) Discount and gain or loss on retirement or disposition of obligations  
16 described under subsection (2)(a) of this section issued on or after January  
17 1, 1985, shall be treated for purposes of this chapter in the same manner as  
18 under sections 1271 to 1283 and other pertinent sections of the Internal  
19 Revenue Code as if the obligations, although issued by a foreign state or a  
20 political subdivision of a foreign state, were not tax exempt under the  
21 Internal Revenue Code.

22 **“SECTION 88.** ORS 316.680, as amended by section 74, chapter 1, Oregon  
23 Laws 2015, is amended to read:

24 “316.680. (1) There shall be subtracted from federal taxable income:

25 “(a) The interest or dividends on obligations of the United States and its  
26 territories and possessions or of any authority, commission or  
27 instrumentality of the United States to the extent includable in gross income  
28 for federal income tax purposes but exempt from state income taxes under  
29 the laws of the United States. However, the amount subtracted under this  
30 paragraph shall be reduced by any interest on indebtedness incurred to carry

1 the obligations or securities described in this paragraph, and by any expenses  
2 incurred in the production of interest or dividend income described in this  
3 paragraph to the extent that such expenses, including amortizable bond pre-  
4 miums, are deductible in determining federal taxable income.

5 “(b) The amount of any federal income taxes accrued by the taxpayer  
6 during the taxable year as described in ORS 316.685, less the amount of any  
7 refunds of federal taxes previously accrued for which a tax benefit was re-  
8 ceived.

9 “(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the  
10 Internal Revenue Code to the extent that the taxpayer does not elect under  
11 section 642(g) of the Internal Revenue Code to reduce federal taxable income  
12 by those amounts.

13 “(d) Any supplemental payments made to JOBS Plus Program participants  
14 under ORS 411.892.

15 “(e)(A) Federal pension income that is attributable to federal employment  
16 occurring before October 1, 1991. Federal pension income that is attributable  
17 to federal employment occurring before October 1, 1991, shall be determined  
18 by multiplying the total amount of federal pension income for the tax year  
19 by the ratio of the number of months of federal creditable service occurring  
20 before October 1, 1991, over the total number of months of federal creditable  
21 service.

22 “(B) The subtraction allowed under this paragraph applies only to federal  
23 pension income received at a time when:

24 “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are  
25 in effect; or

26 “(ii) Public Employees Retirement System benefits received for service  
27 prior to October 1, 1991, are exempt from state income tax.

28 “(C) As used in this paragraph:

29 “(i) ‘Federal creditable service’ means those periods of time for which a  
30 federal employee earned a federal pension.

1       “(ii) ‘Federal pension’ means any form of retirement allowance provided  
2 by the federal government, its agencies or its instrumentalities to retirees  
3 of the federal government or their beneficiaries.

4       “(f) Any amount included in federal taxable income for the tax year that  
5 is attributable to the conversion of a regular individual retirement account  
6 into a Roth individual retirement account described in section 408A of the  
7 Internal Revenue Code, to the extent that:

8       “(A) The amount was subject to the income tax of another state or the  
9 District of Columbia in a prior tax year; and

10       “(B) The taxpayer was a resident of the other state or the District of  
11 Columbia for that prior tax year.

12       “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial  
13 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has  
14 not taken the amount as a deduction in determining the taxpayer’s federal  
15 taxable income for the tax year.

16       “(h) If included in taxable income for federal tax purposes, the amount  
17 withdrawn during the tax year in qualified withdrawals from a college  
18 savings network account established under ORS 348.841 to 348.873.

19       “[(i) *For income tax years commencing on or after January 1, 2015, the*  
20 *amount of any deductions or credits that the taxpayer would have been allowed*  
21 *but for the provisions of section 280E of the Internal Revenue Code.*]

22       “(i) **Any federal deduction that the taxpayer would have been al-**  
23 **lowed for the production, processing or sale of marijuana items au-**  
24 **thorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for**  
25 **section 280E of the Internal Revenue Code.**

26       “(2) There shall be added to federal taxable income:

27       “(a) Interest or dividends, exempt from federal income tax, on obligations  
28 or securities of any foreign state or of a political subdivision or authority  
29 of any foreign state. However, the amount added under this paragraph shall  
30 be reduced by any interest on indebtedness incurred to carry the obligations

1 or securities described in this paragraph and by any expenses incurred in the  
2 production of interest or dividend income described in this paragraph.

3 “(b) Interest or dividends on obligations of any authority, commission,  
4 instrumentality and territorial possession of the United States that by the  
5 laws of the United States are exempt from federal income tax but not from  
6 state income taxes. However, the amount added under this paragraph shall  
7 be reduced by any interest on indebtedness incurred to carry the obligations  
8 or securities described in this paragraph and by any expenses incurred in the  
9 production of interest or dividend income described in this paragraph.

10 “(c) The amount of any federal estate taxes allocable to income in respect  
11 of a decedent not taxable by Oregon.

12 “(d) The amount of any allowance for depletion in excess of the taxpayer’s  
13 adjusted basis in the property depleted, deducted on the taxpayer’s federal  
14 income tax return for the taxable year, pursuant to sections 613, 613A, 614,  
15 616 and 617 of the Internal Revenue Code.

16 “(e) For taxable years beginning on or after January 1, 1985, the dollar  
17 amount deducted under section 151 of the Internal Revenue Code for personal  
18 exemptions for the taxable year.

19 “(f) The amount taken as a deduction on the taxpayer’s federal return for  
20 unused qualified business credits under section 196 of the Internal Revenue  
21 Code.

22 “(g) The amount of any increased benefits paid to a taxpayer under  
23 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon  
24 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not  
25 includable in the taxpayer’s federal taxable income under the Internal Rev-  
26 enue Code.

27 “(h) The amount of any long term care insurance premiums paid or in-  
28 curred by the taxpayer during the tax year if:

29 “(A) The amount is taken into account as a deduction on the taxpayer’s  
30 federal return for the tax year; and

1       “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax  
2 year.

3       “(i) Any amount taken as a deduction under section 1341 of the Internal  
4 Revenue Code in computing federal taxable income for the tax year, if the  
5 taxpayer has claimed a credit for claim of right income repayment adjust-  
6 ment under ORS 315.068.

7       “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS  
8 348.841, from a college savings network account established under ORS  
9 348.841 to 348.873, the amount of the withdrawal that is attributable to con-  
10 tributions that were subtracted from federal taxable income under ORS  
11 316.699.

12       “(3) Discount and gain or loss on retirement or disposition of obligations  
13 described under subsection (2)(a) of this section issued on or after January  
14 1, 1985, shall be treated for purposes of this chapter in the same manner as  
15 under sections 1271 to 1283 and other pertinent sections of the Internal  
16 Revenue Code as if the obligations, although issued by a foreign state or a  
17 political subdivision of a foreign state, were not tax exempt under the  
18 Internal Revenue Code.

19       **“SECTION 89. Sections 69 to 80 of this 2015 Act and the amendments  
20 to ORS 305.140, 305.895 and 305.992 and section 44, chapter 1, Oregon  
21 Laws 2015, by sections 81 to 84 of this 2015 Act apply to retail sales of  
22 marijuana items by licensed marijuana retailers occurring on or after  
23 January 1, 2016.**

24       **“SECTION 90. (1) Section 86 of this 2015 Act and the amendments  
25 to ORS 316.680 by sections 87 and 88 of this 2015 Act apply to conduct  
26 occurring on or after January 1, 2016, and to tax years beginning on  
27 or after January 1, 2016.**

28       **“(2) The repeal of section 71, chapter 1, Oregon Laws 2015, by sec-  
29 tion 133 of this 2015 Act applies to all tax years.**

30

1 "TESTING

2  
3 **"SECTION 91. As used in sections 91 to 100 of this 2015 Act:**

4 **"(1) 'Cannabinoid' means any of the chemical compounds that are**  
5 **the active constituents of marijuana.**

6 **"(2) 'Cannabinoid concentrate or extract' means a substance ob-**  
7 **tained by separating cannabinoids from marijuana by a mechanical,**  
8 **chemical or other process.**

9 **"(3) 'Cannabinoid edible' means food or potable liquid into which a**  
10 **cannabinoid concentrate or extract or the dried leaves or flowers of**  
11 **marijuana have been incorporated.**

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

16 **"(b) 'Cannabinoid product' does not include:**

17 **"(A) Usable marijuana by itself;**

18 **"(B) A cannabinoid concentrate or extract by itself; or**

19 **"(C) Industrial hemp, as defined in ORS 571.300.**

20 **"(5)(a) 'Marijuana' means the plant Cannabis family Cannabaceae,**  
21 **any part of the plant Cannabis family Cannabaceae and the seeds of**  
22 **the plant Cannabis family Cannabaceae.**

23 **"(b) 'Marijuana' does not include industrial hemp, as defined in**  
24 **ORS 571.300.**

25 **"(6) 'Marijuana item' means marijuana, usable marijuana, a**  
26 **cannabinoid product or a cannabinoid concentrate or extract.**

27 **"(7) 'Processing' means the compounding or conversion of**  
28 **marijuana into cannabinoid products or cannabinoid concentrates or**  
29 **extracts.**

30 **"(8) 'Production' means:**

1       “(a) Planting, cultivating, growing, trimming or harvesting  
2 marijuana; or

3       “(b) Drying marijuana leaves and flowers.

4       “(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of  
5 marijuana.

6       “(b) ‘Usable marijuana’ does not include:

7       “(A) The seeds, stalks and roots of marijuana; or

8       “(B) Waste material that is a by-product of producing or processing  
9 marijuana.

10       “SECTION 92. (1) As in necessary to protect the public health and  
11 safety, and in consultation with the Oregon Liquor Control Commis-  
12 sion and the State Department of Agriculture, the Oregon Health Au-  
13 thority shall adopt rules:

14       “(a) Establishing standards for testing marijuana items;

15       “(b) Identifying appropriate tests for marijuana items, depending  
16 on the type of marijuana item and how the marijuana item was  
17 produced or processed, that are necessary to protect the public health  
18 and safety, including, but not limited to, testing for:

19       “(A) Microbiological contaminants;

20       “(B) Pesticides;

21       “(C) Other contaminants;

22       “(D) Solvents or residual solvents; and

23       “(E) Tetrahydrocannabinol and cannabidiol concentration;

24       “(c) Establishing procedures for determining batch sizes and for  
25 sampling usable marijuana, cannabinoid products and cannabinoid  
26 concentrates or extracts; and

27       “(d) Establishing different minimum standards for different varie-  
28 ties of usable marijuana and different types of cannabinoid products  
29 and cannabinoid concentrates and extracts.

30       “(2) In addition to the testing requirements established under sub-



1 section (1) of this section, the authority or the commission may re-  
2 quire cannabinoid edibles to be tested in accordance with any  
3 applicable law of this state, or any applicable rule adopted under a law  
4 of this state, related to the production and processing of food products  
5 or commodities.

6 “(3) In adopting rules under ORS 475.300 to 475.346, the authority  
7 shall require:

8 “(a) A person responsible for a marijuana grow site under ORS  
9 475.304 to test usable marijuana before transferring the usable  
10 marijuana to a registrant other than an individual who holds a regis-  
11 try identification card under ORS 475.309; and

12 “(b) A person processing marijuana to test cannabinoid products  
13 or cannabinoid concentrates or extracts before transferring the  
14 cannabinoid products or cannabinoid concentrates or extracts to a  
15 registrant other than an individual who holds a registry identification  
16 card under ORS 475.309.

17 “(4) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws  
18 2015, the commission shall require:

19 “(a) A marijuana producer that holds a license under section 19,  
20 chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a  
21 license under section 21, chapter 1, Oregon Laws 2015, to test usable  
22 marijuana before selling or transferring the usable marijuana;

23 “(b) A marijuana processor that holds a license under section 20,  
24 chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a  
25 license under section 21, chapter 1, Oregon Laws 2015, to test  
26 cannabinoid products or cannabinoid concentrates or extracts before  
27 selling or transferring the cannabinoid products or cannabinoid con-  
28 centrates or extracts.

29 “(5) In adopting rules to implement this section, the authority and  
30 commission may not require a marijuana item to undergo the same

1 test more than once unless the marijuana item is processed into a  
2 different type of marijuana item or the condition of the marijuana  
3 item has fundamentally changed.

4 “(6) The testing of marijuana items as required by this section must  
5 be conducted by a laboratory licensed by the commission under section  
6 93 of this 2015 Act and accredited by the authority under section 94 of  
7 this 2015 Act.

8 “(7) The authority in adopting rules under subsection (1) of this  
9 section:

10 “(a) Shall consider the cost of a potential procedure and how that  
11 cost will effect the cost to the ultimate consumer of the marijuana  
12 item; and

13 “(b) May not adopt rules that are more restrictive than is reason-  
14 ably necessary to protect the public health and safety.

15 “SECTION 93. (1) A laboratory that conducts testing of marijuana  
16 items as required by section 92 of this 2015 Act must have a license to  
17 operate at the premises at which the marijuana items are tested.

18 “(2) For purposes of this section, the Oregon Liquor Control Com-  
19 mission shall adopt rules establishing:

20 “(a) Qualifications to be licensed under this section, including that  
21 an applicant for licensure under this section must be accredited by the  
22 authority as described in section 94 of this 2015 Act;

23 “(b) Processes for applying for and renewing a license under this  
24 section;

25 “(d) Procedures for:

26 “(A) Tracking usable marijuana, cannabinoid products and  
27 cannabinoid concentrates or extracts to be tested;

28 “(B) Documenting and reporting test results; and

29 “(C) Disposing of samples of usable marijuana, cannabinoid pro-  
30 ducts and cannabinoid concentrates or extracts that have been tested;

1 and

2 “(d) Fees for applying for, receiving and renewing a license under  
3 this section.

4 “(3) A license issued under this section must be renewed annually.

5 “(4) The commission may inspect premises licensed under this sec-  
6 tion to ensure compliance with this sections 91 to 100 of this 2015 Act  
7 and rules adopted under sections 91 to 100 of this 2015 Act.

8 “(5) Subject to the provisions of ORS chapter 183, the commission  
9 may refuse to issue or renew, or may suspend or revoke, a license is-  
10 sued under this section for violation of:

11 “(a) A provision of sections 91 to 100 of this 2015 Act or a rule  
12 adopted under a provision of sections 91 to 100 of this 2015 Act; or

13 “(b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015,  
14 or a rule adopted under a provision of sections 3 to 70, chapter 1,  
15 Oregon Laws 2015.

16 “(6) Fees adopted under subsection (2)(d) of this section must be  
17 reasonably calculated to pay the expenses incurred by the commission  
18 under sections 91 to 100 of this 2015 Act.

19 “(7) Fee moneys collected under this section shall be deposited in  
20 the Marijuana Control and Regulation Fund established under section  
21 32 of this 2015 Act and are continuously appropriated to the commis-  
22 sion for the purpose of carrying out the duties, functions and powers  
23 of the authority under sections 91 to 100 of this 2015 Act.

24 “SECTION 94. (1) A laboratory that conducts testing of marijuana  
25 items as required by section 92 of this 2015 Act must be accredited  
26 under ORS 438.605 to 438.620 and meet other qualifications as estab-  
27 lished by the Oregon Health Authority under this section.

28 “(2) In addition to other qualifications required pursuant to ORS  
29 438.605 to 438.620, the authority shall require an applicant for accredi-  
30 tation under ORS 438.605 to 438.620 for purposes related to the testing

1 of marijuana items to:

2 “(a) Complete an application;

3 “(b) Undergo an onsite inspection; and

4 “(c) Meet other applicable requirements, specifications and guide-  
5 lines for testing marijuana items, as determined to be appropriate by  
6 the authority by rule.

7 “(3) The authority may inspect premises licensed under section 93  
8 of this 2015 Act to ensure compliance with sections 91 to 100 of this  
9 2015 Act and rules adopted under sections 91 to 100 of this 2015 Act.

10 “(4) Subject to the provisions of ORS chapter 183, the authority may  
11 refuse to issue or renew, or may suspend or revoke, a laboratory’s  
12 accreditation issued under this section and ORS 438.605 to 438.620 for  
13 violation of:

14 “(a) A provision of sections 91 to 100 of this 2015 Act or a rule  
15 adopted under a provision of sections 91 to 100 of this 2015 Act; or

16 “(b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015,  
17 or a rule adopted under a provision of sections 3 to 70, chapter 1,  
18 Oregon Laws 2015.

19 “(5) In establishing fees under ORS 438.620 for laboratories that test  
20 marijuana items, the authority shall establish fees that are reasonably  
21 calculated to pay the expenses incurred by the authority under this  
22 section and ORS 438.605 to 439.620 in accrediting laboratories that test  
23 marijuana items.

24 **“SECTION 95.** Sections 91 to 100 of this 2015 Act do not apply to:

25 “(1) A person responsible for a marijuana grow site under ORS  
26 475.304 if the person is transferring a marijuana item to a person who  
27 holds a registry identification card under ORS 475.309 or a person who  
28 has been designated as the primary caregiver of a person who holds a  
29 registry identification card; or

30 “(2) A person who has been designated as a primary caregiver under

1 ORS 475.312 if the person is transferring a marijuana item to a person  
2 who holds a registry identification card under ORS 475.309.

3 **SECTION 96.** Subject to the applicable provisions of ORS chapter  
4 183, the Oregon Liquor Control Commission may refuse to issue or  
5 renew, or may suspend or revoke, a license issued under section 19,  
6 20, 21 or 22, chapter 1, Oregon Laws 2015, if the applicant or licensee  
7 violates a provision of sections 91 to 100 of this 2015 Act or a rule  
8 adopted under a provision of sections 91 to 100 of this 2015 Act.

9 **SECTION 97.** Subject to the applicable provisions of ORS chapter  
10 183, the Oregon Health Authority may refuse to register a person un-  
11 der ORS 475.300 to 475.314, may suspend activities conducted by a reg-  
12 istrant pursuant to ORS 475.300 to 475.314, or may remove a registrant  
13 from a registry kept pursuant to ORS 475.300 to 475.314, if the person  
14 violates a provision of sections 91 to 100 of this 2015 Act or a rule  
15 adopted under a provision of sections 91 to 100 of this 2015 Act.

16 **SECTION 99.** (1) In addition to any other liability or penalty pro-  
17 vided by law, the Oregon Health Authority may impose for each vio-  
18 lation of a provision of sections 91 to 100 of this 2015 Act, or a rule  
19 adopted under a provision of sections 91 to 100 of this 2015 Act, a civil  
20 penalty that does not exceed \$500 for each day that the violation oc-  
21 curs.

22 **(2)** The authority shall impose civil penalties under this section in  
23 the manner provided by ORS 183.745.

24 **(3)** Moneys collected under this section shall be deposited in the  
25 Oregon Health Authority Fund established under ORS 413.101 and are  
26 continuously appropriated to the authority for the purpose of carrying  
27 out the duties, functions and powers of the authority under sections  
28 91 to 100 of this 2015 Act.

29 **SECTION 100.** A person who holds a license under section 93 of this  
30 2015 Act, and an employee or other person who performs work for a

1 person who holds a license under section 93 of this 2015 Act, are ex-  
2 empt from the criminal laws of this state for possession, delivery or  
3 manufacture of marijuana, aiding and abetting another in the pos-  
4 session, delivery or manufacture of marijuana, or any other criminal  
5 offense in which possession, delivery or manufacture of marijuana is  
6 an element.

7  
8 **“PACKAGING, LABELING AND DOSAGE**

9  
10 **“SECTION 101. As used in sections 101 to 110 of this 2015 Act:**

11 **“(1) ‘Cannabinoid’ means any of the chemical compounds that are**  
12 **the active constituents of marijuana.**

13 **“(2) ‘Cannabinoid concentrate or extract’ means a substance ob-**  
14 **tained by separating cannabinoids from marijuana by a mechanical,**  
15 **chemical or other process.**

16 **“(3) ‘Cannabinoid edible’ means food or potable liquid into which a**  
17 **cannabinoid concentrate or extract or the dried leaves or flowers of**  
18 **marijuana have been incorporated.**

19 **“(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any**  
20 **other product intended for human consumption or use, including a**  
21 **product intended to be applied to a person’s skin or hair, that contains**  
22 **cannabinoids or the dried leaves or flowers of marijuana.**

23 **“(b) ‘Cannabinoid product’ does not include:**

24 **“(A) Usable marijuana by itself;**

25 **“(B) A cannabinoid concentrate or extract by itself; or**

26 **“(C) Industrial hemp, as defined in ORS 571.300.**

27 **“(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,**  
28 **any part of the plant Cannabis family Cannabaceae and the seeds of**  
29 **the plant Cannabis family Cannabaceae.**

30 **“(b) ‘Marijuana’ does not include industrial hemp, as defined in**

1 **ORS 571.300.**

2 **“(6) ‘Marijuana item’ means marijuana, usable marijuana, a**  
3 **cannabinoid product or a cannabinoid concentrate or extract.**

4 **“(7) ‘Processing’ means the compounding or conversion of**  
5 **marijuana into cannabinoid products or cannabinoid concentrates or**  
6 **extracts.**

7 **“(8) ‘Production’ means:**

8 **“(a) Planting, cultivating, growing, trimming or harvesting**  
9 **marijuana; or**

10 **“(b) Drying marijuana leaves and flowers.**

11 **“(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of**  
12 **marijuana.**

13 **“(b) ‘Usable marijuana’ does not include:**

14 **“(A) The seeds, stalks and roots of marijuana; or**

15 **“(B) Waste material that is a by-product of producing or processing**  
16 **marijuana.**

17 **“SECTION 102. (1) As in necessary to protect the public health and**  
18 **safety, and in consultation with the Oregon Liquor Control Commis-**  
19 **sion and the State Department of Agriculture, the Oregon Health Au-**  
20 **thority shall adopt rules establishing standards for the labeling of**  
21 **marijuana items, including but not limited to:**

22 **“(a) Health and safety warnings;**

23 **“(b) Activation time;**

24 **“(c) Results of tests conducted pursuant to sections 91 to 100 of this**  
25 **2015 Act;**

26 **“(d) Potency;**

27 **“(e) Labeling that is in accordance with applicable state food label-**  
28 **ing requirements for the same type of food product or potable liquid**  
29 **when the food product or potable liquid does not contain marijuana**  
30 **or cannabinoids;**

1       “(f) For cannabinoid products and cannabinoid concentrates and  
2 extracts, serving size and the number of servings included in a  
3 cannabinoid product or cannabinoid concentrate or extract package;  
4 and

5       “(g) Content of the marijuana item.

6       “(2) In adopting rules under ORS 475.300 to 475.346, the authority  
7 shall require all usable marijuana, cannabinoid products and  
8 cannabinoid concentrates and extracts transferred by a medical  
9 marijuana facility registered under ORS 475.314 to be labeled in ac-  
10 cordance with subsection (1) of this section and rules adopted under  
11 subsection (1) of this section.

12       “(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws  
13 2015, the Oregon Liquor Control Commission shall require all usable  
14 marijuana, cannabinoid products and cannabinoid concentrates and  
15 extracts sold or transferred by a marijuana retailer that holds a li-  
16 cense under section 22, chapter 1, Oregon Laws 2015, to be labeled in  
17 accordance with subsection (1) of this section and rules adopted under  
18 subsection (1) of this section.

19       “(4) In adopting rules under subsection (1) of this section the au-  
20 thority:

21       “(a) May establish different labeling standards for different varie-  
22 ties of usable marijuana and for different types of cannabinoid pro-  
23 ducts and cannabinoid concentrates and extracts;

24       “(b) May establish different minimum standards for persons regis-  
25 tered under ORS 475.300 to 475.346 and persons licensed under sections  
26 3 to 70, chapter 1, Oregon Laws 2015;

27       “(c) Shall consider the cost of a potential requirement and how that  
28 cost will effect the cost to the ultimate consumer of the marijuana  
29 item; and

30       “(b) May not adopt rules that are more restrictive than is reason-



1 ably necessary to protect the public health and safety.

2 **“SECTION 103. (1) The Oregon Liquor Control Commission may**  
3 **require a person that holds a license under section 19, 20, 21 or 22,**  
4 **chapter 1, Oregon Laws 2015, to submit, prior to the sale of a**  
5 **marijuana item, to submit a label for pre-approval to the commission**  
6 **to determine compliance with section 102 of this 2015 Act and any rule**  
7 **adopted under section 102 of this 2015 Act.**

8 **“(2) The commission may impose a fee for submitting a label for**  
9 **pre-approval under this section that is reasonably calculated to not**  
10 **exceed the cost of administering this section.**

11 **“SECTION 104. (1) As in necessary to protect the public health and**  
12 **safety, and in consultation with the Oregon Health Authority and the**  
13 **State Department of Agriculture, the Oregon Liquor Control Com-**  
14 **mission shall adopt rules establishing standards for the packaging of**  
15 **marijuana items, including but not limited to:**

16 **“(a) Ensuring that usable marijuana, cannabinoid edibles and other**  
17 **cannabinoid products, and cannabinoid concentrates and extracts are:**

18 **“(A) Packaged in child resistant safety packaging; and**

19 **“(B) Are not marketed in a manner that:**

20 **“(i) Is untruthful or misleading;**

21 **“(ii) Is attractive to minors; or**

22 **“(iii) Otherwise creates a significant risk of harm to public health**  
23 **and safety; and**

24 **“(b) Ensuring that cannabinoid edibles and other cannabinoid pro-**  
25 **ducts are not packaged in a manner that is attractive to minors.**

26 **“(2) In adopting rules under ORS 475.300 to 475.346, the authority**  
27 **shall require all usable marijuana, cannabinoid products and**  
28 **cannabinoid concentrates and extracts transferred by a medical**  
29 **marijuana facility registered under ORS 475.314 to be packaged in ac-**  
30 **cordance with subsection (1) of this section and rules adopted under**

1 subsection (1) of this section.

2 “(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws  
3 2015, the Oregon Liquor Control Commission shall require all usable  
4 marijuana, cannabinoid products and cannabinoid concentrates and  
5 extracts sold or transferred by a marijuana retailer that holds a li-  
6 cense under section 22, chapter 1, Oregon Laws 2015, to be packaged  
7 in accordance with subsection (1) of this section and rules adopted  
8 under subsection (1) of this section.

9 “(4) In adopting rules under subsection (1) of this section the com-  
10 mission:

11 “(a) May establish different packaging standards for different vari-  
12 eties of usable marijuana and for different types of cannabinoid pro-  
13 ducts and cannabinoid concentrates and extracts;

14 “(b) May establish different minimum standards for persons regis-  
15 tered under ORS 475.300 to 475.346 and persons licensed under sections  
16 3 to 70, chapter 1, Oregon Laws 2015;

17 “(c) Shall consider the cost of a potential requirement and how that  
18 cost will effect the cost to the ultimate consumer of the marijuana  
19 item; and

20 “(b) May not adopt rules that are more restrictive than is reason-  
21 ably necessary to protect the public health and safety.

22 “SECTION 105. (1) The Oregon Liquor Control Commission may  
23 require a person that holds a license under section 19, 20, 21 or 22,  
24 chapter 1, Oregon Laws 2015, to submit, prior to the sale of a  
25 marijuana item, to submit packaging for pre-approval to the commis-  
26 sion to determine compliance with section 104 of this 2015 Act and any  
27 rule adopted under section 104 of this 2015 Act.

28 “(2) The commission may impose a fee for submitting packaging for  
29 pre-approval under this section that is reasonably calculated to not  
30 exceed the cost of administering this section..

1       **“SECTION 106. (1) The Oregon Health Authority shall adopt rules**  
2 **establishing the maximum amount of tetrahydrocannabinol concen-**  
3 **tration that is permitted in a single serving of a cannabinoid product**  
4 **or cannabinoid concentrate or extract and the amount of servings that**  
5 **are permitted in a cannabinoid product or cannabinoid concentrate or**  
6 **extract package.**

7       **“(2) In adopting rules under ORS 475.300 to 475.346, the authority**  
8 **shall require all usable marijuana, cannabinoid products and**  
9 **cannabinoid concentrates and extracts transferred by a medical**  
10 **marijuana facility registered under ORS 475.314 to meet the concen-**  
11 **tration standards adopted by rule pursuant to subsection (1) of this**  
12 **section.**

13       **“(3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws**  
14 **2015, the Oregon Liquor Control Commission shall require all usable**  
15 **marijuana, cannabinoid products and cannabinoid concentrates and**  
16 **extracts sold or transferred by a marijuana retailer that holds a li-**  
17 **cence under section 22, chapter 1, Oregon Laws 2015, to be meet the**  
18 **concentration standards adopted by rule pursuant to subsection (1) of**  
19 **this section.**

20       **“SECTION 107. Sections 91 to 100 of this 2015 Act do not apply to:**

21       **“(1) A person responsible for a marijuana grow site under ORS**  
22 **475.304 if the person is transferring a marijuana item to a person who**  
23 **holds a registry identification card under ORS 475.309 or a person who**  
24 **has been designated as the primary caregiver of a person who holds a**  
25 **registry identification card; or**

26       **“(2) A person who has been designated as a primary caregiver under**  
27 **ORS 475.312 if the person is transferring a marijuana item to a person**  
28 **who holds a registry identification card under ORS 475.309.**

29       **“SECTION 108. The Oregon Health Authority may inspect the**  
30 **premises of a medical marijuana facility registered under ORS 475.314**

1 or of a person that processes marijuana to test cannabinoid products  
2 or cannabinoid concentrates or extracts for the purpose of transferring  
3 the cannabinoid products or cannabinoid concentrates or extracts to  
4 a medical marijuana facility registered under ORS 475.314 to ensure  
5 compliance with section 101 to 110 of this 2015 Act and any rule  
6 adopted under sections 101 to 110 of this 2015 Act.

7 **SECTION 108a.** The Oregon Liquor Control Commission may in-  
8 spect the premises of a person that holds a license under section 19,  
9 20, 21 or 22, chapter 1, Oregon Laws 2015, to ensure compliance with  
10 section 101 to 110 of this 2015 Act and any rule adopted under sections  
11 101 to 110 of this 2015 Act.

12 **SECTION 109.** Subject to the applicable provisions of ORS chapter  
13 183, the Oregon Health Authority may refuse to register a person un-  
14 der ORS 475.300 to 475.314, may suspend activities conducted by a reg-  
15 istrant pursuant to ORS 475.300 to 475.314, or may remove a registrant  
16 from a registry kept pursuant to ORS 475.300 to 475.314, if the person  
17 violates a provision of sections 101 to 110 of this 2015 Act or a rule  
18 adopted under a provision of sections 101 to 110 of this 2015 Act.

19 **SECTION 109b.** Subject to the applicable provisions of ORS chapter  
20 183, the Oregon Liquor Control Commission may refuse to issue or  
21 renew, or may suspend or revoke, a license issued under section 19,  
22 20, 21 or 22, chapter 1, Oregon Laws 2015, if the applicant or licensee  
23 violates a provision of sections 101 to 110 of this 2015 Act or a rule  
24 adopted under a provision of sections 101 to 110 of this 2015 Act.

25 **SECTION 110.** (1) In addition to any other liability or penalty pro-  
26 vided by law, the Oregon Health Authority may impose for each vio-  
27 lation of a provision of sections 101 to 110 of this 2015 Act, or a rule  
28 adopted under a provision of sections 101 to 110 of this 2015 Act, a civil  
29 penalty that does not exceed \$500 for each day that the violation oc-  
30 curs.

1       “(2) The authority shall impose civil penalties under this subsection  
2 in the manner provided by ORS 183.745.

3       “(3) Moneys collected under this section shall be deposited in the  
4 Oregon Health Authority Fund established under ORS 413.101 and are  
5 continuously appropriated to the authority for the purpose of carrying  
6 out the duties, functions and powers of the authority under sections  
7 101 to 110 of this 2015 Act.

8       “SECTION 110a. The rules of the Oregon Health Authority adopted  
9 under ORS 475.314 (8) as that statute was in effect before the operative  
10 date specified in section 136 of this 2015 Act continue in effect until  
11 superseded or repealed by rules of the authority or of the commission  
12 adopted under sections 101 to 110 of this 2015 Act.

13  
14                                       “RESEARCH CERTIFICATE

15  
16       “SECTION 111. (1) The Oregon Liquor Control Commission, in con-  
17 sultation with the Oregon Health Authority and the State Department  
18 of Agriculture, shall establish a program for the purpose of identifying  
19 and certifying private and public researchers of cannabis.

20       “(2)(a) The authority shall assist the commission in identifying  
21 candidates for certification under this section with respect to potential  
22 medical research.

23       “(b) The department shall assist the commission in identifying  
24 candidates for certification under this section with respect to potential  
25 agricultural research.

26       “(3) Subject to subsection (4) of this section, the commission shall  
27 adopt by rule or order:

28       “(a) Qualifications for certification under this section;

29       “(b) The term of a certificate issued under this section;

30       “(c) Processes for applying for, receiving and renewing a certificate

1 under this section;

2 “(d) Procedures for tracking marijuana, usable marijuana,  
3 cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
4 tracts received by and disposed or otherwise made use of by a person  
5 certified under this section; and

6 “(e) Procedures for disposing or otherwise making use of marijuana,  
7 usable marijuana, cannabinoid products, cannabinoid concentrates and  
8 cannabinoid extracts.

9 “(4) In establishing qualifications under subsection (3) of this sec-  
10 tion, the commission shall consider the following:

11 “(a) A research applicant’s access to funding and the overall cost  
12 of the proposed research;

13 “(b) The overall benefit of an applicant’s proposed research to this  
14 state’s cannabis industry or to public health and safety; and

15 “(c) Legal barriers to conducting the proposed research or legal  
16 risks associated with conducting the proposed research.

17 “(5) A person certified under this section:

18 “(a) May receive marijuana, usable marijuana, cannabinoid pro-  
19 ducts, cannabinoid concentrates and cannabinoid extracts from a per-  
20 son who holds a license under sections 19, 20, 21 or 22 of sections 3 to  
21 70, chapter 1, Oregon Laws 2015;

22 “(b) May not sell or otherwise transfer marijuana, usable  
23 marijuana, cannabinoid products, cannabinoid concentrates or  
24 cannabinoid extracts to any other person, except as provided in rules  
25 adopted by the commission under section (2)(e) of this section.

26 “(6) Except as exempted by the commission by rule, rules adopted  
27 by the commission for the purpose of administrating and enforcing  
28 sections 3 to 70, chapter 1, Oregon Laws 2015, with respect to licensee  
29 and licensee representatives apply to persons certified under this sec-  
30 tion and persons employed by or who otherwise perform work for

1 persons certified under this section.

2 “(7) A person who is certified under this section, and an employee  
3 or other person who performs work for a person certified under this  
4 section, is exempt from the criminal laws of this state for possession,  
5 delivery or manufacture of marijuana, aiding and abetting another in  
6 the possession, delivery and manufacture of marijuana, or any other  
7 criminal offense in which possession, delivery or manufacture of  
8 marijuana is an element.

9

10

### “CANNABINOID EDIBLES

11

12 “SECTION 112. (1) Notwithstanding the authority granted to the  
13 State Department of Agriculture under ORS chapters 571, 618, 632 and  
14 633, the department may not exercise authority over marijuana items  
15 or a person who holds a license under section 19, 20, 21 or 22, chapter  
16 1, Oregon Laws 2015, except that ORS 618.121 to 618.161, 618.991, 618.995,  
17 633.311 to 633.479, 633.992 and 633.994 apply to marijuana items or a  
18 person who holds a license under section 19, 20, 21 or 22, chapter 1,  
19 Oregon Laws 2015.

20 “(2) In exercising its authority under ORS chapter 616, the depart-  
21 ment may not:

22 “(a) Establish standards for marijuana as a food additive, as defined  
23 in ORS 616.205;

24 “(b) Consider marijuana to be an adulterant, unless a cannabinoid  
25 product, cannabinoid concentrate or cannabinoid extract exceeds ac-  
26 ceptable levels established by the Oregon Liquor Control Commission  
27 by rule; or

28 “(c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid  
29 edibles or enforce ORS 616.256, 616.265, 616.270 or 616.275 with respect  
30 to cannabinoid edibles.

1       **“SECTION 113.** ORS 616.010 is amended to read:

2       “616.010. The duty of administration and enforcement of all regulatory  
3 legislation applying to:

4       “(1) The production, processing and distribution of all food products or  
5 commodities of agricultural origin shall, in addition to such further legis-  
6 lation as shall specifically name the State Department of Agriculture as the  
7 administering agency, be performed by the department to the exclusion of  
8 any other department not so specifically named, **except as provided in**  
9 **section 112 of this 2015 Act.**

10       “(2) The sanitation of establishments where food or drink is consumed on  
11 the premises where sold, or to sanitary practices used in such establishments,  
12 shall be performed by the Oregon Health Authority.

13  
14                               **“MARIJUANA GROW SITE OPT-IN**

15  
16       **“SECTION 114. (1) Notwithstanding any other provision of sections**  
17 **3 to 70, chapter 1, Oregon Laws 2015, a person responsible for a**  
18 **marijuana grow site under ORS 475.304 may apply for a license under**  
19 **section 19, chapter 1, Oregon Laws 2015, to produce marijuana at the**  
20 **address of the marijuana grow site, provided that all individuals reg-**  
21 **istered with the Oregon Health Authority to produce marijuana at the**  
22 **address are listed on the application submitted to the commission un-**  
23 **der section 28, chapter 1, Oregon Laws 2015.**

24       **“(2) Notwithstanding any other provision of sections 3 to 70, chapter**  
25 **1, Oregon Laws 2015, the commission may issue a license under section**  
26 **19, chapter 1, Oregon Laws 2015, to a person responsible for a**  
27 **marijuana grow site under ORS 475.304 if the person and each indi-**  
28 **vidual listed on an application submitted to the commission under**  
29 **section 28, chapter 1, Oregon Laws 2015:**

30       **“(a) Meets any criminal background check requirements established**



1 by the commission by rule;

2 “(b) Agrees to be subject to the provisions of sections 3 to 70,  
3 chapter 1, Oregon Laws 2015, and rules adopted under sections 3 to 70,  
4 chapter 1, Oregon Laws 2015, that apply to marijuana producers; and

5 “(c) Submits proof, in a form and manner prescribed by the com-  
6 mission, of having obtained the permission to apply for licensure un-  
7 der section 19, chapter 1, Oregon Laws 2015, of each individual who  
8 holds a registry identification card issued under ORS 475.309 for whom  
9 the person produces marijuana at the address of the marijuana grow  
10 site.

11 “(3) The commission may waive by rule or order the application of  
12 any provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or any  
13 rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, to a  
14 person responsible for a marijuana grow site that holds a license under  
15 section 19, chapter 1, Oregon Laws 2015.

16 “(4) A person responsible for a marijuana grow site who holds a li-  
17 cense under section 19, chapter 1, Oregon Laws 2015, and each person  
18 listed on the application submitted to the commission under section  
19 28, chapter 1, Oregon Laws 2015, for that license:

20 “(a) May not possess an aggregate number of mature marijuana  
21 plants in excess of amounts permitted under ORS 475.320;

22 “(b) May transfer marijuana and usable marijuana to other regis-  
23 trants under ORS 475.300 to 475.346 in accordance with rules adopted  
24 by the authority; and

25 “(c) May sell immature marijuana plants and usable marijuana to  
26 other persons licensed under sections 19, 20, 21 and 22, chapter 1,  
27 Oregon Laws 2015, in accordance with rules adopted by the commis-  
28 sion.

29 “(5) This section does not prohibit or otherwise restrict the duties,  
30 functions and powers of a person responsible for a marijuana grow site

1 as set forth in ORS 475.300 to 475.346.

2  
3 **"ENERGY AND WATER USAGE**

4  
5 **"SECTION 115. (1) For purposes of the report describing an**  
6 **applicant's or licensee's water usage as required by section 19, chapter**  
7 **1, Oregon Laws 2015, the Oregon Liquor Control Commission shall re-**  
8 **quire an applicant for a marijuana production license under section**  
9 **19, chapter 1, Oregon Laws 2015, or a marijuana producer who holds**  
10 **a license under section 19, chapter 1, Oregon Laws 2015, to submit the**  
11 **following information as part of the report:**

12 **"(a) At the time of applying for or renewing the license:**

13 **"(A) The source of water to be used by the applicant or licensee in**  
14 **the production of marijuana;**

15 **"(B) If applicable, a description of the applicant's or licensee's wa-**  
16 **ter rights;**

17 **"(C) Whether the premises is located in an irrigation district**  
18 **formed under ORS chapter 545; and**

19 **"(D) Whether the premises is located in a drainage basin or asso-**  
20 **ciated subbasin for which the Governor has declared that a severe,**  
21 **continuing drought exists pursuant to ORS 536.720; and**

22 **"(b) At the time of renewing the license, the estimated gallons of**  
23 **water used each month for the previous 12 months.**

24 **"(2) All agencies of state government, as defined in ORS 174.111,**  
25 **shall assist the commission in performing the commission's duties**  
26 **under this section and, to the extent permitted by laws relating to**  
27 **confidentiality, to furnish information and advice to the commission**  
28 **necessary to perform the commission's duties under this section.**

29 **"SECTION 116. (1) The Oregon Liquor Control Commission shall**  
30 **require an applicant for a marijuana production license under section**

1 19, chapter 1, Oregon Laws 2015, or a marijuana producer who holds  
2 a license under section 19, chapter 1, Oregon Laws 2015, to develop an  
3 energy plan in accordance with this section if the applicant or licensee  
4 utilizes artificial grow lights to produce marijuana.

5 “(2) In consideration of industry best practices, the State Depart-  
6 ment of Energy shall determine by rule an amount of electricity in  
7 kilowatt hours per square foot of grow canopy to serve as a basis for  
8 the energy efficient use of artificial grow lights to produce marijuana.  
9 The department shall review and amend as necessary rules adopted  
10 under this subsection at least once every three years.

11 “(3) At the time of applying for or renewing a license under section  
12 19, chapter 1, Oregon Laws 2015, an applicant or licensee that utilizes  
13 artificial grow lights to produce marijuana shall submit to the com-  
14 mission:

15 “(a) The size of each grow canopy of each premises for which an  
16 application has been submitted under section 19, chapter 1, Oregon  
17 Laws 2015, or for which a license has been issued under section 19,  
18 chapter 1, Oregon Laws 2015; and

19 “(b) A report describing the applicant’s or licensee’s expected elec-  
20 trical usage for the upcoming year and any plans that the applicant  
21 or licensee has for attaining the percentage of the amount of elec-  
22 tricity set forth in subsection (5) of this section that corresponds to  
23 the applicant’s or licensee’s aggregate grow canopy size as reported  
24 under paragraph (a) of this subsection.

25 “(4) At the time of renewing a license under section 19, chapter 1,  
26 Oregon Laws 2015, a licensee shall submit to the commission a report  
27 on the licensee’s actual electrical usage for the previous year.

28 “(5) A marijuana producer that utilizes artificial grow lights to  
29 produce marijuana is subject to the fee described in subsection (6) of  
30 this section if the marijuana producer uses an amount of electricity

1 in excess of the following amounts:

2 “(a) If the aggregate grow canopy size reported under subsection (3)  
3 of this section is 500 square feet or less, 95 percent of the amount of  
4 electricity determined by the department under subsection (2) of this  
5 section.

6 “(b) If the aggregate grow canopy size reported under subsection (3)  
7 of this section is more than 500 square feet and 1000 square feet or less,  
8 90 percent of the amount of electricity determined by the department  
9 under subsection (2) of this section.

10 “(c) If the aggregate grow canopy size reported under subsection (3)  
11 of this section is more than 1000 square feet and 1500 square feet or  
12 less, 85 percent of the amount of electricity determined by the de-  
13 partment under subsection (2) of this section.

14 “(d) If the aggregate grow canopy size reported under subsection (3)  
15 of this section is more than 1500 square feet and 2000 square feet or  
16 less, 80 percent of the amount of electricity determined by the de-  
17 partment under subsection (2) of this section.

18 “(e) If the aggregate grow canopy size reported under subsection (3)  
19 of this section is more than 2000 square feet and 2500 square feet or  
20 less, 75 percent of the amount of electricity determined by the de-  
21 partment under subsection (2) of this section.

22 “(f) If the aggregate grow canopy size reported under subsection (3)  
23 of this section is more than 2500 square feet and 3000 square feet or  
24 less, 70 percent of the amount of electricity determined by the de-  
25 partment under subsection (2) of this section.

26 “(g) If the aggregate grow canopy size reported under subsection (2)  
27 of this section is more than 3000 square feet and 3500 square feet or  
28 less, 65 percent of the amount of electricity determined by the de-  
29 partment under subsection (3) of this section.

30 “(h) If the aggregate grow canopy size reported under subsection (2)

1 of this section is more than 3500 square feet and 4000 square feet or  
2 less, 60 percent of the amount of electricity determined by the de-  
3 partment under subsection (3) of this section.

4 “(i) If the aggregate grow canopy size reported under subsection (2)  
5 of this section is more than 4000 square feet and 4500 square feet or  
6 less, 55 percent of the amount of electricity determined by the de-  
7 partment under subsection (3) of this section.

8 “(j) If the aggregate grow canopy size reported under subsection (3)  
9 of this section is more than 4500 square feet, 50 percent of the amount  
10 of electricity determined by the department under subsection (2) of  
11 this section.

12 “(6)(a) If a marijuana producer that utilizes artificial grow lights  
13 to produce marijuana uses an amount of electricity in excess of the  
14 amount of electricity set forth in subsection (5) of this section that  
15 corresponds to the licensee’s aggregate grow canopy size as reported  
16 under subsection (3)(a) of this section, the marijuana producer must  
17 pay the commission, in a form and manner prescribed by the com-  
18 mission, a fee in the following amount:

19 “(A) If the marijuana producer used an amount of electricity 10  
20 percent or less than 10 percent of the amount of electricity set forth  
21 in subsection (5) of this section, five cents per kilowatt hour; or

22 “(B) If the marijuana producer used an amount of electricity more  
23 than 10 percent of an amount of electricity set forth in subsection (5)  
24 of this section, five cents per kilowatt hour.

25 “(b) The commission may deduct from the fee required by para-  
26 graph (a) of this subsection the cost of any energy efficient equipment  
27 for which a marijuana producer provides proof that the energy effi-  
28 cient equipment was purchased during the previous year. Proof that  
29 the energy efficient equipment was purchased during the previous year  
30 must be submitted as part of the report required by subsection (4) of

1 **this section.**

2 **“(7) The department shall assist the commission in performing the**  
3 **commission’s duties under this section and, to the extent permitted**  
4 **by laws relating to confidentiality, to furnish information and advice**  
5 **to the commission necessary to perform the commission’s duties under**  
6 **this section.**

7 **“(8) Moneys collected under this section shall be deposited in the**  
8 **Marijuana Control and Regulation Fund established under section 32**  
9 **of this 2015 Act and are continuously appropriated to the commission**  
10 **for the administration and enforcement of this section.**

11  
12 **“CRIMES**

13 **“EFFECTIVE UPON PASSAGE**

14  
15 **“SECTION 117.** ORS 475.858 is amended to read:

16 **“475.858. (1) It is unlawful for any person to manufacture marijuana**  
17 **within 1,000 feet of the real property comprising a public or private elemen-**  
18 **tary, secondary or career school attended primarily by minors.**

19 **“(2) Unlawful manufacture of marijuana within 1,000 feet of a school is**  
20 **a Class A felony.**

21 **“(3) This section does not apply to:**

22 **“(a) A licensee or licensee representative, as those terms are de-**  
23 **defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in**  
24 **lawful activities; or**

25 **“(b) A person acting within the scope of and in compliance with**  
26 **section 6 (1), chapter 1, Oregon Laws 2015.**

27 **“SECTION 118.** ORS 475.862 is amended to read:

28 **“475.862. (1) It is unlawful for any person to deliver marijuana within**  
29 **1,000 feet of the real property comprising a public or private elementary,**  
30 **secondary or career school attended primarily by minors.**

1       “(2) Unlawful delivery of marijuana within 1,000 feet of a school is a  
2 Class A felony.

3       “(3) This section does not apply to:

4       “(a) A licensee or licensee representative, as those terms are de-  
5 fined in section 5, chapter 1, Oregon Laws 2015, that are engaged in  
6 lawful activities; or

7       “(b) A person acting within the scope of and in compliance with  
8 section 6 (1), chapter 1, Oregon Laws 2015.

9       “SECTION 119. ORS 475.856, as amended by section 77, chapter 1, Oregon  
10 Laws 2015, is amended to read:

11       “475.856. (1) As used in this section, ‘homegrown’ and ‘household’  
12 have the meanings given those terms in section 5, chapter 1, Oregon  
13 Laws 2015.

14       “[(1)] (2) Except for licensees and licensee representatives, as those  
15 terms are section 5, chapter 1, Oregon Laws 2015, that are engaged in  
16 lawful activities [*as defined in subsections (10) and (11) of section 5 of this*  
17 *Act*], and except for a person acting within the scope of and in compliance  
18 with section 6 (1), chapter 1, Oregon Laws 2015 [*subsection (1) of section*  
19 *6 of this Act*], it is unlawful for any person to manufacture marijuana.

20       “[(2)] (3) Unlawful manufacture of marijuana is a Class [*B felony*] C fel-  
21 ony.

22       “[(3)] (4) Notwithstanding subsection [(2)] (3) of this section, unlawful  
23 manufacture of marijuana is a Class B misdemeanor[,] if a person 21 years  
24 of age or older manufactures homegrown marijuana at a household and the  
25 total number of homegrown marijuana plants at the household exceeds four  
26 marijuana plants but does not exceed eight marijuana plants.

27       “[(4) *As used in subsection (3) of this section, the terms ‘homegrown’ and*  
28 *‘household’ have the meanings given to them in section 5 of this Act.*]

29       “SECTION 120. ORS 475.860, as amended by section 78, chapter 1, Oregon  
30 Laws 2015, is amended to read:



1 “475.860. (1) Except for licensees and licensee representatives , **as those**  
2 **terms are defined in section 5, chapter 1, Oregon Laws 2015, that are**  
3 **engaged in lawful activities** [*as defined in subsections (10) and (11) of sec-*  
4 *tion 5 of this Act*], and except for a person acting within the scope of and in  
5 compliance with **section 6 (1), chapter 1, Oregon Laws 2015** [*subsection (1)*  
6 *of section 6 of this Act*], it is unlawful for any person to deliver marijuana.

7 “(2) Unlawful delivery of marijuana is a[:] **Class C felony.**

8 “[*(a) Class B felony if the delivery is for consideration.*]

9 “[*(b) Class C felony if the delivery is for no consideration.*]

10 “(3) Notwithstanding subsection (2) of this section, unlawful delivery of  
11 marijuana is a:

12 “(a) Class A [*misdemeanor*] **violation**, if the delivery is for no consider-  
13 ation and consists of less than one avoirdupois ounce of the dried leaves,  
14 stems and flowers of the plant Cannabis family Moraceae; or

15 “(b) Violation, if the delivery is for no consideration and consists of less  
16 than five grams of the dried leaves, stems and flowers of the plant Cannabis  
17 family Moraceae. A violation under this paragraph is a specific fine vio-  
18 lation. The presumptive fine for a violation under this paragraph is \$650.

19 “(4) Notwithstanding subsections (2) and (3) of this section, unlawful de-  
20 livery of marijuana is a[:] **Class B felony, if the delivery is to a person**  
21 **under 18 years of age and the defendant is at least 18 years of age and**  
22 **is at least three years older than the person to whom the marijuana**  
23 **is delivered.**

24 “[*(a) Class A felony, if the delivery is to a person under 18 years of age*  
25 *and the defendant is at least 18 years of age and is at least three years older*  
26 *than the person to whom the marijuana is delivered; or]*

27 “[*(b) Class C misdemeanor, if the delivery:*]

28 “[*(A) Is for no consideration;*]

29 “[*(B) Consists of less than five grams of the dried leaves, stems and flowers*  
30 *of the plant Cannabis family Moraceae;*]



1       “[(C) Takes place in a public place, as defined in ORS 161.015, that is  
2 within 1,000 feet of the real property comprising a public or private elementary,  
3 secondary or career school attended primarily by minors; and]

4       “[(D) Is to a person who is 18 years of age or older.]

5       “**SECTION 121.** ORS 475.864, as amended by section 79, chapter 1, Oregon  
6 Laws 2015, is amended to read:

7       “475.864. (1) As used in subsections (2) to (4) of this section:

8       “(a) ‘Marijuana’ means the leaves, stems[,] and flowers of the plant  
9 Cannabis family Moraceae.

10       “(b) ‘Marijuana product’ has the meaning given the term ‘marijuana’ in  
11 ORS 475.005 (16), but does not include the leaves, stems and flowers of the  
12 plant Cannabis family Moraceae.

13       “(2) It is unlawful for any person under 21 years of age knowingly or in-  
14 tentionally to possess marijuana or marijuana product.

15       “(3)(a) Unlawful possession of [four] **eight** avoirdupois ounces or more of  
16 marijuana by a person under 21 years of age is a Class [C felony] **A**  
17 **misdemeanor** .

18       “(b) Unlawful possession of one avoirdupois ounce of marijuana or more,  
19 but less than [four] **eight** avoirdupois ounces, by a person under 21 years of  
20 age is a Class B misdemeanor.

21       “(c) Unlawful possession of less than one avoirdupois ounce of marijuana  
22 by a person under 21 years of age is a specific fine violation. The  
23 presumptive fine for a violation under this paragraph is \$650.

24       “(4)(a) Unlawful possession of [one-quarter avoirdupois ounce] **16 ounces**  
25 or more of marijuana product **in a solid form or 72 or more marijuana**  
26 **product in a liquid form** by a person under 21 years of age is a Class [C  
27 *felony*] **A misdemeanor**.

28       “(b) Unlawful possession of less than [one-quarter avoirdupois ounce] **16**  
29 **ounces** of marijuana product **in a solid form or 72 ounces of marijuana**  
30 **product in a liquid form** by a person under 21 years of age is a Class B

1 misdemeanor.

2 “(5) As used in subsections (6) to (8) of this section, [*the terms*]  
3 ‘licensee,’ ‘licensee representative,’ ‘marijuana,’ [*‘marijuana extracts,’*  
4 *‘marijuana products,’*] ‘**cannabinoid product,**’ ‘**cannabinoid concentrate,**’  
5 ‘**cannabinoid extract,**’ ‘marijuana retailer,’ ‘public place[,]’ and ‘usable  
6 marijuana’ have the meanings given [*to them*] **those terms** in section 5,  
7 **chapter 1, Oregon Laws 2015** [*of this Act*].

8 “(6) Except for licensees and licensee representatives **acting in accord-**  
9 **ance with sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule**  
10 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015,** it is un-  
11 lawful for any person 21 years of age or older knowingly or intentionally to  
12 possess:

13 “(a) More than one ounce of usable marijuana in a public place.

14 “(b) More than eight ounces of usable marijuana.

15 “(c) More than [*sixteen*] **16** ounces of [*marijuana*] **cannabinoid** products  
16 in solid form.

17 “(d) More than [*seventy-two*] **72** ounces of [*marijuana*] **cannabinoid** pro-  
18 ducts in liquid form.

19 “(e) More than one ounce of [*marijuana extracts*] **cannabinoid extracts**  
20 **or cannabinoid concentrates.**

21 “(f) [*Any marijuana extracts that were*] **A cannabinoid extract that was**  
22 not purchased from a [*licensed*] marijuana retailer **who holds a license**  
23 **under section 22, chapter 1, Oregon Laws 2015.**

24 “(7) A violation of [*paragraphs (a) to (e) of*] subsection (6)(**a**) to (**e**) of this  
25 section is a:

26 “(a) Class C felony, if the amount possessed is more than four times the  
27 applicable maximum amount specified in subsection (6)(**a**) to (**e**) of this sec-  
28 tion;

29 “(b) Class B misdemeanor, if the amount possessed is more than two  
30 times, but not more than four times, the applicable maximum amount speci-

1 fied in subsection (6)(a) to (e) of this section; or

2 “(c) Class B violation, if the amount possessed is not more than two times  
3 the applicable maximum amount specified in subsection (6)(a) to (e) of this  
4 section.

5 “(8) A violation of [*paragraph (f) of*] subsection (6)(f) of this section is  
6 a:

7 “(a) Class C felony, if the amount possessed is more than one-quarter  
8 ounce of [*such marijuana extracts*] **the cannabinoid extract or**  
9 **cannabinoid concentrate**; or

10 “(b) Class B misdemeanor, if the amount possessed is not more than one-  
11 quarter ounce of [*such marijuana extracts*] **the cannabinoid extract or**  
12 **cannabinoid concentrate**.

13 “**SECTION 122.** ORS 161.705 is amended to read:

14 “161.705. Notwithstanding ORS 161.525, the court may enter judgment of  
15 conviction for a Class A misdemeanor and make disposition accordingly  
16 when:

17 “(1)(a) A person is convicted of any Class C felony; **or**

18 “[*(b) A person is convicted of a Class B felony pursuant to ORS 475.860*  
19 *(2)(a); or*]

20 “[*(c)*] **(b)** A person convicted of a felony described in paragraph (a) [*or*  
21 *(b)*] of this subsection, or of a Class A felony pursuant to ORS 166.720, has  
22 successfully completed a sentence of probation; and

23 “(2) The court, considering the nature and circumstances of the crime and  
24 the history and character of the defendant, believes that it would be unduly  
25 harsh to sentence the defendant for a felony.

26 “**SECTION 123.** ORS 475.900 is amended to read:

27 “475.900. (1) A violation of ORS 475.752, 475.806 to 475.894, 475.904 or  
28 475.906 shall be classified as crime category 8 of the sentencing guidelines  
29 grid of the Oregon Criminal Justice Commission if:

30 “(a) The violation constitutes delivery or manufacture of a controlled

1 substance and involves substantial quantities of a controlled substance. For  
2 purposes of this paragraph, the following amounts constitute substantial  
3 quantities of the following controlled substances:

4 “(A) Five grams or more of a mixture or substance containing a detect-  
5 able amount of heroin;

6 “(B) Ten grams or more of a mixture or substance containing a detectable  
7 amount of cocaine;

8 “(C) Ten grams or more of a mixture or substance containing a detectable  
9 amount of methamphetamine, its salts, isomers or salts of its isomers;

10 “(D) Two hundred or more user units of a mixture or substance contain-  
11 ing a detectable amount of lysergic acid diethylamide;

12 “(E) Sixty grams or more of a mixture or substance containing a detect-  
13 able amount of psilocybin or psilocin; or

14 “(F) Five grams or more or 25 or more pills, tablets or capsules of a  
15 mixture or substance containing a detectable amount of:

16 “(i) 3,4-methylenedioxyamphetamine;

17 “(ii) 3,4-methylenedioxymethamphetamine; or

18 “(iii) 3,4-methylenedioxy-N-ethylamphetamine.

19 “(b) The violation constitutes possession, delivery or manufacture of a  
20 controlled substance and the possession, delivery or manufacture is a com-  
21 mercial drug offense. A possession, delivery or manufacture is a commercial  
22 drug offense for purposes of this subsection if it is accompanied by at least  
23 three of the following factors:

24 “(A) The delivery was of heroin, cocaine, methamphetamine, lysergic acid  
25 diethylamide, psilocybin or psilocin and was for consideration;

26 “(B) The offender was in possession of \$300 or more in cash;

27 “(C) The offender was unlawfully in possession of a firearm or other  
28 weapon as described in ORS 166.270 (2), or the offender used, attempted to  
29 use or threatened to use a deadly or dangerous weapon as defined in ORS  
30 161.015, or the offender was in possession of a firearm or other deadly or

1 dangerous weapon as defined in ORS 161.015 for the purpose of using it in  
2 connection with a controlled substance offense;

3 “(D) The offender was in possession of materials being used for the  
4 packaging of controlled substances such as scales, wrapping or foil, other  
5 than the material being used to contain the substance that is the subject of  
6 the offense;

7 “(E) The offender was in possession of drug transaction records or cus-  
8 tomer lists;

9 “(F) The offender was in possession of stolen property;

10 “(G) Modification of structures by painting, wiring, plumbing or lighting  
11 to facilitate a controlled substance offense;

12 “(H) The offender was in possession of manufacturing paraphernalia, in-  
13 cluding recipes, precursor chemicals, laboratory equipment, lighting, venti-  
14 lating or power generating equipment;

15 “(I) The offender was using public lands for the manufacture of controlled  
16 substances;

17 “(J) The offender had constructed fortifications or had taken security  
18 measures with the potential of injuring persons; or

19 “(K) The offender was in possession of controlled substances in an amount  
20 greater than:

21 “(i) Three grams or more of a mixture or substance containing a detect-  
22 able amount of heroin;

23 “(ii) Eight grams or more of a mixture or substance containing a detect-  
24 able amount of cocaine;

25 “(iii) Eight grams or more of a mixture or substance containing a de-  
26 tectable amount of methamphetamine;

27 “(iv) Twenty or more user units of a mixture or substance containing a  
28 detectable amount of lysergic acid diethylamide;

29 “(v) Ten grams or more of a mixture or substance containing a detectable  
30 amount of psilocybin or psilocin; or

1 “(vi) Four grams or more or 20 or more pills, tablets or capsules of a  
2 mixture or substance containing a detectable amount of:

3 “(I) 3,4-methylenedioxyamphetamine;

4 “(II) 3,4-methylenedioxymethamphetamine; or

5 “(III) 3,4-methylenedioxy-N-ethylamphetamine.

6 “(c) The violation constitutes a violation of ORS 475.848, 475.852, 475.862,  
7 475.868, 475.872, 475.878, 475.882, 475.888, 475.892 or 475.904.

8 “(d) The violation constitutes manufacturing methamphetamine and the  
9 manufacturing consists of:

10 “(A) A chemical reaction involving one or more precursor substances for  
11 the purpose of manufacturing methamphetamine; or

12 “(B) Grinding, soaking or otherwise breaking down a precursor substance  
13 for the purpose of manufacturing methamphetamine.

14 “(e) The violation constitutes a violation of ORS 475.860 (4)[(a)] or a vi-  
15 olation of ORS 475.906 (1) or (2) that is not described in ORS 475.907.

16 “(2) A violation of ORS 475.752 or 475.806 to 475.894 shall be classified  
17 as crime category 6 of the sentencing guidelines grid of the Oregon Criminal  
18 Justice Commission if:

19 “(a) The violation constitutes delivery of heroin, cocaine, methamphet-  
20 amine or 3,4-methylenedioxyamphetamine,  
21 3,4-methylenedioxymethamphetamine or  
22 3,4-methylenedioxy-N-ethylamphetamine and is for consideration.

23 “(b) The violation constitutes possession of:

24 “(A) Five grams or more of a mixture or substance containing a detect-  
25 able amount of heroin;

26 “(B) Ten grams or more of a mixture or substance containing a detectable  
27 amount of cocaine;

28 “(C) Ten grams or more of a mixture or substance containing a detectable  
29 amount of methamphetamine;

30 “(D) Two hundred or more user units of a mixture or substance contain-

1 ing a detectable amount of lysergic acid diethylamide;

2 “(E) Sixty grams or more of a mixture or substance containing a detect-  
3 able amount of psilocybin or psilocin; or

4 “(F) Five grams or more or 25 or more pills, tablets or capsules of a  
5 mixture or substance containing a detectable amount of:

6 “(i) 3,4-methylenedioxyamphetamine;

7 “(ii) 3,4-methylenedioxymethamphetamine; or

8 “(iii) 3,4-methylenedioxy-N-ethylamphetamine.

9 “(3) Any felony violation of ORS 475.752 or 475.806 to 475.894 not con-  
10 tained in subsection (1) or (2) of this section shall be classified as:

11 “(a) Crime category 4 of the sentencing guidelines grid of the Oregon  
12 Criminal Justice Commission if the violation involves delivery or manufac-  
13 ture of a controlled substance; or

14 “(b) Crime category 1 of the sentencing guidelines grid of the Oregon  
15 Criminal Justice Commission if the violation involves possession of a con-  
16 trolled substance.

17 “(4) In order to prove a commercial drug offense, the state shall plead in  
18 the accusatory instrument sufficient factors of a commercial drug offense  
19 under subsections (1) and (2) of this section. The state has the burden of  
20 proving each factor beyond a reasonable doubt.

21 “(5) As used in this section, ‘mixture or substance’ means any mixture or  
22 substance, whether or not the mixture or substance is in an ingestible or  
23 marketable form at the time of the offense.

24 “**SECTION 124.** ORS 475.904 is amended to read:

25 “475.904. (1) Except as authorized by ORS 475.005 to 475.285 and 475.752  
26 to 475.980, it is unlawful for any person to manufacture or deliver a schedule  
27 I, II or III controlled substance within 1,000 feet of the real property com-  
28 prising a public or private elementary, secondary or career school attended  
29 primarily by minors.

30 “(2) Unlawful manufacture or delivery of a controlled substance within

1 1,000 feet of a school is a Class A felony[, *except as otherwise provided in*  
2 *ORS 475.860*].

3 **“(3) This section does not apply to:**

4 **“(a) A licensee or licensee representative, as those terms are de-**  
5 **defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in**  
6 **lawful activities; or**

7 **“(b) A person acting within the scope of and in compliance with**  
8 **section 6 (1), chapter 1, Oregon Laws 2015.**

9 **“SECTION 125. (1) The amendments to statutes by sections 117 to**  
10 **124 of this 2015 Act apply to conduct occurring on and after the effec-**  
11 **tive date of this 2015 Act.**

12 **“SECTION 126. When a person convicted of a marijuana offense**  
13 **based on conduct occurring before the effective date of this 2015 Act**  
14 **files a motion for a court order setting aside the conviction pursuant**  
15 **to ORS 137.225, the court shall consider the offense to be classified**  
16 **under ORS 161.535 or 161.555 as if the conduct occurred on or after the**  
17 **effective date of this 2015 Act when determining if the person is eligi-**  
18 **ble for the order.**

19

20

## **“RETAIL DRUG OUTLETS**

21

22 **“SECTION 127. Section 128 of this 2015 Act is added to and made a**  
23 **part of ORS chapter 689.**

24 **“SECTION 128. (1) The State Board of Pharmacy shall establish by**  
25 **rule instructions for the disposal of marijuana left behind by individ-**  
26 **uals visiting retail drug outlets.**

27 **“(2) At a minimum, the instructions established in subsection (1)**  
28 **of this section must:**

29 **“(a) Require an employee or supervisor of the retail drug outlet to**  
30 **notify law enforcement upon discovering marijuana at the site; and**



1       “(b) Include procedures for destroying the marijuana so that it can  
2 no longer be used for human consumption.

3       “(3) A person acting under and in accordance with this section is  
4 exempt from the criminal laws of this state for any criminal offense  
5 in which possession of marijuana is an element.

6  
7                   “TEMPORARY DISPENSARY SALES TO ADULTS  
8                   “EFFECTIVE ON PASSAGE

9  
10       “SECTION 129. (1) As used in this section:

11       “(a) ‘Limited marijuana retail product’ means:

12       “(A) ‘The dried leaves and flowers of marijuana; or

13       “(B) ‘A marijuana plant that is not flowering’.

14       “(b) ‘Marijuana’ means the plant Cannabis family Cannabaceae, any  
15 part of the plant Cannabis family Cannabaceae and the seeds of the  
16 plant Cannabis family Cannabaceae.

17       “(2) Notwithstanding any other provision of law, on and after Oc-  
18 tober 1, 2015, a medical marijuana facility registered under ORS 475.314  
19 may sell limited marijuana retail products to any person who is 21  
20 years of age or older if:

21       “(a) The person presents proof of age to the medical marijuana fa-  
22 cility at the time of the sale;

23       “(b) The medical marijuana facility verifies that the person is 21  
24 years of age or older at the time of the sale;

25       “(c) If the person is purchasing the dried leaves and flowers of  
26 marijuana, the medical marijuana facility sells no more than one  
27 quarter ounce of the limited marijuana retail product to the person  
28 per day;

29       “(d) If the person is purchasing a marijuana plant that is not  
30 flowering, the medical marijuana facility sells no more than one unit

1 of the limited marijuana retail product to the person; and

2 “(e) At any time after the Department of Revenue implements and  
3 is capable of administering sections 69 to 80 of this 2015 Act, the  
4 medical marijuana facility collects the tax imposed under section 70  
5 of this 2015 Act in the same manner that a marijuana retailer who  
6 holds a license under section 22, chapter 1, Oregon Laws 2015, collects  
7 the tax imposed under section 70 of this 2015 Act.

8 “(3) Taxes collected pursuant to subsection (2)(e) of this section are  
9 subject to the provisions of sections 69 to 80 of this 2015 Act. :SECHGD.

10 “OTHER AMENDMENTS

11  
12 “SECTION 130. ORS 181.010, as amended by section 1, chapter 119,  
13 Oregon Laws 2014, is amended to read:

14 “NOTE: This section has an SA note.

15 “NOTE: Amendments become operative 7/1/15. See 2011 c.644 §58, as  
16 amended. Amend both versions.

17 “181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless  
18 the context requires otherwise:

19 “(1) ‘Criminal justice agency’ means:

20 “(a) The Governor;

21 “(b) Courts of criminal jurisdiction;

22 “(c) The Attorney General;

23 “(d) District attorneys, city attorneys with criminal prosecutorial func-  
24 tions, attorney employees of the office of public defense services and  
25 nonprofit public defender organizations established under contract with the  
26 Public Defense Services Commission;

27 “(e) Law enforcement agencies;

28 “(f) The Department of Corrections;

29 “(g) The Oregon Youth Authority;

30 “(h) The State Board of Parole and Post-Prison Supervision;

1       “(i) The Department of Public Safety Standards and Training;

2       “(j) The enforcement division of the Oregon Liquor Control Commission  
3 **in performing duties related to investigating and enforcing the crimi-**  
4 **nal laws of this state with which the commission is charged to**  
5 **enforce;**

6       “(k) Regional information systems that share programs to track, identify  
7 and remove cross-jurisdictional criminal and terrorist conspiracies; and

8       “(L) Any other state or local agency with law enforcement authority.

9       “(2) ‘Criminal offender information’ includes records and related data as  
10 to physical description and vital statistics, fingerprints received and com-  
11 piled for purposes of identifying criminal offenders and alleged offenders,  
12 records of arrests and the nature and disposition of criminal charges, in-  
13 cluding sentencing, confinement, parole and release.

14       “(3) ‘Department’ means the Department of State Police established under  
15 ORS 181.020.

16       “(4) ‘Deputy superintendent’ means the Deputy Superintendent of State  
17 Police appointed under ORS 181.220.

18       “(5) ‘Designated agency’ means any state, county or municipal government  
19 agency where Oregon criminal offender information is required to implement  
20 a federal or state statute, executive order or administrative rule that ex-  
21 pressly refers to criminal conduct and contains requirements or exclusions  
22 expressly based on such conduct or for agency employment purposes, licens-  
23 ing purposes or other demonstrated and legitimate needs when designated  
24 by order of the Governor.

25       “(6) ‘Disposition report’ means a form or process prescribed or furnished  
26 by the department, containing a description of the ultimate action taken  
27 subsequent to an arrest.

28       “(7) ‘Law enforcement agency’ means:

29       “(a) County sheriffs, municipal police departments, police departments  
30 established by a university under ORS 352.383 or 353.125 and State Police;

1       “(b) Other police officers of this state or another state, including humane  
2 special agents as defined in ORS 181.435;

3       “(c) A tribal government as defined in section 1, chapter 644, Oregon  
4 Laws 2011, that employs authorized tribal police officers as defined in section  
5 1, chapter 644, Oregon Laws 2011; and

6       “(d) Law enforcement agencies of the federal government.

7       “(8) ‘State police’ means the sworn members of the state police force ap-  
8 pointed under ORS 181.250.

9       “(9) ‘Superintendent’ means the Superintendent of State Police appointed  
10 under ORS 181.200.

11       “**SECTION 130a.** ORS 181.010, as amended by section 49, chapter 644,  
12 Oregon Laws 2011, section 19, chapter 54, Oregon Laws 2012, section 12,  
13 chapter 67, Oregon Laws 2012, section 30, chapter 180, Oregon Laws 2013, and  
14 section 2, chapter 119, Oregon Laws 2014, is amended to read:

15       “181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless  
16 the context requires otherwise:

17       “(1) ‘Criminal justice agency’ means:

18       “(a) The Governor;

19       “(b) Courts of criminal jurisdiction;

20       “(c) The Attorney General;

21       “(d) District attorneys, city attorneys with criminal prosecutorial func-  
22 tions, attorney employees of the office of public defense services and  
23 nonprofit public defender organizations established under contract with the  
24 Public Defense Services Commission;

25       “(e) Law enforcement agencies;

26       “(f) The Department of Corrections;

27       “(g) The Oregon Youth Authority;

28       “(h) The State Board of Parole and Post-Prison Supervision;

29       “(i) The Department of Public Safety Standards and Training;

30       “(j) The enforcement division of the Oregon Liquor Control Commission

1 **in performing duties related to investigating and enforcing the crimi-**  
2 **nal laws of this state with which the commission is charged to**  
3 **enforce;**

4 “(k) Regional information systems that share programs to track, identify  
5 and remove cross-jurisdictional criminal and terrorist conspiracies; and

6 “(L) Any other state or local agency with law enforcement authority.

7 “(2) ‘Criminal offender information’ includes records and related data as  
8 to physical description and vital statistics, fingerprints received and com-  
9 piled for purposes of identifying criminal offenders and alleged offenders,  
10 records of arrests and the nature and disposition of criminal charges, in-  
11 cluding sentencing, confinement, parole and release.

12 “(3) ‘Department’ means the Department of State Police established under  
13 ORS 181.020.

14 “(4) ‘Deputy superintendent’ means the Deputy Superintendent of State  
15 Police appointed under ORS 181.220.

16 “(5) ‘Designated agency’ means any state, county or municipal government  
17 agency where Oregon criminal offender information is required to implement  
18 a federal or state statute, executive order or administrative rule that ex-  
19 pressly refers to criminal conduct and contains requirements or exclusions  
20 expressly based on such conduct or for agency employment purposes, licens-  
21 ing purposes or other demonstrated and legitimate needs when designated  
22 by order of the Governor.

23 “(6) ‘Disposition report’ means a form or process prescribed or furnished  
24 by the department, containing a description of the ultimate action taken  
25 subsequent to an arrest.

26 “(7) ‘Law enforcement agency’ means:

27 “(a) County sheriffs, municipal police departments, police departments  
28 established by a university under ORS 352.383 or 353.125 and State Police;

29 “(b) Other police officers of this state or another state, including humane  
30 special agents as defined in ORS 181.435; and

1 “(c) Law enforcement agencies of the federal government.

2 “(8) ‘State police’ means the sworn members of the state police force ap-  
3 pointed under ORS 181.250.

4 “(9) ‘Superintendent’ means the Superintendent of State Police appointed  
5 under ORS 181.200.

6  
7 **“TEMPORARY PROVISIONS**

8  
9 **“SECTION 131. The Oregon Liquor Control Commission shall ap-  
10 prove or deny applications submitted to the commission under section  
11 18, chapter 1, Oregon Laws 2015, to produce, process or sell marijuana  
12 under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, as soon  
13 as practicable after January 4, 2016.**

14 **“SECTION 132. On or before January 1, 2017, the Oregon Liquor  
15 Control Commission:**

16 **“(1) Shall examine available research, and may conduct or com-  
17 mission new research, to investigate the influence of marijuana on the  
18 ability of a person to drive a vehicle and on the concentration of  
19 delta-9-tetrahydrocannabinol in a person’s blood, in each case taking  
20 into account all relevant factors; and**

21 **“(2) In the manner provided by ORS 192.245, shall present the re-  
22 sults of the research, including any recommendations for legislation,  
23 to the interim committees of the Legislative Assembly related to ju-  
24 diciary.**

25  
26 **“REPEALS**

27  
28 **“SECTION 133. (1) Sections 26, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41,  
29 42, 43, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1, Oregon Laws 2015, are  
30 repealed.**

1       “(2) Section 129 of this 2015 Act is repealed on December 31, 2016.

2       “SECTION 134. If Senate Bill 964 becomes law, sections 44 to 64 of  
3 Senate Bill 964 are repealed.

4  
5   “SERIES PLACEMENT

6  
7       “SECTION 135. Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 35, 111, 112,  
8 114 to 116 of this 2015 Act are added to and made a part of sections 3  
9 to 70, chapter 1, Oregon Laws 2015.

10  
11    “OPERATIVE DATES

12  
13       “SECTION 136. (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 35, 69  
14 to 80, 86, 91 to 110, 112, 114 to 116 and 128 of this 2015 Act and the  
15 amendments to statutes and session law by sections 1, 2, 5 to 9, 11, 12,  
16 14 to 16, 24, 25, 27, 28, 33, 34, 36 to 68a, 81 to 84, 87, 88, and 113 of this  
17 2015 Act become operative on January 1, 2016.

18       “(2) Sections 111 of this 2015 Act become operative on December 1,  
19 2015.

20       “(3) The Oregon Liquor Control Commission, Oregon Health Au-  
21 thority, State Department of Agriculture, Department of Revenue and  
22 State Department of Energy may take any action before the operative  
23 dates specified in subsections (1) and (2) of this section that is neces-  
24 sary to enable the commission, authority, State Department of Agri-  
25 culture, Department of Revenue and State Department of Energy to  
26 exercise all the duties, functions and powers conferred on the com-  
27 mission, authority, State Department of Agriculture, Department of  
28 Revenue and State Department of Energy by sections 3, 4, 10, 13, 17  
29 to 23, 26, 29 to 32, 35, 69 to 80, 86, 91 to 110, 112, 114 to 116 and 128 of  
30 this 2015 Act and the amendments to statutes and session law by



1 sections 1, 2, 5 to 9, 11, 12, 14 to 16, 24, 25, 27, 28, 33, 34, 36 to 68a, 81  
2 to 84, 87, 88, and 113 of this 2015 Act.

3

4

**“CAPTIONS**

5

6 **“SECTION 137.** The unit captions used in this 2015 Act are provided  
7 only for the convenience of the reader and do not become part of the  
8 statutory law of this state or express any legislative intent in the  
9 enactment of this 2015 Act.

10

11

**“EFFECTIVE DATE**

12

13 **“SECTION 138.** This 2015 Act takes effect on the 91st day after the  
14 date on which the 2015 regular session of the Seventy-eighth Legisla-  
15 tive Assembly adjourns sine die.”

16

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