

REVENUE: No revenue impact

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO: None

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Adam Crawford, Administrator

Meeting Dates: 3/4, 6/15, 6/18, 6/23

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**WHAT THE MEASURE DOES:** Allows local governments to adopt ordinances prohibiting marijuana producers, processors, wholesalers or retailers from establishing within one mile of public or private schools. Allows local governments to adopt ordinances prohibiting medical marijuana facilities from establishing within one mile of public or private schools. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Zoning near schools
- Existing planning authority of local governments
- Dispensary requirements

**EFFECT OF COMMITTEE AMENDMENT:** (-8 amendment) Replaces measure. Imposes 17 percent tax on marijuana items sold by recreational marijuana retailers (retailers) at point of retail sale starting January 1, 2016. Requires Oregon Liquor Control Commission (OLCC) to enter into agreement with Department of Revenue (Department) authorizing Department to implement, administer and enforce rules and procedures for collection of tax. Requires retailers submit tax return on or before last day of January, April, July and October of each year for each previous calendar quarter. Allows retailer to deduct and retain 2 percent of taxes collected. Describes process for collection by Department for any delinquent tax. Requires retailer to keep records for 5 years. Allows Department to review records upon oral or written demand. Allows Department to disclose information to OLCC gained through review of records or subpoena. Requires medical marijuana dispensaries selling to non-medical marijuana cardholders collect 25 percent tax on all sales starting on or after January 4, 2016. Repeals tax on December 31, 2016.

Requires all funds collected by Department to be deposited in State Treasury suspense account. Allows Department to use suspense account for administration and enforcement of Act. Specifies all excess funds to be deposited in Oregon Marijuana Account. Prohibits cities and counties that pass ordinances prohibiting any kind of medical or recreational marijuana facility or site from receiving any funds raised through taxation of marijuana. Takes effect on 91<sup>st</sup> day after adjournment of 78<sup>th</sup> Legislative Assembly.

**BACKGROUND:** Current Oregon law in ORS 475.314 states medical marijuana facilities must be located in an area zoned for commercial, industrial or mixed use, or as agricultural land. A facility may not be located within 1,000 feet of a school or another registered facility, and may not be at an address registered with the Oregon Medical Marijuana Program as a grow site. Senate Bill 1531 in 2014 authorized local governments to place a moratorium of up to one year, but not beyond May 1, 2015, on the operation of facilities within their jurisdictions.

Siting requirements for Oregon Liquor Control Commission license holders are still undefined, but Section 59 of Measure 91 allows for cities and counties to adopt reasonable time, place and manner regulations of establishments that sell marijuana to consumers.

House Bill 2041 would allow cities and counties to pass ordinances that prohibit marijuana establishments, whether medical or recreational, within one mile of a public or private school.

6/22/2015 2:05:00 PM \*

***This summary has not been adopted or officially endorsed by action of the committee.***