

SB 844-1
(LC 3926)
3/20/15 (MBM/ps)

**PROPOSED AMENDMENTS TO
SENATE BILL 844**

1 In line 2 of the printed bill, after the semicolon delete the rest of the line
2 and insert “creating new provisions; amending ORS 316.680, 475.858, 475.862,
3 475.864, 659A.403 and 659A.409 and sections 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13,
4 14, 16, 17, 18, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39,
5 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 53, 56, 57, 58, 60, 61, 63, 64, 65, 66,
6 67, 68, 69, 70, 72, 81, 82 and 86, chapter 1, Oregon Laws 2015; repealing
7 sections 55 and 71, chapter 1, Oregon Laws 2015; and declaring an
8 emergency.”.

9 Delete lines 4 through 14 and insert:
10

11 **“DEFINITIONS**

12
13 **“SECTION 1.** Section 5, chapter 1, Oregon Laws 2015, is amended to read:

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

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

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

18 “[*(3) (1) ‘Consumer’ means a person who purchases, acquires, owns,*
19 *holds[,] or uses marijuana items other than for the purpose of resale.*

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

21 “[*(5)(a) (2)(a) [‘Financial consideration,’ except as provided in paragraph*
22 *(b) of this subsection,] ‘Financial consideration’ means value that is given*

1 or received directly or indirectly through sales, barter, trade, fees, charges,
2 dues, contributions or donations.

3 “(b) ‘Financial consideration’ does not mean any of the following:

4 “(A) Homegrown marijuana made by another person.

5 “(B) Homemade marijuana products made by another person.

6 “[6] (3) ‘Homegrown’ or ‘homemade’ means grown or made by a person
7 21 years of age or older for noncommercial purposes.

8 “[7] (4) ‘Household’ means a housing unit[,] and [*includes*] any place in
9 or around the housing unit at which the occupants of the housing unit are
10 producing, processing, keeping[,] or storing homegrown marijuana or home-
11 made marijuana products.

12 “[8] (5) ‘Housing unit’ means a house, an apartment[,] **or** a mobile home,
13 **or** a group of rooms[,] or a single room that is occupied as separate living
14 quarters, in which the occupants live and eat separately from any other
15 persons in the building and [*which have*] **that has** direct access from the
16 outside of the building or through a common hall.

17 “[9] ‘*Immature marijuana plant*’ means a marijuana plant with no ob-
18 servable flowers or buds]

19 “(6) ‘**Immature marijuana plant**’ means a plant genus **Cannabis**
20 **within the plant family Cannabaceae that has no flowers and that is**
21 **a seedling or a start as defined by the Oregon Liquor Control Com-**
22 **mission by rule.**

23 “[10] (7) ‘Licensee’ means any person holding a license issued under [*this*
24 *Act*] **sections 3 to 70, chapter 1, Oregon Laws 2015**, or any person holding
25 a license or permit issued under any [*regulation promulgated*] **rule adopted**
26 under **section 7 (2)(e), chapter 1, Oregon Laws 2015** [*paragraph (e) of*
27 *subsection (2) of section 7 of this Act*].

28 “[11] (8) ‘Licensee representative’ means an owner, director, officer,
29 manager, employee, agent[,] or other representative of a licensee, to the ex-
30 tent [*such*] **the** person acts in [*such*] **a** representative capacity.

1 “[(12)(a)] **(9)(a)** ‘Marijuana’ means all parts of the plant [*Cannabis family*
2 *Moraceae*] **genus Cannabis within the plant family Cannabaceae, in-**
3 **cluding seeds**, whether growing or not[, *other than marijuana extracts*].

4 “(b) ‘Marijuana’ does not include:

5 **“(A) Marijuana extracts;**

6 **“(B) Industrial hemp, as defined in ORS 571.300[, or]; or**

7 **“(C) Industrial hemp commodities or products.**

8 “[(13)] **(10)(a)** ‘Marijuana extract’ means a product [*obtained*] **produced**
9 by separating resins from marijuana by solvent extraction[, *using solvents*
10 *other than vegetable glycerin, such as butane, hexane, isopropyl alcohol,*
11 *ethanol, and carbon dioxide*].

12 **“(b) ‘Marijuana extract’ does not include a product produced using**
13 **vegetable glycerin or through any other process specified by the**
14 **Oregon Liquor Control Commission by rule that does not use toxic**
15 **solvents.**

16 “[(14)(a)] **(11)** ‘Marijuana flowers’ means the flowers of the plant
17 [*Cannabis family Moraceae*] **genus Cannabis within the plant family**
18 **Cannabaceae.**

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

21 “[(15)] **(12)** ‘Marijuana items’ means marijuana, marijuana products[,] and
22 marijuana extracts.

23 “[(16)(a)] **(13)(a)** ‘Marijuana leaves’ means the leaves of the plant
24 [*Cannabis family Moraceae*] **genus Cannabis within the plant family**
25 **Cannabaceae and any other part of the plant.**

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

28 **“(A) Marijuana flowers;**

29 **“(B) An immature marijuana plant or any part of an immature**
30 **marijuana plant; or**

1 **“(C) Waste material that is a by-product of producing or processing**
2 **marijuana.**

3 “[(17)] **(14)** ‘Marijuana processor’ means a person who processes
4 marijuana items in this state.

5 “[(18)] **(15)** ‘Marijuana producer’ means a person who produces marijuana
6 in this state.

7 “[(19)(a)] **(16)(a)** ‘Marijuana products’ means products **intended for hu-**
8 **man consumption or inhalation and** that contain [*marijuana or marijuana*
9 *extracts and are intended for human consumption.*]:

10 **“(A) Marijuana;**

11 **“(B) Marijuana extracts;**

12 **“(C) A concentrate made using vegetable glycerin; or**

13 **“(D) A concentrate made through any other process specified by the**
14 **Oregon Liquor Control Commission by rule.**

15 “(b) ‘Marijuana products’ does not mean:

16 “(A) Marijuana, by itself; [*or*]

17 “(B) A marijuana extract, by itself[.]; **or**

18 **“(C) A concentrate described in paragraph (a)(C) or (D) of this**
19 **subsection.**

20 “[(20)] **(17)** ‘Marijuana retailer’ means a person who sells marijuana items
21 to a consumer in this state.

22 “[(21)] **(18)** ‘Marijuana wholesaler’ means a person who purchases
23 marijuana items in this state for resale to a person other than a consumer
24 in this state.

25 “[(22)] **(19)** ‘Mature marijuana plant’ means [*any*] **a** marijuana plant that
26 is not an immature marijuana plant.

27 “[(23)] **(20)** ‘Noncommercial’ means not dependent or conditioned upon the
28 provision or receipt of financial consideration.

29 “[(24)] ‘Person’ means *any natural person, corporation, professional corpo-*
30 *ration, nonprofit corporation, cooperative corporation, profit or nonprofit un-*

1 *incorporated association, business trust, limited liability company, general or*
2 *limited partnership, joint venture, or any other legal entity.]*

3 “[(25)] **(21)** ‘Premises’ or ‘licensed premises’ means a location licensed
4 under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] and in-
5 cludes:

6 “(a) All enclosed areas at the location that are used in the business op-
7 erated at the location, including offices, kitchens, rest rooms and storerooms,
8 including all public and private areas;

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

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

16 “[(26)(a)] **(22)** ‘Processes’ means:

17 “[*(A)*] **(a)** The processing, compounding[,] or conversion of marijuana into
18 marijuana products or marijuana extracts; **or**

19 “[*(B)*] **(b)** The processing, compounding[,] or conversion of marijuana, ei-
20 ther directly or indirectly by extraction from substances of natural origin,
21 or independently by means of chemical synthesis, or by a combination of
22 extraction and chemical synthesis[;].

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

24 “[*(D)*] *The labeling or relabeling of any package or container of marijuana*
25 *items.]*

26 “[*(b)*] ‘Processes’ does not include:]

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

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

1 “[(27)(a)] **(23)(a)** ‘Produces’ means the manufacture, planting, cultivation,
2 growing[,] or harvesting of marijuana.

3 “(b) ‘Produces’ does not include:

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

6 “(B) The cultivation and growing of an immature marijuana plant by a
7 marijuana processor, marijuana wholesaler[,] or marijuana retailer if the
8 marijuana processor, marijuana wholesaler[,] or marijuana retailer purchased
9 or otherwise received the plant from a licensed marijuana producer.

10 “[(28)] **(24)** ‘Public place’ means a place to which the general public has
11 access and includes, but is not limited to, hallways, lobbies and other parts
12 of apartment houses and hotels not constituting rooms or apartments de-
13 signed for actual residence, and highways, streets, schools, places of
14 amusement, parks, playgrounds and [premises] **areas** used in connection with
15 public passenger transportation.

16 “[29] ‘Usable marijuana’ means dried marijuana flowers and dried
17 marijuana leaves, and any mixture or preparation thereof.]

18 “**(25) ‘Usable marijuana’ means the dried leaves and flowers of the**
19 **plant genus Cannabis within the plant family Cannabaceae and any**
20 **mixture or preparation of the dried leaves and flowers of the plant**
21 **genus Cannabis within the plant family Cannabaceae.**

22
23 **“POWERS AND DUTIES OF**
24 **OREGON LIQUOR CONTROL COMMISSION**

25
26 **“SECTION 2.** Section 7, chapter 1, Oregon Laws 2015, is amended to read:

27 **“Sec. 7.** (1) The Oregon Liquor Control Commission has the powers and
28 duties specified in sections 3 to 70, **chapter 1, Oregon Laws 2015, and [of**
29 **this Act, and also]** the powers necessary or proper to enable [it] **the com-**
30 **mission** to carry out fully and effectually all the purposes of sections 3 to

1 70, **chapter 1, Oregon Laws 2015** [*of this Act*]. The jurisdiction, supervision,
2 powers and duties of the commission extend to any person who buys, sells,
3 produces, processes, transports[,] or delivers any marijuana items within this
4 state. The commission may sue and be sued.

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

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

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

15 “(c) To collect the taxes and duties imposed by sections 3 to 70, **chapter**
16 **1, Oregon Laws 2015** [*of this Act*], and to issue, and provide for cancellation
17 **of**, stamps and other devices as evidence of payment of such taxes or duties.

18 “(d) To investigate and aid in the prosecution of every violation of Oregon
19 statutes relating to marijuana items, and cooperate in the prosecution of
20 offenders before any state court of competent jurisdiction.

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

27 “(f) To exercise all powers incidental, convenient or necessary to enable
28 [*it*] **the commission** to administer or carry out [*any of*] the provisions of
29 sections 3 to 70, **chapter 1, Oregon Laws 2015, including:** [*of this Act.*]

30 “(A) **Issuing subpoenas;**

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

2 **“(C) Administering oaths;**

3 **“(D) Certifying official acts;**

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

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

7 **“(G) Establishing fees in addition to the application, licensing and**
8 **renewal fees described in section 28, chapter 1, Oregon Laws 2015,**
9 **provided that any fee established by the commission is reasonably**
10 **calculated not to exceed the cost of the activity for which the fee is**
11 **charged.**

12 “(g) To regulate and prohibit any advertising by manufacturers, process-
13 ors, wholesalers or retailers of marijuana items by the medium of newspa-
14 pers, letters, billboards, radio or otherwise.

15 “(h) To regulate the use of marijuana items for scientific, pharmaceutical,
16 manufacturing, mechanical, industrial and other purposes.

17 “[(3) *On or before January 1, 2016, the commission, after consultation with*
18 *the State Department of Agriculture and the Oregon Health Authority, shall*
19 *prescribe forms and adopt such rules and regulations as the commission deems*
20 *necessary for the implementation and administration of sections 3 to 70 of this*
21 *Act.*]

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

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

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

30 “[(5) *The commission has no power to purchase, own, sell, or possess any*

1 *marijuana items.]*

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

7
8 **“REGULATION OF LICENSEES**

9
10 **“(Term of Licensure)**

11
12 **“SECTION 4. Section 26, chapter 1, Oregon Laws 2015, is amended to**
13 **read:**

14 **“Sec. 26.** *[(1) Except as otherwise provided in this section, all licenses un-*
15 *der sections 3 to 70 of this Act and renewals thereof shall be issued for a pe-*
16 *riod of one year which shall expire at 12 midnight on March 31, June 30,*
17 *September 30 or December 31 of each year.]*

18 *“[(2) Notwithstanding subsection (1) of this section, a license issued for the*
19 *first time to an applicant may be issued for less than a year. The fee for a li-*
20 *cence issued for less than a year under this subsection is the annual license*
21 *fee prescribed by section 28 of this Act.]*

22 **“In accordance with the provisions of section 28, chapter 1, Oregon**
23 **Laws 2015, a holder of a license under section 19, 20, 21 or 22, chapter**
24 **1, Oregon Laws 2015, must renew the license annually.**

25
26 **“(Prohibition Against Licensing Producers,**
27 **Processors and Sellers with Premises Within 1,000 Feet of School)**

28
29 **“SECTION 5. (1) As used in this section, ‘within 1,000 feet’ means**
30 **a straight line measurement in a radius extending for 1,000 feet or less**

1 in every direction from a specified location or a point on the boundary
2 line of a specified unit or property.

3 “(2) Subject to subsection (3) of this section, the Oregon Liquor
4 Control Commission may not issue a license for a premises under
5 section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to a person ap-
6 plying for the license if the premises for which the license is to be is-
7 sued is located within 1,000 feet of:

8 “(a) A public school for which attendance is compulsory under ORS
9 339.020; or

10 “(b) A private or parochial elementary or secondary school that
11 teaches children as described in ORS 339.030 (1)(a).

12 “(3) A license remains valid under this section if a school described
13 in subsection (2) of this section is established within 1,000 feet of any
14 part of the premises for which a license described in subsection (2) of
15 this section has been issued.

16 “**SECTION 6.** Section 18, chapter 1, Oregon Laws 2015, is amended to
17 read:

18 “**Sec. 18.** (1) [*On or before January 4, 2016,*] **Subject to section 5 of this**
19 **2015 Act,** the Oregon Liquor Control Commission shall [*begin receiving ap-*
20 *applications for the licensing of persons*] **approve or deny an application** to
21 produce, process[,] and sell marijuana [*within the state*] **under sections 19,**
22 **20, 21 and 22, chapter 1, Oregon Laws 2015.** Upon [*receipt of a license*]
23 **receiving an** application, the commission [*shall*] **may** not unreasonably de-
24 lay [*the processing, approval, or rejection of*] **processing, approving or de-**
25 **nying** the application or, if the application is approved, [*the issuance of*]
26 **issuing** the license.

27 “(2) The licenses described in sections [*3 to 70 of this Act shall*] **19, 20,**
28 **21 and 22, chapter 1, Oregon Laws 2015,** must be issued by the commis-
29 sion, subject to [*its regulations and restrictions and*] the provisions of
30 sections 3 to 70 [*of this Act*], **chapter 1, Oregon Laws 2015, and the rules**

1 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.**

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

8 **“SECTION 7.** ORS 475.858 is amended to read:

9 “475.858. (1) It is unlawful for any person to manufacture marijuana
10 within 1,000 feet of the real property comprising a public or private elemen-
11 tary, secondary or career school attended primarily by minors.

12 “(2) Unlawful manufacture of marijuana within 1,000 feet of a school is
13 a Class A felony.

14 **“(3) This section does not apply to a licensee or licensee represen-**
15 **tative, as those terms are defined in section 5, chapter 1, Oregon Laws**
16 **2015.**

17 **“SECTION 8.** ORS 475.862 is amended to read:

18 “475.862. (1) It is unlawful for any person to deliver marijuana within
19 1,000 feet of the real property comprising a public or private elementary,
20 secondary or career school attended primarily by minors.

21 “(2) Unlawful delivery of marijuana within 1,000 feet of a school is a
22 Class A felony.

23 **“(3) This section does not apply to a licensee or licensee represen-**
24 **tative, as those terms are defined in section 5, chapter 1, Oregon Laws**
25 **2015.**

26

27 **“(Identification Requirement)**

28

29 **“SECTION 9.** Section 16, chapter 1, Oregon Laws 2015, is amended to
30 read:

1 “(4) A marijuana processor may process marijuana items only in
2 accordance with the classification of the marijuana processor for
3 which a license has been issued under this section.

4
5 “(Packaging and Labeling)”

6
7 “SECTION 11. The Oregon Liquor Control Commission shall adopt
8 rules regulating the packaging and labeling of marijuana items by
9 marijuana producers that hold a license issued under section 19,
10 chapter 1, Oregon Laws 2015, marijuana processors that hold a license
11 issued under section 20, chapter 1, Oregon Laws 2015, marijuana
12 wholesalers that hold a license issued under section 21, chapter 1,
13 Oregon Laws 2015, or marijuana retailers that hold a license issued
14 under section 22, chapter 1, Oregon Laws 2015.

15
16 “(Segregated Premises)”

17
18 “SECTION 12. The Oregon Liquor Control Commission may require
19 a licensed premises to be segregated into separate areas for conducting
20 the activities permitted under each license or classification if a
21 licensee applies for or holds more than one license issued under sec-
22 tion 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, or, for marijuana
23 processors that hold a license under section 20, chapter 1, Oregon Laws
24 2015, the licensee holds a license with multiple classifications.

25
26 “(Bonds and Liability Insurance)”

27
28 “SECTION 13. (1) Except as provided in subsection (2) of this sec-
29 tion, the holder of a license issued under section 19, 20, 21 or 22,
30 chapter 1, Oregon Laws 2015, shall give, and at all times maintain on

1 file with the Oregon Liquor Control Commission, a bond with a cor-
2 porate surety authorized to transact business in this state. The bond
3 shall be in a form and amount acceptable to the commission and shall
4 be payable to the commission if the licensee fails to pay a civil penalty
5 imposed by the commission under section 29 of this 2015 Act, a fee
6 imposed by the commission under sections 3 to 70, chapter 1, Oregon
7 Laws 2015, or a tax on marijuana items as required by the laws of the
8 state.

9 “(2) In a form and manner prescribed by the commission, the holder
10 of a license issued under section 19, 20, 21 or 22, chapter 1, Oregon
11 Laws 2015, may, in lieu of giving the bond required by subsection (1)
12 of this section, deposit in a bank or trust company for the benefit of
13 the commission an equivalent amount in cash, bank letters of credit
14 recognized by the State Treasurer or negotiable securities of a char-
15 acter approved by the State Treasurer. Interest earned on deposited
16 funds or securities shall accrue to the person that made the deposit.

17 “SECTION 14. (1) For the purpose of providing coverage for injuries
18 related to the conduct of intoxicated persons who were sold or other-
19 wise provided with a marijuana item on a licensed premises while
20 visibly intoxicated, a marijuana retailer that holds a license under
21 section 22, chapter 1, Oregon Laws 2015, shall:

22 “(a) Maintain liability insurance of not less than \$300,000; or

23 “(b) Maintain a bond with a corporate surety authorized to transact
24 business in this state in an amount that is not less than \$300,000.

25 “(2) Notwithstanding subsection (1) of this section, the Oregon Li-
26 quor Control Commission may by rule require insurance or bond in
27 an amount larger than the minimum amount described in subsection
28 (1) of this section.

29 “(3) A licensee subject to the requirements of this section must
30 provide to the commission, in a form and manner prescribed by the

1 **commission, proof that the licensee is in compliance with this section**
2 **at the time that the licensee applies for or renews a license under**
3 **section 28, chapter 1, Oregon Laws 2015, and at any time that the**
4 **commission requests proof of compliance.**

5 **“(4) In addition to any other penalty provided by law, the commis-**
6 **sion may suspend or revoke the license of a licensee that fails to**
7 **comply with this section. For purposes of ORS 183.430 (2), failure to**
8 **maintain liability insurance or a bond as required by this section, or**
9 **failure to provide proof of compliance as required by subsection (3) of**
10 **this section, is a serious danger to public health and safety.**

11
12 **“PROTECTION OF PERSONS UNDER 21 YEARS OF AGE**

13
14 **“(Prohibition on Sales)**

15
16 **“SECTION 15.** Section 49, chapter 1, Oregon Laws 2015, is amended to
17 read:

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

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

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

26 **“(4) In addition to and not in lieu of any other penalty established by law,**
27 **a court may order** a person under 21 years of age who violates subsection
28 (1) of this section through misrepresentation of age [*may be required*] to
29 perform community service and [*the court*] shall order that the person's
30 driving privileges and right to apply for driving privileges be suspended for

1 a period not to exceed one year. If a court has issued an order suspending
2 driving privileges under this section, the court, upon petition of the person,
3 may withdraw the order at any time the court deems appropriate. The court
4 notification to the Department of Transportation under this subsection may
5 include a recommendation that the person be granted a hardship permit un-
6 der ORS 807.240 if the person is otherwise eligible for the permit.

7 “(5) If a person cited under this section **is found in default under ORS**
8 **153.102 or 419C.472 for failure to appear and** is at least 13 years of age
9 [*but less than 21 years of age*] at the time the person is found in default
10 [*under ORS 153.102 or 419C.472 for failure to appear*], in addition to and not
11 in lieu of any other penalty, the court shall issue notice under ORS 809.220
12 to the department for the department to suspend the person’s driving privi-
13 leges under ORS 809.280 (4).

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

19
20 **“(Age Verification)”**
21

22 **“SECTION 16. The Oregon Liquor Control Commission may require**
23 **a marijuana retailer that holds a license issued under section 22,**
24 **chapter 1, Oregon Laws 2015, to use an age verification scanner or any**
25 **other equipment used to verify a person’s age for the purpose of en-**
26 **sureing that the marijuana retailer does not sell marijuana items to a**
27 **person under 21 years of age.**

28
29 **“(Other Statutes)”**
30

1 “SECTION 17. ORS 659A.403 is amended to read:

2 “659A.403. (1) Except as provided in subsection (2) of this section, all
3 persons within the jurisdiction of this state are entitled to the full and equal
4 accommodations, advantages, facilities and privileges of any place of public
5 accommodation, without any distinction, discrimination or restriction on
6 account of race, color, religion, sex, sexual orientation, national origin,
7 marital status or age if the individual is 18 years of age or older.

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

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

12 **“(b) The enforcement of laws governing the use of marijuana items,**
13 **as defined in section 5, chapter 1, Oregon Laws 2015, by persons under**
14 **21 years of age and the frequenting by persons under 21 years of age**
15 **of places of public accommodation where marijuana items are sold;**
16 **or**

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

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

22 “SECTION 18. ORS 659A.409 is amended to read:

23 “659A.409. Except as provided by laws governing the consumption of al-
24 coholic beverages by minors [and], **the use of marijuana items, as defined**
25 **in section 5, chapter 1, Oregon Laws 2015, by persons under 21 years**
26 **of age,** the frequenting by minors of places of public accommodation where
27 alcoholic beverages are served[,] **and the frequenting by persons under**
28 **21 years of age of places of public accommodation where marijuana**
29 **items are sold,** and except for special rates or services offered to persons
30 50 years of age or older, it is an unlawful practice for any person acting on

1 behalf of any place of public accommodation as defined in ORS 659A.400 to
2 publish, circulate, issue or display, or cause to be published, circulated, is-
3 sued or displayed, any communication, notice, advertisement or sign of any
4 kind to the effect that any of the accommodations, advantages, facilities,
5 services or privileges of the place of public accommodation will be refused,
6 withheld from or denied to, or that any discrimination will be made against,
7 any person on account of race, color, religion, sex, sexual orientation, na-
8 tional origin, marital status or age if the individual is 18 years of age or
9 older.

10
11 **“TESTING**

12
13 **“SECTION 19. The Oregon Liquor Control Commission shall require**
14 **all marijuana items sold by a marijuana retailer that holds a license**
15 **issued under section 22, chapter 1, Oregon Laws 2015, to have been**
16 **tested to ensure the public health and safety. Testing of marijuana**
17 **as required by this section must be conducted by a laboratory licensed**
18 **under section 20 of this 2015 Act and accredited under ORS 438.605 to**
19 **438.620.**

20 **“SECTION 20. (1) A laboratory that conducts testing of marijuana**
21 **items as required by section 19 of this 2015 Act must have a license to**
22 **operate at the premises at which the marijuana is tested.**

23 **“(2) A laboratory that conducts testing of marijuana items as re-**
24 **quired by section 19 of this 2015 Act is subject to regulation by the**
25 **Oregon Liquor Control Commission.**

26 **“(3) For purposes of this section, the commission shall adopt rules**
27 **establishing:**

28 **“(a) Processes for applying for and renewing a license;**

29 **“(b) Fees for applying for, receiving and renewing a license;**

30 **“(c) Standards for handling and testing marijuana items;**

1 “(d) Requirements for reporting test results;
2 “(e) Requirements for tracking marijuana items to be tested; and
3 “(f) Requirements for disposing of marijuana items that have been
4 tested.

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

6 “(5) Subject to the provisions of ORS chapter 183, the commission
7 may refuse to issue or renew a license under this section, or may
8 suspend or revoke, a license issued under this section, for violation
9 of a provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule
10 adopted under a provision of sections 3 to 70, chapter 1, Oregon Laws
11 2015.

12 “SECTION 21. A person that owns or operates, is employed by or
13 otherwise performs work for a laboratory licensed under section 20 of
14 this 2015 Act is exempt from the criminal laws of the state for pos-
15 session, delivery or manufacture of marijuana, aiding and abetting
16 another in the possession, delivery or manufacture of marijuana or
17 any other criminal offense in which possession, delivery or manufac-
18 ture of marijuana is an element, provided that the person is not in
19 violation of a provision of sections 3 to 70, chapter 1, Oregon Laws
20 2015, or a rule adopted under sections 3 to 70, chapter 1, Oregon Laws
21 2015.

22
23 “SEED TO SALE TRACKING SYSTEM
24

25 “SECTION 22. The Oregon Liquor Control Commission shall develop
26 and maintain a system for tracking marijuana items offered for retail
27 sale in this state. The commission shall use the system to:

28 “(1) Shortly after marijuana sprouts and before marijuana is
29 transferred to another premises licensed under sections 3 to 70, chap-
30 ter 1, Oregon Laws 2015, identify marijuana produced at a premises

1 licensed under section 19, chapter 1, Oregon Laws 2015;

2 “(2) Before marijuana extracts or marijuana products are trans-
3 ferred to another premises licensed under sections 3 to 70, chapter 1,
4 Oregon Laws 2015, identify marijuana extracts and marijuana products
5 processed at a premises licensed under section 20, chapter 1, Oregon
6 Laws 2015;

7 “(3) Track the transference of marijuana items between premises
8 licensed under sections 3 to 70, chapter 1, Oregon Laws 2015, up until
9 the point at which the marijuana items are sold to a consumer at a
10 premises licensed under section 22, chapter 1, Oregon Laws 2015; and

11 “(4) Keep and maintain a database of information acquired pursuant
12 to subsections (1) to (3) of this section.

13
14 “CRIMINAL RECORDS CHECK

15
16 “SECTION 23. For the purpose of requesting a state or nationwide
17 criminal records check under ORS 181.534, the Oregon Liquor Control
18 Commission may require the fingerprints of any individual listed on
19 an application submitted under section 28, chapter 1, Oregon Laws
20 2015, or section 20 of this 2015 Act.

21
22 “TAXATION

23
24 “SECTION 24. Section 34, chapter 1, Oregon Laws 2015, is amended to
25 read:

26 “**Sec. 34.** (1) The privilege tax imposed by section 33, **chapter 1, Oregon**
27 **Laws 2015, must** [*of this Act shall*] be paid to the Oregon Liquor Control
28 Commission. The taxes covering the periods for which statements are re-
29 quired to be rendered by section 35, **chapter 1, Oregon Laws 2015, must**
30 [*of this Act shall*] be paid before the time for filing such statements expires.

1 If not so paid, a penalty of 10 percent and interest at the rate of one percent
2 a month or fraction of a month *[shall]* **must** be added and collected. The
3 commission may refund any tax payment imposed upon or paid in error by
4 any licensee.

5 “(2) The commission may waive any interest or penalty assessed to a
6 marijuana producer subject to the tax imposed under section 33, **chapter 1,**
7 **Oregon Laws 2015,** *[of this Act]* if the commission, in its discretion, deter-
8 mines that the marijuana producer has made a good faith attempt to comply
9 with the requirements of sections 31 to 44, **chapter 1, Oregon Laws 2015**
10 *[of this Act]*.

11 “(3) Except in the case of fraud, the commission may not **impose or as-**
12 **sess** any interest or penalty on *[any]* **the** tax due under section 33, **chapter**
13 **1, Oregon Laws 2015,** *[of this Act]* following the expiration of 36 months
14 from the date on which was filed the statement required under section 35,
15 **chapter 1, Oregon Laws 2015,** *[of this Act]* reporting the quantities of
16 marijuana flowers, marijuana leaves[,] and immature marijuana plants upon
17 which the tax is due.

18 “(4) A marijuana producer may appeal a tax imposed under section 33,
19 **chapter 1, Oregon Laws 2015,** *[of this Act]* in the manner of a contested
20 case under ORS chapter 183.

21 “**SECTION 25.** Section 37, chapter 1, Oregon Laws 2015, is amended to
22 read:

23 “**Sec. 37. (1)** The privilege tax required to be paid *[by]* **under** section
24 **33, chapter 1, Oregon Laws 2015,** *[of this Act]* constitutes a lien upon, and
25 has the effect of an execution duly levied against, any and all property of
26 the marijuana producer, attaching at the time the marijuana flowers,
27 marijuana leaves[,] and immature marijuana plants subject to the tax were
28 sold, and remaining until the tax is paid. The lien created by this section is
29 paramount to all private liens or encumbrances.

30 “(2)(a) **If a marijuana producer is delinquent in the payment of the**

1 privilege tax required to be paid under section 33, chapter 1, Oregon
2 Laws 2015, the Oregon Liquor Control Commission or an authorized
3 representative of the commission may seize any property subject to
4 the lien and may sell at public auction the property seized, or a suffi-
5 cient portion of the property seized, to pay the privilege tax and any
6 civil penalties imposed by the commission for failure to pay the privi-
7 lege tax;

8 (b) The commission may sell only marijuana flowers, marijuana
9 leaves and immature marijuana plants to persons holding a license
10 under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015.

11 “(3) Notice of the time and place of a sale described in subsection
12 (2) of this section shall be provided to the marijuana producer whose
13 property has been seized and any person of record that has an interest
14 in the property that has been seized. The commission shall adopt the
15 form and manner of providing notice under this subsection, provided
16 that the commission gives notice at least 10 days before the date on
17 which the sale is to occur.

18 “**SECTION 26.** Section 39, chapter 1, Oregon Laws 2015, is amended to
19 read:

20 “**Sec. 39.** (1) The Oregon Liquor Control Commission may, at any time,
21 examine the books and records of any marijuana producer[,] and may appoint
22 auditors, investigators and other employees that the commission considers
23 necessary to enforce its powers and perform its duties under sections 31 to
24 44, chapter 1, Oregon Laws 2015 [*of this Act*].

25 “(2) Every marijuana producer shall maintain and keep for [*two*] **seven**
26 years all records, books and accounts required by sections 31 to 44, **chapter**
27 **1, Oregon Laws 2015,** [*of this Act*] and shall provide copies of those records,
28 books and accounts to the commission when requested by the commission.

29 “**SECTION 27.** 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 **the provisions of 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 28.** 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 **the provisions of 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 28a. Section 280E of the Internal Revenue Code applies**
20 **to all trafficking in controlled substances in Schedule I or Schedule**
21 **II that is prohibited by federal law or the laws of this state, other than**
22 **conduct authorized under sections 3 to 70, chapter 1, Oregon Laws**
23 **2015.**

24

25

“ENFORCEMENT

26

27

“(Civil Penalty)

28

29 **“SECTION 29. In addition to any other liability or penalty provided**
30 **by law, the Oregon Liquor Control Commission may impose for each**

1 violation of 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, a civil penalty that does not exceed \$5,000 for
4 each day that the violation occurs. The commission shall impose civil
5 penalties under this section in the manner provided by ORS 183.745.
6 Moneys collected under this section shall be deposited in the
7 Marijuana Enforcement Fund established under section 30 of this 2015
8 Act.

9 **“SECTION 30.** The Marijuana Enforcement Fund is established in
10 the State Treasury, separate and distinct from the General Fund. In-
11 terest earned by the Marijuana Enforcement Fund shall be credited to
12 the fund. Moneys in the fund are continuously appropriated to the
13 Oregon Liquor Control Commission to administer and enforce sections
14 3 to 70, chapter 1, Oregon Laws 2015.

15
16 **“(Peace Officer Authority)**
17

18 **“SECTION 31.** (1) As used in this section, ‘marijuana enforcement
19 inspector’ means a full-time employee of the Oregon Liquor Control
20 Commission who is authorized to act as an agent of the commission.

21 **“(2)** A marijuana enforcement inspector has the authority as pro-
22 vided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to
23 133.739, 161.235 and 161.245, ORS chapter 153, chapter 743, Oregon Laws
24 1971, and sections 3 to 70, chapter 1, Oregon Laws 2015, to conduct in-
25 spections and investigations, make arrests and seizures, aid in prose-
26 cutions for offenses, issue citations for violations and otherwise
27 enforce the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015,
28 and any rule adopted under sections 3 to 70, chapter 1, Oregon Laws
29 2015, and any other law of the state related to regulating or otherwise
30 prohibiting activities related to marijuana items, including laws re-

1 lated to producing, processing, importing, transporting, possessing,
2 distributing, selling or consuming marijuana items, to the manufac-
3 ture or use of false identification or to the entry of premises for which
4 a license has been issued under section 19, 20, 21 or 22, chapter 1,
5 Oregon Laws 2015.

6
7 **“(Subpoena Power)”**

8
9 **“SECTION 32.** For purposes of sections 3 to 70, chapter 1, Oregon
10 Laws 2015, the provisions of ORS 183.440 apply to subpoenas issued by
11 the Oregon Liquor Control Commission and any authorized agent of
12 the commission.

13
14 **“(Crime of Possession)”**

15
16 **“SECTION 33.** ORS 475.864, as amended by section 79, chapter 1, Oregon
17 Laws 2015, is amended to read:

18 “475.864. (1) As used in subsections (2) to (4) of this section:

19 “(a) ‘Marijuana’ means the leaves, stems[,] and flowers of the plant
20 Cannabis family Moraceae.

21 “(b) ‘Marijuana product’ has the meaning given the term ‘marijuana’ in
22 ORS 475.005 (16), but does not include the leaves, stems and flowers of the
23 plant Cannabis family Moraceae.

24 “(2) It is unlawful for any person under 21 years of age knowingly or in-
25 tentionally to possess marijuana or marijuana product.

26 “(3)(a) Unlawful possession of four avoirdupois ounces or more of
27 marijuana by a person under 21 years of age is a Class C felony.

28 “(b) Unlawful possession of one avoirdupois ounce of marijuana or more,
29 but less than four avoirdupois ounces, by a person under 21 years of age is
30 a Class B misdemeanor.

1 “(c) Unlawful possession of less than one avoirdupois ounce of marijuana
2 by a person under 21 years of age is a specific fine violation. The
3 presumptive fine for a violation under this paragraph is \$650.

4 “(4)(a) Unlawful possession of one-quarter avoirdupois ounce or more of
5 marijuana product by a person under 21 years of age is a Class C felony.

6 “(b) Unlawful possession of less than one-quarter avoirdupois ounce of
7 marijuana product by a person under 21 years of age is a Class B
8 misdemeanor.

9 “(5) As used in subsections (6) to (8) of this section, [*the terms*]
10 ‘licensee,’ ‘licensee representative,’ ‘marijuana,’ ‘marijuana extracts,’
11 ‘marijuana products,’ ‘marijuana retailer,’ ‘public place[.]’ and ‘usable
12 marijuana’ have the meanings given [*to them*] **those terms** in section 5,
13 **chapter 1, Oregon Laws 2015** [*of this Act*].

14 “(6) Except for licensees and licensee representatives **acting in accord-**
15 **ance with sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule**
16 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015**, it is un-
17 lawful for any person 21 years of age or older knowingly or intentionally to
18 possess:

19 “(a) More than one ounce of usable marijuana in a public place.

20 “(b) More than eight ounces of usable marijuana.

21 “(c) More than sixteen ounces of marijuana products in solid form.

22 “(d) More than seventy-two ounces of marijuana products in liquid form.

23 “(e) More than one ounce of marijuana extracts.

24 “(f) Any marijuana extracts that were not purchased from a licensed
25 marijuana retailer.

26 “(7) A violation of [*paragraphs (a) to (e) of*] subsection (6)(**a**) to (**e**) of this
27 section is a:

28 “(a) Class C felony, if the amount possessed is more than four times the
29 applicable maximum amount specified in subsection (6)(**a**) to (**e**) of this sec-
30 tion;

1 “(b) Class B misdemeanor, if the amount possessed is more than two
2 times, but not more than four times, the applicable maximum amount speci-
3 fied in subsection (6)(a) to (e) of this section; or

4 “(c) Class B violation, if the amount possessed is not more than two times
5 the applicable maximum amount specified in subsection (6)(a) to (e) of this
6 section.

7 “(8) A violation of [*paragraph (f) of*] subsection (6)(f) of this section is
8 a:

9 “(a) Class C felony, if the amount possessed is more than one-quarter
10 ounce of such marijuana extracts; or

11 “(b) Class B misdemeanor, if the amount possessed is not more than one-
12 quarter ounce of such marijuana extracts.

13
14 **“AUTHORITY OF OTHER GOVERNMENT AGENCIES**

15
16 **“SECTION 34. Any state officer, board, commission, corporation,**
17 **institution, department or other state body, and any local officer,**
18 **board, commission, institution, department or other local government**
19 **body, that is authorized by the laws of the state to perform a duty,**
20 **function or power with respect to a marijuana item, may purchase,**
21 **possess, seize or dispose of marijuana items as the state or local gov-**
22 **ernment body considers necessary to ensure compliance with and en-**
23 **force the applicable state law and any rules adopted under the**
24 **applicable state law.**

25
26 **“RETAIL DRUG OUTLETS**

27
28 **“SECTION 35. Section 36 of this 2015 Act is added to and made a**
29 **part of ORS chapter 689.**

30 **“SECTION 36. (1) The State Board of Pharmacy shall establish by**

1 rule instructions for the disposal of marijuana left behind by individ-
2 uals visiting retail drug outlets.

3 “(2) At a minimum, the instructions established in subsection (1)
4 of this section must:

5 “(a) Require an employee or supervisor of the retail drug outlet to
6 notify law enforcement upon discovering marijuana at the site; and

7 “(b) Include procedures for destroying the marijuana so that it can
8 no longer be used for human consumption.

9 “(3) A person acting under and in accordance with this section is
10 excepted from criminal offenses of which possession of marijuana is
11 an element.

12
13 **“AMENDMENTS TO FIX REFERENCES**

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

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

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

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

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

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

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

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

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

8 “(b) Prevent revenue from the sale of marijuana from going to criminal
9 enterprises, gangs[,] and cartels;

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

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

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

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

18 “(g) Prevent the growing of marijuana on public lands and the attendant
19 public safety and environmental dangers posed by marijuana production on
20 public lands; and

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

22 “**SECTION 38.** Section 2, chapter 1, Oregon Laws 2015, is amended to
23 read:

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

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

27 “[(3)] (1) Section 72, **chapter 1, Oregon Laws 2015**, is added to and made
28 a part of ORS chapter 475.

29 “[(4)] (2) Section 73, **chapter 1, Oregon Laws 2015**, is added to and made
30 a part of ORS chapter 811.

1 **“SECTION 39.** Section 3, chapter 1, Oregon Laws 2015, is amended to
2 read:

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

6 **“SECTION 40.** Section 4, chapter 1, Oregon Laws 2015, is amended to
7 read:

8 **“Sec. 4.** Sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*]
9 may not be construed:

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

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

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

18 “(4) To prohibit a party to a federal contract or a person applying to be
19 a party to a federal contract from prohibiting the manufacture, delivery,
20 possession[,] or use of marijuana to the extent necessary to comply with the
21 terms and conditions of the contract or to satisfy federal requirements for
22 the contract;

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

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

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

27 **“SECTION 41.** Section 6, chapter 1, Oregon Laws 2015, is amended to
28 read:

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

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

5 “(b) To the making, processing, keeping[,] or storage of homemade
6 marijuana products at a household by one or more persons 21 years of age
7 and older if the total of homemade marijuana products at the household does
8 not exceed [*sixteen*] **16** ounces in solid form at a given time.

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

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

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

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

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

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

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

30 “**SECTION 42.** Section 10, chapter 1, Oregon Laws 2015, is amended to

1 read:

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

6 “**SECTION 43.** Section 11, chapter 1, Oregon Laws 2015, is amended to
7 read:

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

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

17 “**SECTION 44.** Section 12, chapter 1, Oregon Laws 2015, is amended to
18 read:

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

22 “**SECTION 45.** Section 13, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 “**Sec. 13.** Licensees and licensee representatives may produce, deliver[,]
25 and possess marijuana items subject to the provisions of sections 3 to 70,
26 **chapter 1, Oregon Laws 2015** [of this Act]. The production, delivery[,] and
27 possession of marijuana items by a licensee or a licensee representative in
28 compliance with sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this
29 Act shall] **does** not constitute a criminal or civil offense under Oregon law.

30 “**SECTION 46.** Section 14, chapter 1, Oregon Laws 2015, is amended to

1 read:

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

4 “**SECTION 47.** Section 17, chapter 1, Oregon Laws 2015, is amended to
5 read:

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

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

17 “**SECTION 48.** Section 21, chapter 1, Oregon Laws 2015, is amended to
18 read:

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

21 “(2) A marijuana wholesaler must have a wholesale license issued by the
22 commission for the premises at which marijuana items are received, kept,
23 stored[,] or delivered.

24 “**SECTION 49.** Section 23, chapter 1, Oregon Laws 2015, is amended to
25 read:

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

1 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] and the rules
2 of the commission.

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

5 “**SECTION 50.** Section 24, chapter 1, Oregon Laws 2015, is amended to
6 read:

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

10 “**SECTION 51.** Section 25, chapter 1, Oregon Laws 2015, is amended to
11 read:

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

14 “(a) Be a purely personal privilege.

15 “(b) Be valid for the period stated in the license.

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

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

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

26 “(f) Cease upon the death of the licensee, except as provided in subsection
27 (2) of this section.

28 “(g) Not constitute property.

29 “(h) Not be alienable.

30 “(i) Not be subject to attachment or execution.

1 “(j) Not descend by the laws of testate or intestate devolution.

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

4 “(a) Marijuana items left by any deceased, insolvent or bankrupt person
5 or licensee, or subject to a security interest, may be foreclosed, sold under
6 execution or otherwise disposed of.

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

10 “(c) A business licensed pursuant to sections 3 to 70, **chapter 1, Oregon**
11 **Laws 2015**, [of this Act] subject to a security interest may be continued in
12 business by a secured party as defined in ORS 79.0102 for a reasonable period
13 after default on the indebtedness by the debtor.

14 “**SECTION 52.** Section 27, chapter 1, Oregon Laws 2015, is amended to
15 read:

16 “**Sec. 27.** A marijuana producer, marijuana processor[,] or marijuana
17 wholesaler shall deliver marijuana items only to or on a licensed premises.
18 The sale of marijuana items under any license issued by the Oregon Liquor
19 Control Commission for retail sales by a licensee [shall] **must** be restricted
20 to the premises described in the license, but deliveries may be made by the
21 marijuana retailer to consumers pursuant to bona fide orders received on the
22 licensed premises prior to delivery.

23 “**SECTION 53.** Section 28, chapter 1, Oregon Laws 2015, is amended to
24 read:

25 “**Sec. 28.** (1) Any person desiring a license or renewal of a license under
26 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act] shall make
27 application to the Oregon Liquor Control Commission upon forms to be fur-
28 nished by the commission showing the name and address of the applicant,
29 location of the place of business that is to be operated under the license[,]
30 and such other pertinent information as the commission may require. [No]

1 A license [shall] **may not** be granted or renewed until the applicant has
2 complied with the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
3 **2015**, [of this Act] and the rules of the commission.

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

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

13 “(4) The commission shall assess a nonrefundable fee for processing a new
14 or renewal application for any license authorized by sections 3 to 70, **chap-**
15 **ter 1, Oregon Laws 2015** [of this Act]. The application processing fee [shall
16 be] is \$250.

17 “(5) The annual license fee for any license granted under sections 3 to
18 70, **chapter 1, Oregon Laws 2015**, [of this Act shall be] is \$1,000. The license
19 fee is nonrefundable and [shall] **must** be paid by each applicant upon the
20 granting or committing of a license.

21 “**SECTION 54.** Section 29, chapter 1, Oregon Laws 2015, is amended to
22 read:

23 “**Sec. 29.** (1) The Oregon Liquor Control Commission may not license any
24 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
25 **2015**, [of this Act] if the applicant is under 21 years of age.

26 “(2) The [Oregon Liquor Control] commission may refuse to license any
27 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
28 **2015**, [of this Act] if the commission has reasonable ground to believe any
29 of the following to be true:

30 “(a) That there are sufficient licensed premises in the locality set out in

1 the application, or that the granting of a license in the locality set out in
2 the application is not demanded by public interest or convenience. In deter-
3 mining whether there are sufficient licensed premises in the locality, the
4 commission shall consider seasonal fluctuations in the population of the lo-
5 cality and shall ensure that there are adequate licensed premises to serve the
6 needs of the locality during the peak seasons.

7 “(b) That the applicant:

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

10 “(B) Has made false statements to the commission.

11 “(C) Is incompetent or physically unable to carry on the management of
12 the establishment proposed to be licensed.

13 “(D) Has been convicted of violating a general or local law of this state
14 or another state, or of violating a federal law, if the conviction is substan-
15 tially related to the fitness and ability of the applicant to lawfully carry out
16 activities under the license.

17 “(E) Has maintained an insanitary establishment.

18 “(F) Is not of good repute and moral character.

19 “(G) Did not have a good record of compliance with sections 3 to 70,
20 **chapter 1, Oregon Laws 2015, [of this Act]** or any rule of the commission
21 adopted pursuant thereto.

22 “(H) Is not the legitimate owner of the business proposed to be licensed,
23 or other persons have ownership interests in the business [*which*] **that** have
24 not been disclosed.

25 “(I) Is not possessed of or has not demonstrated financial responsibility
26 sufficient to adequately meet the requirements of the business proposed to
27 be licensed.

28 “(J) Is unable to understand the laws of Oregon relating to marijuana or
29 the rules of the commission.

30 “(3) Notwithstanding [*subparagraph (D) of paragraph (b) of*] subsection

1 (2)(b)(D) of this section, in determining whether the commission may refuse
2 to license an applicant, the commission may not consider the prior con-
3 viction of the applicant or any owner, director, officer, manager, employee,
4 agent[,] or other representative of the applicant for:

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

6 “(A) The date of the conviction is more than five years before the date
7 of the application; and

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

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

11 “(A) The date of the conviction is more than five years before the date
12 of the application; and

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

15 “(c) The possession of marijuana.

16 “**SECTION 55.** Section 30, chapter 1, Oregon Laws 2015, is amended to
17 read:

18 “**Sec. 30.** [(1)] The Oregon Liquor Control Commission may cancel or
19 suspend any license issued under sections 3 to 70, **chapter 1, Oregon Laws**
20 **2015** [of this Act], if the commission finds or has reasonable ground to believe
21 any of the following to be true:

22 “[(a)] (1) That the licensee:

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

26 “[(B)] (b) Has made any false representation or statement to the com-
27 mission in order to induce or prevent action by the commission.

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

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

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

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

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

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

12 “[(2) *Civil penalties under this section shall be imposed as provided in ORS*
13 *183.745.*]

14 “**SECTION 56.** Section 32, chapter 1, Oregon Laws 2015, is amended to
15 read:

16 “**Sec. 32.** (1) As used in sections 31 to 44, **chapter 1, Oregon Laws 2015**
17 [*of this Act*], ‘sale’ or ‘sold’ means any transfer, exchange or barter, in any
18 manner or by any means, for a consideration, and includes [*and means*] all
19 sales made by any person. It includes a gift by a person engaged in the
20 business of selling marijuana, for advertising, as a means of evading sections
21 31 to 44, **chapter 1, Oregon Laws 2015** [*of this Act*], or for any other pur-
22 pose.

23 “(2) If a marijuana producer also holds one or more processor licenses,
24 one or more wholesale licenses[,] or one or more retail licenses, a sale of
25 marijuana flowers, marijuana leaves[,] or immature marijuana plants will be
26 deemed to occur if and when the marijuana producer processes or takes any
27 other action with respect to [*such*] **the** marijuana flowers, marijuana
28 leaves[,] or immature marijuana plants for which a processor license,
29 wholesale license[,] or retail license is required, regardless of whether the
30 marijuana producer continues to own or possess the marijuana flowers,

1 marijuana leaves[,] or immature marijuana plants.

2 **“SECTION 57.** Section 33, chapter 1, Oregon Laws 2015, is amended to
3 read:

4 **“Sec. 33.** (1) A tax is imposed upon the privilege of engaging in business
5 as a marijuana producer at the rate of:

6 “(a) \$35 per ounce on all marijuana flowers;

7 “(b) \$10 per ounce on all marijuana leaves; and

8 “(c) \$5 per immature marijuana plant.

9 “(2) The rates of tax imposed by this section upon marijuana flowers and
10 marijuana leaves apply proportionately to quantities of less than one ounce.

11 “(3) The tax imposed by this section [*shall*] **must** be measured by the
12 quantities of marijuana flowers, marijuana leaves[,] and immature marijuana
13 plants produced and sold by any marijuana producer. The taxes specified in
14 this section [*shall*] **must** be levied and assessed to the marijuana producer
15 at the time of the first sale of the marijuana flowers, marijuana leaves[,] and
16 immature marijuana plants by the marijuana producer.

17 “(4) For reporting periods beginning on or after July 1, 2017, the rates
18 of tax under subsection (1) of this section [*shall*] **must** be adjusted for each
19 biennium according to the cost-of-living adjustment for the calendar year.
20 The Oregon Liquor Control Commission shall recompute the rates for each
21 biennium by adding to each rate in subsection (1) of this section the product
22 obtained by multiplying the rate by a factor that is equal to 0.25 multiplied
23 by the percentage (if any) by which the monthly averaged U.S. City Average
24 Consumer Price Index for the 12 consecutive months ending August 31 of the
25 prior calendar year exceeds the monthly averaged U.S. City Average Con-
26 sumer Price Index for the 12 consecutive months ending August 31, 2015.

27 “(5) The commission shall regularly review the rates of tax under sub-
28 section (1) of this section and make recommendations to the Legislative As-
29 sembly regarding appropriate adjustments to the rates that will further the
30 purposes of:

1 “(a) Maximizing net revenue;

2 “(b) Minimizing the illegal marijuana industry under Oregon law; and

3 “(c) Discouraging the use of marijuana by minors under 21 years of age.

4 “**SECTION 58.** Section 35, chapter 1, Oregon Laws 2015, is amended to
5 read:

6 “**Sec. 35.** On or before the 20th day of each month, every marijuana pro-
7 ducer shall file with the Oregon Liquor Control Commission a statement of
8 the quantities of marijuana flowers, marijuana leaves[,] and immature
9 marijuana plants sold by the marijuana producer during the preceding cal-
10 endar month.

11 “**SECTION 59.** Section 36, chapter 1, Oregon Laws 2015, is amended to
12 read:

13 “**Sec. 36.** If any marijuana producer fails, neglects or refuses to file a
14 statement required by section 35, **chapter 1, Oregon Laws 2015**, [*of this*
15 *Act*] or files a false statement, the Oregon Liquor Control Commission shall
16 estimate the quantities of marijuana flowers, marijuana leaves[,] and imma-
17 ture marijuana plants sold by the marijuana producer and assess the privi-
18 lege taxes [*thereon*] **on the estimated quantities**. The marijuana producer
19 [*shall*] **must** be estopped from complaining of the quantities so estimated.

20 “**SECTION 60.** Section 38, chapter 1, Oregon Laws 2015, is amended to
21 read:

22 “**Sec. 38.** Every marijuana producer shall keep a complete and accurate
23 record of all sales of marijuana flowers, marijuana leaves[,] and immature
24 marijuana plants, and a complete and accurate record of the number of
25 ounces of marijuana flowers produced, the number of ounces of marijuana
26 leaves produced, the number of immature marijuana plants produced[,] and
27 the dates of production. The records [*shall*] **must** be in such form and con-
28 tain such other information as the Oregon Liquor Control Commission may
29 prescribe.

30 “**SECTION 61.** Section 40, chapter 1, Oregon Laws 2015, is amended to

1 read:

2 “**Sec. 40.** (1) [No] A marijuana producer [shall] **may not**:

3 “(a) Fail to pay the privilege tax prescribed in section 33, **chapter 1,**
4 **Oregon Laws 2015,** [of this Act] when it is due; or

5 “(b) Falsify the statement required by section 35, **chapter 1, Oregon**
6 **Laws 2015** [of this Act].

7 “(2) [No] A person [shall] **may not**:

8 “(a) Refuse to permit the Oregon Liquor Control Commission or any of
9 its representatives to make an inspection of the books and records authorized
10 by sections 38 and 39, **chapter 1, Oregon Laws 2015** [of this Act];

11 “(b) Fail to keep books of account prescribed by the commission or re-
12 quired by sections 31 to 44, **chapter 1, Oregon Laws 2015** [of this Act];

13 “(c) Fail to preserve the books for two years for inspection of the com-
14 mission; or

15 “(d) Alter, cancel or obliterate entries in the books of account for the
16 purpose of falsifying any record required by sections 31 to 44, **chapter 1,**
17 **Oregon Laws 2015,** [of this Act] to be made, maintained or preserved.

18 “**SECTION 62.** Section 41, chapter 1, Oregon Laws 2015, is amended to
19 read:

20 “**Sec. 41.** Sections 31 to 44, **chapter 1, Oregon Laws 2015,** [of this Act]
21 do not apply to commerce with foreign nations or commerce with the several
22 states, except [in so far] **insofar** as the same may be permitted under the
23 Constitution and laws of the United States.

24 “**SECTION 63.** Section 42, chapter 1, Oregon Laws 2015, is amended to
25 read:

26 “**Sec. 42.** [No] A county or city of this state [shall] **may not** impose any
27 fee or tax, including occupation taxes, privilege taxes and inspection fees, in
28 connection with the purchase, sale, production, processing, transportation[,]
29 and delivery of marijuana items.

30 “**SECTION 64.** Section 43, chapter 1, Oregon Laws 2015, is amended to

1 read:

2 “**Sec. 43.** (1) All money collected by the Oregon Liquor Control Commis-
3 sion under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [of this Act
4 shall] **must** be remitted to the State Treasurer, who shall credit it to a
5 suspense account of the commission. Whenever the commission determines
6 that moneys have been received by it in excess of the amount legally due and
7 payable to the commission or that it has received money [to] **in** which it has
8 no legal interest, or that any license fee or deposit is properly refundable,
9 the commission is authorized and directed to refund such money by check
10 drawn upon the State Treasurer and charged to the suspense account of the
11 commission. After withholding refundable license fees and such sum, not to
12 exceed \$250,000, as it considers necessary as a revolving fund for a working
13 cash balance for the purpose of paying travel expenses, advances, other
14 miscellaneous bills and extraordinary items [which] **that** are payable in cash
15 immediately upon presentation, the commission shall direct the State Treas-
16 urer to transfer the money remaining in the suspense account to the Oregon
17 Marijuana Account established under section 44, **chapter 1, Oregon Laws**
18 **2015** [of this Act]. Moneys in the Oregon Marijuana Account are contin-
19 uously appropriated to the commission to be distributed and used as required
20 or allowed by Oregon law.

21 “(2) All necessary expenditures of the commission incurred in carrying
22 out sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], including
23 [such] sums necessary to reimburse the \$250,000 revolving fund, [shall] **must**
24 be paid from the Oregon Marijuana Account.

25 “**SECTION 65.** Section 44, chapter 1, Oregon Laws 2015, is amended to
26 read:

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

29 “(2) At the end of each month, the Oregon Liquor Control Commission
30 shall certify the amount of moneys available for distribution in the Oregon

1 Marijuana Account and, after withholding such moneys as it may deem
2 necessary to carry out its obligations under sections 3 to 70, **chapter 1,**
3 **Oregon Laws 2015** [of this Act], shall within 35 days of the month for which
4 a distribution is made distribute the moneys as follows:

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

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

9 “(c) Fifteen percent [shall] **must** be transferred to the State Police Ac-
10 count established under ORS 181.175;

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

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

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

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

28 “(ii) Fifty percent of [such ten] **the 10** percent [shall] **must** be transferred
29 in such shares as the number of licenses issued by the commission under
30 section 22, **chapter 1, Oregon Laws 2015,** [of this Act] during the calendar

1 year preceding the date of the distribution for premises located in each city
2 bears to the number of such licenses issued by the commission during such
3 calendar year for all premises in *[the]* **this** state;

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

7 “(A) For all distributions made from the Oregon Marijuana Account be-
8 fore July 1, 2017, in such shares as their respective populations bear to the
9 total population of *[the]* **this** state, as estimated from time to time by *[the*
10 *State Board of Higher Education]* **Portland State University**; 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 county 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
23 county bears to the number of such licenses issued by the commission during
24 such calendar year for all premises in *[the]* **this** state; and

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

28 “(3) It is the intent of this section that the moneys distributed from the
29 Oregon Marijuana Account to the distributees in subsection (2) of this sec-
30 tion are in addition to any other available moneys to such distributees and

1 do not supplant moneys available from any other source.

2 **“SECTION 66.** Section 45, chapter 1, Oregon Laws 2015, is amended to
3 read:

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

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

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

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

12 **“SECTION 67.** Section 46, chapter 1, Oregon Laws 2015, is amended to
13 read:

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

17 **“SECTION 68.** Section 47, chapter 1, Oregon Laws 2015, is amended to
18 read:

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

21 “(2)(a) A person who exercises control over private real property may not
22 knowingly allow any other person under the age of 21 years to consume
23 marijuana items on the property, or allow any other person under the age
24 of 21 years to remain on the property if the person under the age of 21 years
25 consumes marijuana items on the property.

26 “(b) This subsection:

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

29 “(B) Does not apply to the owner of rental property, or the agent of an
30 owner of rental property, unless the consumption occurs in the individual

1 **housing** unit in which the owner or agent resides.

2 **“SECTION 69.** Section 48, chapter 1, Oregon Laws 2015, is amended to
3 read:

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

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

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

12 **“SECTION 70.** Section 50, chapter 1, Oregon Laws 2015, is amended to
13 read:

14 **“Sec. 50.** (1) [No] Marijuana items [shall] **may not** be sold or offered for
15 sale within this state unless [such] **the** marijuana items comply with the
16 minimum standards fixed pursuant to law.

17 **“(2)** The Oregon Liquor Control Commission may require a marijuana
18 producer, marijuana processor[,] or marijuana wholesaler to provide a labo-
19 ratory analysis demonstrating to the satisfaction of the commission that
20 particular marijuana items comply with the minimum standards in this state.

21 **“(3)** [No] Marijuana items offered for sale within this state **may not** be
22 altered or tampered with in any way by any person not licensed to do so by
23 the commission.

24 **“(4)** The commission may prohibit the sale of any marijuana items for a
25 reasonable period of time while it is determining whether the marijuana
26 items comply with minimum standards in this state.

27 **“SECTION 71.** Section 51, chapter 1, Oregon Laws 2015, is amended to
28 read:

29 **“Sec. 51.** (1) [No] A licensee [shall] **may not** use or allow the use of any
30 mark or label on the container of any marijuana items [which] **that** are kept

1 for sale[,] if the container does not precisely and clearly indicate the nature
2 of [its] **the container's** contents or in any way might deceive any customer
3 as to the nature, composition, quantity, age or quality of [such] **the**
4 marijuana items.

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

9 “**SECTION 72.** Section 53, chapter 1, Oregon Laws 2015, is amended to
10 read:

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

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

14 “**SECTION 73.** Section 56, chapter 1, Oregon Laws 2015, is amended to
15 read:

16 “**Sec. 56.** (1) [No] **A** person may **not** produce, process, keep[,] or store
17 homegrown marijuana or homemade marijuana products if the homegrown
18 marijuana or homemade marijuana products can be readily seen by normal
19 unaided vision from a public place.

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

21 “**SECTION 74.** Section 57, chapter 1, Oregon Laws 2015, is amended to
22 read:

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

25 “**SECTION 75.** Section 58, chapter 1, Oregon Laws 2015, is amended to
26 read:

27 “**Sec. 58.** Sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act],
28 **are** designed to operate uniformly throughout [the] **this** state[, shall be] **and**
29 **are** paramount and superior to, and shall fully replace and supersede, any
30 and all municipal charter enactments or local ordinances inconsistent with

1 [it] sections 3 to 70, chapter 1, Oregon Laws 2015. Any such [charters]
2 charter enactments and local ordinances [hereby] are repealed.

3 **“SECTION 76.** Section 60, chapter 1, Oregon Laws 2015, is amended to
4 read:

5 **“Sec. 60.** (1) The governing body of a city or a county, when a petition
6 is filed as provided in this section, shall order an election on the question
7 whether the operation of licensed premises [shall] **should** be prohibited in
8 the city or county.

9 **“(2)** Except as provided in subsections (3)[, (4) and] **to** (5) of this section,
10 the requirements for preparing, circulating and filing a petition under this
11 section:

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

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

16 **“(3)** A petition under subsection (2) of this section:

17 **“(a)** Must be filed not less than 60 days before the day of the election;
18 and

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

21 **“(4)** If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county
22 or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the
23 requirements for preparing, circulating and filing a petition under this sec-
24 tion [shall] **must** be as provided for an initiative petition under the county
25 or city charter or an ordinance adopted under the county or city charter.

26 **“(5)** [No] A signature is **not** valid unless signed within 180 days before
27 the petition is filed.

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

30 **“(7)** An election under this section [shall] **must** be conducted under ORS

1 chapters 246 to 260.

2 **“SECTION 77.** Section 61, chapter 1, Oregon Laws 2015, is amended to
3 read:

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

8 **“SECTION 78.** Section 63, chapter 1, Oregon Laws 2015, is amended to
9 read:

10 **“Sec. 63.** The state police, sheriffs, constables and all police officers
11 within the State of Oregon shall enforce sections 3 to 30 [*of this Act*] and
12 [*sections*] 45 to 70, **chapter 1, Oregon Laws 2015,** [*of this Act*] and assist
13 the Oregon Liquor Control Commission in detecting violations of sections 3
14 to 30 [*of this Act*] and [*sections*] 45 to 70, **chapter 1, Oregon Laws 2015,**
15 [*of this Act*] and apprehending offenders. Each such enforcing officer having
16 notice, knowledge or reasonable ground of suspicion of any violation of
17 sections 3 to 30 [*of this Act*] or [*sections*] 45 to 70, **chapter 1, Oregon Laws**
18 **2015,** [*of this Act*] shall immediately notify the district attorney[,] and furnish
19 the district attorney with names and addresses of any witnesses, or other
20 information within the officer’s knowledge, of such violation.

21 **“SECTION 79.** Section 64, chapter 1, Oregon Laws 2015, is amended to
22 read:

23 **“Sec. 64.** (1) Whenever any officer arrests any person for violation of
24 sections 3 to 30 [*of this Act*] or [*sections*] 45 to 70, **chapter 1, Oregon Laws**
25 **2015** [*of this Act*], the officer may take into possession all marijuana
26 items[,] and other property [*which*] **that** the person so arrested has in pos-
27 session, or **is** on the premises, [*which*] **that** is apparently being used in vio-
28 lation of sections 3 to 30 [*of this Act*] or [*sections*] 45 to 70, **chapter 1,**
29 **Oregon Laws 2015** [*of this Act*].

30 **“(2)** If [*the*] a person [*so*] arrested **as described in this section** is con-

1 victed, and [*it is found*] **the court finds** that the marijuana items[,] and
2 other property [*has*] **have** been used in violation of [*Oregon law*] **the laws**
3 **of this state:**

4 “(a) The marijuana items [*shall*] **must** be forfeited to an appropriate state
5 or local law enforcement agency[,] and [*shall*] **must** be delivered by the court
6 or officer, **at the direction of the court**, to the law enforcement agency;
7 and

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

11 “(3) The commission is authorized to destroy or make such other disposi-
12 tion of any property it receives under [*paragraph (b) of*] subsection (2)(b) of
13 this section as it considers to be in the public interest. In any such case, all
14 such property, including lockers, chairs, tables, cash registers, music devices,
15 gambling devices, furniture, furnishings, equipment and facilities for the
16 storing, serving or using of marijuana items [*shall*] **must** be confiscated and
17 forfeited to the state, and the clear proceeds [*shall*] **must** be deposited with
18 the State Treasury in the Common School Fund in the manner provided in
19 this section.

20 “**SECTION 80.** Section 65, chapter 1, Oregon Laws 2015, is amended to
21 read:

22 “**Sec. 65.** The county courts, district attorneys and municipal authorities,
23 immediately upon the conviction of any licensee of the Oregon Liquor Con-
24 trol Commission of a violation of any provision of sections 3 to 30 [*of this*
25 *Act*] or [*sections*] 45 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] or
26 the violation of any other law of this state or ordinance of any municipality
27 [*therein*] **in this state**, in which violation marijuana had any part, shall
28 notify the commission [*thereof. Such officials*] **of the conviction. The**
29 **county courts, district attorneys and municipal authorities** shall notify
30 the commission of any acts, practices or other conduct of [*any such*] a

1 licensee [which] convicted as described in this section that may be
2 subversive of the general welfare or contrary to the spirit of sections 3 to
3 70, chapter 1, Oregon Laws 2015, [this Act] and shall recommend such
4 action on the part of the commission as will remove the evil.

5 **“SECTION 81.** Section 66, chapter 1, Oregon Laws 2015, is amended to
6 read:

7 **“Sec. 66.** Any room, house, building, boat, structure or place of any kind
8 where marijuana items are sold, manufactured, bartered or given away in
9 violation of Oregon law, or where persons are permitted to resort for the
10 purpose of using marijuana items in violation of Oregon law, or any place
11 where marijuana items are kept for sale, barter or gift in violation of Oregon
12 law, and all marijuana items or property subject to confiscation under sec-
13 tion 64, chapter 1, Oregon Laws 2015, [of this Act] kept and used in such
14 place, [is] are a common nuisance. Any person who maintains or assists in
15 maintaining [such] the common nuisance or knowingly suffers or permits
16 [such] the nuisance to exist in any place of which the person is the owner,
17 manager or lessor, [shall be] is guilty of a violation of sections 3 to 30 [of
18 this Act] and [sections] 45 to 70, chapter 1, Oregon Laws 2015 [of this
19 Act].

20 **“SECTION 82.** Section 67, chapter 1, Oregon Laws 2015, is amended to
21 read:

22 **“Sec. 67.** If it is proved that the owner of any building or premises
23 knowingly has [suffered the same to be used or] used the building or
24 premises or allowed the building or premises to be occupied for the
25 manufacture, sale or possession of marijuana items[,] contrary to the pro-
26 visions of sections 3 to 30 [of this Act] or [sections] 45 to 70, chapter 1,
27 Oregon Laws 2015 [of this Act], [such] the building or premises are subject
28 to a lien for, and may be sold to pay all fines and costs assessed against their
29 occupants for, any violation of sections 3 to 30 [of this Act] or [sections] 45
30 to 70, chapter 1, Oregon Laws 2015 [of this Act]. The lien [shall] must

1 be enforced immediately by civil action in any court having jurisdiction, by
2 the district attorney of the county [*wherein*] **in which** the building or
3 premises are located.

4 **SECTION 83.** Section 68, chapter 1, Oregon Laws 2015, is amended to
5 read:

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

12 **SECTION 84.** Section 69, chapter 1, Oregon Laws 2015, is amended to
13 read:

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

18 **“(2)** A violation of **section 40 (1), chapter 1, Oregon Laws 2015**, [*sub-*
19 *section (1) of section 40 of this Act*] is a Class B misdemeanor.

20 **“(3)** Subject to ORS 153.022, violation of any [*regulation promulgated*] **rule**
21 **adopted under section 7 (2)(e), chapter 1, Oregon Laws 2015**, [*paragraph*
22 *(e) of subsection (2) of section 7 of this Act*] is a Class C violation.

23 **SECTION 85.** Section 70, chapter 1, Oregon Laws 2015, is amended to
24 read:

25 **“Sec. 70.** If any [*sections, subsections, paragraphs, phrases, or words*]
26 **section, subsection, paragraph, phrase or word** of sections 3 to 70,
27 **chapter 1, Oregon Laws 2015**, [*of this Act shall be*] **is held to be** uncon-
28 stitutional, void[,] or illegal, either on [*their*] **its** face or as applied, [*this*
29 *shall*] **that holding does** not affect the applicability, constitutionality[,] or
30 legality of any other [*sections, subsections, paragraphs, phrases, and words*]

1 **section, subsection, paragraph, phrase or word** of sections 3 to 70,
2 **chapter 1, Oregon Laws 2015** [*of this Act*]. To that end, the sections, sub-
3 sections, paragraphs, phrases[,] and words of sections 3 to 70, **chapter 1,**
4 **Oregon Laws 2015,** [*of this Act*] are intended to be severable. It is hereby
5 declared to be the intent of **the people of this state in adopting** sections
6 3 to 70, **chapter 1, Oregon Laws 2015,** [*of this Act*] that sections 3 to 70,
7 **chapter 1, Oregon Laws 2015,** [*of this Act*] would have been adopted had
8 such unconstitutional, void[,] or illegal sections, subsections, paragraphs,
9 phrases[,] or words, if any, not been included in sections 3 to 70, **chapter**
10 **1, Oregon Laws 2015** [*of this Act*].

11 **“SECTION 86.** Section 72, chapter 1, Oregon Laws 2015, is amended to
12 read:

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

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

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

19 **“SECTION 87.** Section 81, chapter 1, Oregon Laws 2015, is amended to
20 read:

21 **“Sec. 81.** Sections [*71 to 73 of this Act*] **72 and 73, chapter 1, Oregon**
22 **Laws 2015,** and the amendments to ORS 316.680, 475.525, 475.752, 475.856,
23 475.860, 475.864[,] and 571.315 by sections 74 to 80, **chapter 1, Oregon Laws**
24 **2015,** [*of this Act*] apply to conduct occurring on and after the operative date
25 specified in **section 82 (1), chapter 1, Oregon Laws 2015** [*subsection (1) of*
26 *section 82 of this Act*].

27 **“SECTION 88.** Section 82, chapter 1, Oregon Laws 2015, is amended to
28 read:

29 **“Sec. 82.** (1) Sections 3 to 73, **chapter 1, Oregon Laws 2015,** [*of this*
30 *Act*] and the amendments to ORS 316.680, 475.525, 475.752, 475.856, 475.860[,]

1 475.864,] and 571.315 by sections 74 to **78 and 80, chapter 1, Oregon Laws**
2 **2015**, [of this Act] become operative on July 1, 2015.

3 “(2) The Oregon Liquor Control Commission may take any action before
4 the operative date specified in subsection (1) of this section that is necessary
5 to enable the commission to exercise, on and after the operative date speci-
6 fied in subsection (1) of this section, all the duties, functions and powers
7 conferred on the commission by sections 3 to 73, **chapter 1, Oregon Laws**
8 **2015**, [of this Act] and the amendments to ORS 316.680, 475.525, 475.752,
9 475.856, 475.860[, 475.864,] and 571.315 by sections 74 to **78 and 80, chapter**
10 **1, Oregon Laws 2015** [of this Act].

11 **“SECTION 89.** Section 86, chapter 1, Oregon Laws 2015, is amended to
12 read:

13 **“Sec. 86.** If any [sections, subsections, paragraphs, phrases, or words of]
14 **section, subsection, paragraph, phrase or word of sections 3 to 70,**
15 **chapter 1, Oregon Laws 2015**, [this Act (including but not limited to the
16 entirety of sections 7 to 70 of this Act) shall be] **is held to be** unconstitutional,
17 void[,] or illegal, either on [their] **its** face or as applied, [this shall] **that**
18 **holding does** not affect the applicability, constitutionality[,] or legality of
19 any other [sections, subsections, paragraphs, phrases, and words of] **section,**
20 **subsection, paragraph, phrase or word of sections 3 to 70, chapter 1,**
21 **Oregon Laws 2015** [this Act]. To that end, the sections, subsections, para-
22 graphs, phrases[,] and words of **sections 3 to 70, chapter 1, Oregon Laws**
23 **2015**, [this Act] are intended to be severable. It is hereby declared to be the
24 intent of **the people of this state in adopting sections 3 to 70, chapter**
25 **1, Oregon Laws 2015**, [this Act] that **sections 3 to 70, chapter 1, Oregon**
26 **Laws 2015**, [this Act] would have been adopted had such unconstitutional,
27 void[,] or illegal sections, subsections, paragraphs, phrases[,] or words, if any,
28 not been included in **sections 3 to 70, chapter 1, Oregon Laws 2015** [this
29 Act].

1 "TEMPORARY PROVISIONS

2
3 "SECTION 90. On or before January 1, 2016, the Oregon Liquor
4 Control Commission, after consultation with the State Department of
5 Agriculture and the Oregon Health Authority, shall prescribe forms
6 and adopt rules as the commission considers necessary to implement
7 sections 3 to 70, chapter 1, Oregon Laws 2015.

8 "SECTION 91. (1) Except as provided in subsection (2) of this sec-
9 tion, the Oregon Liquor Control Commission shall approve or deny
10 applications submitted to the commission under section 18, chapter 1,
11 Oregon Laws 2015, to produce, process or sell marijuana under sections
12 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, on or before January
13 4, 2016.

14 "(2) Subject to subsection (3) of this section, the commission is not
15 required to approve or deny applications submitted to the commission
16 under section 18, chapter 1, Oregon Laws 2015, to process marijuana
17 for any class of marijuana processor for which the commission has
18 not adopted rules providing for the regulation of that class of
19 marijuana processor.

20 "(3) The commission shall adopt rules for all classes of marijuana
21 processors no later than January 2, 2017.

22 "SECTION 92. On or before January 1, 2017, the Oregon Liquor
23 Control Commission:

24 "(1) Shall examine available research, and may conduct or com-
25 mission new research, to investigate the influence of marijuana on the
26 ability of a person to drive a vehicle and on the concentration of
27 delta-9-tetrahydrocannabinol in a person's blood, in each case taking
28 into account all relevant factors; and

29 "(2) In the manner provided by ORS 192.245, shall present the re-
30 sults of the research, including any recommendations for legislation,

1 to the interim committees of the Legislative Assembly related to ju-
2 diciary.

3
4 **"REPEALS**

5
6 **"SECTION 93. Section 55 and 71, chapter 1, Oregon Laws 2015, are**
7 **repealed.**

8
9 **"APPLICABILITY**

10
11 **"SECTION 94. (1) Section 28a of this 2015 Act and the amendments**
12 **to ORS 316.680 by sections 27 and 28 of this 2015 Act apply to conduct**
13 **occurring on or after July 1, 2015, and to tax years beginning on or**
14 **after January 1, 2015.**

15 **"(2) The repeal of section 71, chapter 1, Oregon Laws 2015, by sec-**
16 **tion 93 of this 2015 Act applies to all tax years.**

17
18 **"SERIES PLACEMENT**

19
20 **"SECTION 95. (1) Sections 3, 5, 11 to 14, 16, 19 to 23, 29 to 32 and 34**
21 **of this 2015 Act are added to and made a part of sections 3 to 70,**
22 **chapter 1, Oregon Laws 2015.**

23 **"(2) Section 28a of this 2015 Act is added to and made a part of ORS**
24 **chapter 317.**

25
26 **"CAPTIONS**

27
28 **"SECTION 96. The unit captions used in this 2015 Act are provided**
29 **only for the convenience of the reader and do not become part of the**
30 **statutory law of this state or express any legislative intent in the**

1 enactment of this 2015 Act.

2

3

“EMERGENCY CLAUSE

4

5 **“SECTION 97. This 2015 Act being necessary for the immediate**
6 **preservation of the public peace, health and safety, an emergency is**
7 **declared to exist, and this 2015 Act takes effect on its passage.”.**

8
