

A-Engrossed
House Bill 4014

Ordered by the House February 11
Including House Amendments dated February 11

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Interim Committee on Marijuana Legislation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Makes changes to laws regulating production, processing, sale, use and governance of cannabis. Changes become operative March 1, 2016.
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 90.396, 305.620, 316.680, 419C.239,
3 419C.420, 419C.443, 471.001, 471.775, 475.245, 475.752, 475.856, 475.858, 475.860, 475.862, 475.864,
4 475.898, 475B.015, 475B.063, 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.150, 475B.160,
5 475B.185, 475B.218, 475B.235, 475B.245, 475B.250, 475B.255, 475B.340, 475B.375, 475B.415,
6 475B.420, 475B.428, 475B.435, 475B.443, 475B.450, 475B.705, 475B.710, 475B.760, 475B.800, 809.265
7 and 813.215 and section 3, chapter 20, Oregon Laws 2015; repealing ORS 475B.120, 475B.285 and
8 811.481 and sections 173 and 175b, chapter 614, Oregon Laws 2015; and declaring an emergency.

9 **Be It Enacted by the People of the State of Oregon:**

10
11 **LICENSEES AND REGISTRANTS**
12 **(Producers Licensed by the**
13 **Oregon Liquor Control Commission)**
14

15 **SECTION 1.** ORS 475B.070 is amended to read:

16 475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control
17 Commission.

18 (2) A marijuana producer must have a production license issued by the commission for the
19 premises at which the marijuana is produced. To hold a production license under this section, a
20 marijuana producer:

21 (a) Must apply for a license in the manner described in ORS 475B.040;

22 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
23 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
24 that the applicant is 21 years of age or older; and

25 (c) Must meet the requirements of any rule adopted by the commission under subsection (3) of
26 this section.

27 (3) The commission shall adopt rules that:

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- 1 (a) Require a marijuana producer to annually renew a license issued under this section;
- 2 (b) Establish application, licensure and renewal of licensure fees for marijuana producers;
- 3 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS
- 4 475B.555;

5 **(d) Assist the viability of marijuana producers that are independently owned and operated**
6 **and that are limited in size and revenue with respect to other marijuana producers, by**
7 **minimizing barriers to entry into the regulated system and by expanding, to the extent**
8 **practicable, transportation options that will support their access to the retail market;**

9 [(d)] (e) Require marijuana producers to submit, at the time of applying for or renewing a license
10 under ORS 475B.040, a report describing the applicant's or licensee's electrical or water usage; and

11 [(e)(A)] (f)(A) Require a marijuana producer to meet any public health and safety standards and
12 industry best practices established by the commission by rule related to:

13 (i) The production of marijuana; or

14 (ii) The propagation of immature marijuana plants and the seeds of the plant Cannabis family
15 Cannabaceae.

16 (B) For purposes of establishing rules under subparagraph (A)(ii) of this paragraph, the com-
17 mission may not limit:

18 (i) The number of immature marijuana plants that may be possessed by a marijuana producer
19 licensed under this section;

20 (ii) The size of the grow canopy a marijuana producer licensed under this section uses to grow
21 immature marijuana plants; or

22 (iii) The weight or size of shipments of immature marijuana plants made by a marijuana pro-
23 ducer licensed under this section.

24 (4) Fees adopted under subsection (3)(b) of this section:

25 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
26 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana producers*];

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

29 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
30 475B.240.

31
32 **(Processors Licensed by the**
33 **Oregon Liquor Control Commission)**
34

35 **SECTION 2.** ORS 475B.090 is amended to read:

36 475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor
37 Control Commission.

38 (2) A marijuana processor must have a processor license issued by the commission for the
39 premises at which marijuana items are processed. To hold a processor license under this section, a
40 marijuana processor:

41 (a) Must apply for a license in the manner described in ORS 475B.040;

42 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
43 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
44 that the applicant is 21 years of age or older;

45 (c) If the marijuana processor processes marijuana extracts, may not be located in an area zoned

1 exclusively for residential use; and

2 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
3 this section.

4 (3) The commission shall adopt rules that:

5 (a) Require a marijuana processor to annually renew a license issued under this section;

6 (b) Establish application, licensure and renewal of licensure fees for marijuana processors;

7 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
8 475B.555; and

9 (d) Require a marijuana processor to meet any public health and safety standards and industry
10 best practices established by the commission by rule related to:

11 (A) Cannabinoid edibles;

12 (B) Cannabinoid concentrates;

13 (C) Cannabinoid extracts; and

14 (D) Any other type of cannabinoid product identified by the commission by rule.

15 (4) Fees adopted under subsection (3)(b) of this section:

16 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
17 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana processors*]; and

18 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
19 475B.240.

20
21 **(Wholesalers Licensed by the**
22 **Oregon Liquor Control Commission)**

23
24 **SECTION 3.** ORS 475B.100 is amended to read:

25 475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Li-
26 quor Control Commission.

27 (2) A marijuana wholesaler must have a wholesale license issued by the commission for the
28 premises at which marijuana items are received, stored or delivered. To hold a wholesale license
29 under this section, a marijuana wholesaler:

30 (a) Must apply for a license in the manner described in ORS 475B.040;

31 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
32 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
33 that the applicant is 21 years of age or older;

34 (c) May not be located in an area that is zoned exclusively for residential use; and

35 (d) Must meet the requirements of any rule adopted by the commission under subsection (3) of
36 this section.

37 (3) The commission shall adopt rules that:

38 (a) Require a marijuana wholesaler to annually renew a license issued under this section;

39 (b) Establish application, licensure and renewal of licensure fees for marijuana wholesalers;

40 (c) Require marijuana items received, stored or delivered by a marijuana wholesaler to be tested
41 in accordance with ORS 475B.555; and

42 (d) Require a marijuana wholesaler to meet any public health and safety standards and industry
43 best practices established by the commission by rule.

44 (4) Fees adopted under subsection (3)(b) of this section:

45 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the

1 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana wholesalers*]; and

2 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
3 475B.240.

4
5 **(Retailers Licensed by the**
6 **Oregon Liquor Control Commission)**
7

8 **SECTION 4.** ORS 475B.110 is amended to read:

9 475B.110. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor
10 Control Commission.

11 (2) A marijuana retailer must have a retail license issued by the commission for the premises
12 at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

13 (a) Must apply for a license in the manner described in ORS 475B.040;

14 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on an application submitted*
15 *under ORS 475B.040 has been a resident of this state for two or more years, and*] Must provide proof
16 that the applicant is 21 years of age or older;

17 (c) May not be located in an area that is zoned exclusively for residential use;

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

19 (A) A public elementary or secondary school for which attendance is compulsory under ORS
20 339.020; or

21 (B) A private or parochial elementary or secondary school, teaching children as described in
22 ORS 339.030 (1)(a); and

23 (e) Must meet the requirements of any rule adopted by the commission under subsection (3) of
24 this section.

25 (3) The commission shall adopt rules that:

26 (a) Require a marijuana retailer to annually renew a license issued under this section;

27 (b) Establish application, licensure and renewal of licensure fees for marijuana retailers;

28 (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS
29 475B.555; and

30 (d) Require a marijuana retailer to meet any public health and safety standards and industry
31 best practices established by the commission by rule.

32 (4) Fees adopted under subsection (3)(b) of this section:

33 (a) May not exceed, **together with other fees collected under ORS 475B.010 to 475B.395**, the
34 cost of administering ORS 475B.010 to 475B.395 [*with respect to marijuana retailers*]; and

35 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
36 475B.240.

37
38 **(Marijuana Grow Sites Registered**
39 **with the Oregon Health Authority)**
40

41 **SECTION 5.** ORS 475B.420 is amended to read:

42 475B.420. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site
43 registration system to track and regulate the production of marijuana by a registry identification
44 cardholder or a person designated by the registry identification cardholder to produce marijuana for
45 the registry identification cardholder.

1 (b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana
2 unless the person is registered under this section.

3 (c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided
4 in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

5 (2) Rules adopted under this section must require an applicant for a registry identification card,
6 or a registry identification cardholder who produces marijuana or who designates another person
7 to produce marijuana, to submit an application to the authority containing the following information
8 at the time of making an application under ORS 475B.415 (2), renewing a registry identification card
9 under ORS 475B.415 (6)(b), or notifying the authority of a change under ORS 475B.415 (6)(a):

10 (a) The name of the person responsible for the marijuana grow site;

11 (b) [*Proof, until January 1, 2020, that the person responsible for the marijuana grow site has been*
12 *a resident of this state for two or more years, and*] Proof that the person is 21 years of age or older;

13 (c) The address of the marijuana grow site; and

14 (d) Any other information that the authority considers necessary to track the production of
15 marijuana under ORS 475B.400 to 475B.525.

16 (3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person
17 whose name is submitted under this section as the person responsible for a marijuana grow site.

18 (b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the
19 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or
20 be designated a person responsible for a marijuana grow site for two years from the date of con-
21 viction.

22 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to
23 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
24 not act as or be designated a person responsible for a marijuana grow site.

25 (4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site
26 registration card if the requirements of subsections (2) and (3) of this section are met.

27 (5) A person who holds a marijuana grow site registration card under this section must display
28 the card at the marijuana grow site at all times.

29 (6) A marijuana grow site registration card must be obtained and posted for each registry
30 identification cardholder for whom marijuana is being produced at a marijuana grow site.

31 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-
32 sociated with the production of marijuana for a registry identification cardholder by a person re-
33 sponsible for a marijuana grow site are the property of the registry identification cardholder.

34 (b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-
35 ciated with the production of marijuana for a registry identification cardholder by a person re-
36 sponsible for a marijuana grow site must be transferred to the registry identification cardholder
37 upon the request of the registry identification cardholder.

38 (c) All usable marijuana associated with the production of marijuana for a registry identification
39 cardholder by a person responsible for a marijuana grow site must be transferred to a marijuana
40 processing site upon the request of the registry identification cardholder. For purposes of this par-
41 agraph, a request to transfer usable marijuana constitutes an assignment of the right to possess the
42 usable marijuana.

43 (d) All seeds, immature marijuana plants and usable marijuana associated with the production
44 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow
45 site must be transferred to a medical marijuana dispensary upon request of the registry identifica-

1 tion cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana
2 plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature
3 marijuana plants or usable marijuana.

4 (e) Information related to transfers made under this subsection must be submitted to the au-
5 thority in the manner required by ORS 475B.423.

6 (8) A registry identification cardholder, or the designated caregiver of a registry identification
7 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated
8 with the production of marijuana for the registry identification cardholder.

9 (9) The authority may inspect:

10 (a) The marijuana grow site of a person designated to produce marijuana by a registry identifi-
11 cation cardholder to ensure compliance with this section and ORS 475B.423 and 475B.428 and any
12 rule adopted under this section and ORS 475B.423 and 475B.428; and

13 (b) The records of the marijuana grow site of a person designated to produce marijuana by a
14 registry identification cardholder to ensure compliance with this section and ORS 475B.423 and any
15 rule adopted under this section and ORS 475B.423.

16 (10) The authority may refuse to register a registry identification cardholder or a designee under
17 this section or may suspend or revoke the registration of a person responsible for a marijuana grow
18 site if the authority determines that the applicant or the person responsible for a marijuana grow
19 site violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400 to
20 475B.525 or an ordinance adopted pursuant to ORS 475B.500.

21 (11) The authority may require a person responsible for a marijuana grow site, prior to issuing
22 a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably
23 calculated to pay costs incurred under this section and ORS 475B.423 and 475B.458.

24
25 **(Processors Registered with the**
26 **Oregon Health Authority)**
27

28 **SECTION 6.** ORS 475B.435 is amended to read:

29 475B.435. (1)(a) The Oregon Health Authority shall establish by rule a marijuana processing site
30 registration system to track and regulate the processing of marijuana by a person responsible for
31 a marijuana processing site.

32 (b) Except as provided in paragraph (c) of this subsection, a person may not process marijuana
33 unless the person is registered under this section.

34 (c) Paragraph (b) of this subsection does not apply to the processing of marijuana as provided
35 in ORS 475B.010 to 475B.395 or as otherwise provided for by the statutory laws of this state.

36 (2) The registration system established under subsection (1) of this section must require an ap-
37 plicant for a marijuana processing site to submit an application to the authority that includes:

38 (a) The name of the individual who owns the marijuana processing site or, if a business entity
39 owns the marijuana processing site, the name of each individual who has a financial interest in the
40 marijuana processing site;

41 (b) The name of the individual or individuals responsible for the marijuana processing site, if
42 different from the name of the individual who owns the marijuana processing site;

43 (c) The address of the marijuana processing site;

44 (d) *[Proof, until January 1, 2020, that each individual responsible for the marijuana processing site*
45 *has been a resident of this state for two or more years, and]* Proof that each individual responsible

1 for the marijuana processing site is 21 years of age or older;

2 (e) Documentation, as required by the authority by rule, that demonstrates the marijuana pro-
3 cessing site meets the requirements of subsection (3) of this section; and

4 (f) Any other information that the authority considers necessary.

5 (3) To qualify for registration under this section, a marijuana processing site:

6 (a) May not be located in an area that is zoned for residential use if the marijuana processing
7 site processes cannabinoid extracts;

8 (b) Must be registered as a business, or have filed an application to register as a business, with
9 the office of the Secretary of State; and

10 (c) Must meet the requirements of any rule adopted by the authority under subsection (10) of
11 this section.

12 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
13 vidual named in an application under subsection (2) of this section.

14 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
15 ular I or Schedule II may not own or be responsible for a marijuana processing site for two years
16 from the date the individual is convicted.

17 (c) An individual convicted more than once for the manufacture or delivery of a controlled
18 substance in Schedule I or Schedule II may not own or be responsible for a marijuana processing
19 site.

20 (5) If a person submits the application required under subsection (2) of this section, if the
21 marijuana processing site identified in the application meets the requirements of this section and
22 any rules adopted under this section and if each individual named in the application passes the
23 criminal records check required under subsection (4) of this section, the authority shall register the
24 marijuana processing site and issue proof of registration. Proof of registration must be displayed on
25 the premises of the marijuana processing site at all times.

26 (6) A marijuana processing site that is registered under this section is not required to register
27 with the State Board of Pharmacy under ORS 475.125.

28 (7) The individual or individuals responsible for a marijuana processing site shall maintain doc-
29 umentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid con-
30 centrates and cannabinoid extracts.

31 (8) The authority may inspect:

32 (a) The premises of a proposed marijuana processing site or a registered marijuana processing
33 site to ensure compliance with this section and ORS 475B.438 and 475B.440 and any rules adopted
34 under this section and ORS 475B.438 and 475B.440; and

35 (b) The records of a registered marijuana processing site to ensure compliance with subsection
36 (7) of this section.

37 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
38 cant under this section or may suspend or revoke the registration of a marijuana processing site if
39 the authority determines that the applicant, the owner of the marijuana processing site, a person
40 responsible for the marijuana processing site, or an employee of the marijuana processing site, vio-
41 lated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or
42 an ordinance adopted pursuant to ORS 475B.500.

43 (10) The authority shall adopt rules to implement this section, including rules that:

44 (a) Require a registered marijuana processing site to annually renew the registration for that
45 site;

1 (b) Establish fees for registering, and renewing the registration of, a marijuana processing site;

2 (c) Require that medical cannabinoid products, cannabinoid concentrates and cannabinoid ex-
3 tracts transferred by a marijuana processing site be tested to ensure the public health and safety;
4 and

5 (d) Impose any other standard on the operation of a marijuana processing site to ensure the
6 public health and safety.

7 **SECTION 7.** ORS 475B.443 is amended to read:

8 475B.443. (1) A marijuana processing site may not transfer medical cannabinoid products,
9 cannabinoid concentrates or cannabinoid extracts to a person other than [*a registry identification*
10 *cardholder, a designated primary caregiver*] **another marijuana processing site** or a medical
11 marijuana dispensary.

12 (2) A person other than a marijuana processing site may not transfer medical cannabinoid pro-
13 ducts, cannabinoid concentrates or cannabinoid extracts to a medical marijuana dispensary.

14
15 **(Medical Marijuana Dispensaries Registered**
16 **with the Oregon Health Authority)**
17

18 **SECTION 8.** ORS 475B.450 is amended to read:

19 475B.450. (1)(a) The Oregon Health Authority shall establish by rule a medical marijuana
20 dispensary registration system for the purpose of tracking and regulating the transfer of:

21 (A) Usable marijuana, immature marijuana plants and seeds from registry identification
22 cardholders, designated primary caregivers and persons responsible for marijuana grow sites to
23 medical marijuana dispensaries;

24 (B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts from
25 persons responsible for marijuana processing sites to medical marijuana dispensaries; and

26 (C) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products,
27 cannabinoid concentrates and cannabinoid extracts from medical marijuana dispensaries to registry
28 identification cardholders and designated primary caregivers.

29 (b) A person may not operate an establishment for the purpose of providing the services de-
30 scribed in paragraph (a) of this subsection unless the person is registered under this section.

31 (2) The registration system established under subsection (1) of this section must require an ap-
32 plicant for a medical marijuana dispensary to submit an application to the authority that includes:

33 (a) The name of the individual who owns the medical marijuana dispensary or, if a business
34 entity owns the medical marijuana dispensary, the name of each individual who has a financial in-
35 terest in the medical marijuana dispensary;

36 (b) The name of the individual or individuals responsible for the medical marijuana dispensary,
37 if different from the name of the individual who owns the medical marijuana dispensary;

38 (c) The address of the medical marijuana dispensary;

39 (d) [*Proof, until January 1, 2020, that each individual responsible for the medical marijuana*
40 *dispensary has been a resident of this state for two or more years, and*] Proof that each individual
41 responsible for the medical marijuana dispensary is 21 years of age or older;

42 (e) Documentation, as required by the authority by rule, that demonstrates the medical
43 marijuana dispensary meets the requirements of subsection (3) of this section; and

44 (f) Any other information that the authority considers necessary.

45 (3) To qualify for registration under this section, a medical marijuana dispensary:

- 1 (a) May not be located in an area that is zoned for residential use;
- 2 (b) May not be located at the same address as a marijuana grow site;
- 3 (c) Must be registered as a business, or have filed an application to register as a business, with
4 the office of the Secretary of State;
- 5 (d) May not be located within 1,000 feet of:
- 6 (A) A public elementary or secondary school for which attendance is compulsory under ORS
7 339.020; or
- 8 (B) A private or parochial elementary or secondary school, teaching children as described in
9 ORS 339.030 (1)(a);
- 10 (e) Must not be located within 1,000 feet of another medical marijuana dispensary; and
- 11 (f) Must meet the requirements of any rule adopted by the authority under subsection (10) of this
12 section.
- 13 (4)(a) The authority shall conduct a criminal records check under ORS 181A.195 for each indi-
14 vidual named in an application submitted under subsection (2) of this section.
- 15 (b) An individual convicted for the manufacture or delivery of a controlled substance in Sched-
16 ular I or Schedule II may not own or be responsible for a medical marijuana dispensary for two years
17 from the date the individual is convicted.
- 18 (c) An individual convicted more than once for the manufacture or delivery of a controlled
19 substance in Schedule I or Schedule II may not own or be responsible for a medical marijuana
20 dispensary.
- 21 (5) If a person submits the application required under subsection (2) of this section, if the med-
22 ical marijuana dispensary identified in the application meets the requirements of this section and
23 any rules adopted under this section and if each individual named in the application passes the
24 criminal records check required under subsection (4) of this section, the authority shall register the
25 medical marijuana dispensary and issue proof of registration. Proof of registration must be displayed
26 on the premises of the medical marijuana dispensary at all times.
- 27 (6) A medical marijuana dispensary that is registered under this section is not required to reg-
28 ister with the State Board of Pharmacy under ORS 475.125.
- 29 (7) The individual or individuals responsible for a medical marijuana dispensary shall maintain
30 documentation of each transfer of usable marijuana, medical cannabinoid products, cannabinoid
31 concentrates, cannabinoid extracts, immature marijuana plants and seeds.
- 32 (8) The authority may inspect:
- 33 (a) The premises of a proposed medical marijuana dispensary or a registered medical marijuana
34 dispensary to ensure compliance with this section and ORS 475B.453 and any rules adopted under
35 this section or ORS 475B.453; and
- 36 (b) The records of a registered medical marijuana dispensary to ensure compliance with sub-
37 section (7) of this section.
- 38 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an appli-
39 cant under this section or may suspend or revoke the registration of a medical marijuana dispensary
40 if the authority determines that the applicant, the owner of the medical marijuana dispensary, a
41 person responsible for the medical marijuana dispensary, or an employee of the medical marijuana
42 dispensary, violated a provision of ORS 475B.400 to 475B.525, a rule adopted under ORS 475B.400
43 to 475B.525 or an ordinance adopted pursuant to ORS 475B.500.
- 44 (10) The authority shall adopt rules to implement this section, including rules that:
- 45 (a) Require a registered medical marijuana dispensary to annually renew the registration for

1 that dispensary;

2 (b) Establish fees for registering, and renewing the registration of, a medical marijuana
3 dispensary;

4 (c) Require that each medical marijuana dispensary install and maintain a minimum security
5 system that includes video surveillance, an alarm system and a safe;

6 (d) Require that usable marijuana, medical cannabinoid products, cannabinoid concentrates,
7 cannabinoid extracts and immature marijuana plants transferred by a medical marijuana dispensary
8 be tested to ensure the public health and safety; and

9 (e) Impose any other standard on the operation of a medical marijuana dispensary to ensure the
10 public health and safety.

11
12 **(Registry Identification Cardholders**
13 **and Designated Primary Caregivers)**
14

15 **SECTION 9.** ORS 475B.415 is amended to read:

16 475B.415. (1) The Oregon Health Authority shall establish a program for the issuance of registry
17 identification cards to applicants who meet the requirements of this section.

18 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age
19 or older if the applicant pays a fee in an amount established by the authority by rule and submits
20 to the authority an application containing the following information:

21 (a) Written documentation from the applicant's attending physician stating that the attending
22 physician has diagnosed the applicant as having a debilitating medical condition and that the med-
23 ical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical
24 condition;

25 (b) The name, address and date of birth of the applicant;

26 (c) The name, address and telephone number of the applicant's attending physician;

27 (d) Proof of residency, [as] **submitted in a form** required by the authority by rule;

28 (e) The name and address of the applicant's designated primary caregiver, if the applicant is
29 designating a primary caregiver under ORS 475B.418; and

30 (f) The information described in ORS 475B.420 (2), if the applicant is applying to produce
31 marijuana or designate another person under ORS 475B.420 to produce marijuana.

32 (3)(a) The authority shall issue a registry identification card to an applicant who is under 18
33 years of age if:

34 (A) The applicant pays the fee and submits the application described in subsection (2) of this
35 section; and

36 (B) The custodial parent or legal guardian who is responsible for the health care decisions of
37 the applicant signs and submits to the authority a written statement that:

38 (i) The applicant's attending physician has explained to the applicant and to the custodial parent
39 or legal guardian the possible risks and benefits of the medical use of marijuana;

40 (ii) The custodial parent or legal guardian consents to the medical use of marijuana by the ap-
41 plicant;

42 (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary
43 caregiver; and

44 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and fre-
45 quency of the medical use of marijuana by the applicant.

1 (b) An applicant who is under 18 years of age may not apply to produce marijuana under sub-
2 section (2)(f) of this section.

3 (4) The authority shall:

4 **(a) On the date on which the authority receives an application described in subsection (2)**
5 **of this section, issue a receipt to the applicant verifying that the authority received an ap-**
6 **plication under subsection (2) or (3) of this section; and**

7 **(b) Approve or deny an application received under subsection (2) or (3) of this section** within
8 30 days after receiving the application.

9 (5)(a) If the authority approves an application, the authority shall issue a serially numbered
10 registry identification card to the applicant within five days after approving the application. The
11 registry identification card must include the following information:

12 (A) The registry identification cardholder's name, address and date of birth;

13 (B) The issuance date and expiration date of the registry identification card;

14 (C) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
15 the name and address of the registry identification cardholder's designated primary caregiver; and

16 (D) Any other information required by the authority by rule.

17 (b) If the registry identification cardholder designated a primary caregiver under ORS 475B.418,
18 the authority shall issue an identification card to the designated primary caregiver. The identifica-
19 tion card must contain the information required by paragraph (a) of this subsection.

20 (6) A registry identification cardholder shall:

21 (a) In a form and manner prescribed by the authority, notify the authority of any change con-
22 cerning the registry identification cardholder's:

23 (A) Name, address or attending physician;

24 (B) Designated primary caregiver, including the designation of a primary caregiver made at a
25 time other than at the time of applying for or renewing a registry identification card; or

26 (C) Person responsible for a marijuana grow site, including the designation of a person respon-
27 sible for a marijuana grow site made at a time other than at the time of applying for or renewing
28 a registry identification card.

29 (b) Annually renew the registry identification card by paying a fee in an amount established by
30 the authority by rule and submitting to the authority an application that contains the following in-
31 formation:

32 (A) Updated written documentation from the registry identification cardholder's attending phy-
33 sician stating that the registry identification cardholder still has a debilitating medical condition
34 and that the medical use of marijuana may mitigate the symptoms or effects of the registry iden-
35 tification cardholder's debilitating medical condition;

36 (B) The information described in subsection (2)(b) to (f) of this section; and

37 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the
38 custodial parent or legal guardian of the registry identification cardholder that meets the require-
39 ments of subsection (3) of this section.

40 **(7) The authority shall:**

41 **(a) On the date on which the authority receives an application described in subsection (2)**
42 **of this section, issue a receipt to the applicant verifying that the authority received an ap-**
43 **plication under subsection (6)(b) of this section; and**

44 **(b) Approve or deny an application received under subsection (6)(b) of this section within**
45 **30 days after receiving the application.**

1 [(7)(a)] **(8)(a)** If the registry identification cardholder's attending physician determines that the
2 registry identification cardholder no longer has a debilitating medical condition, or determines that
3 the medical use of marijuana is contraindicated for the registry identification cardholder's debili-
4 tating medical condition, the registry identification cardholder shall return the registry identifica-
5 tion card to the authority within 30 calendar days after receiving notice of the determination.

6 (b) If, because of circumstances beyond the control of the registry identification cardholder, a
7 registry identification cardholder is unable to obtain a second medical opinion about the registry
8 identification cardholder's continuing eligibility for the medical use of marijuana before having to
9 return the registry identification card to the authority, the authority may grant the registry iden-
10 tification cardholder additional time to obtain a second medical opinion.

11 [(8)(a)] **(9)(a)** The authority may deny an application for a registry identification card or an ap-
12 plication to renew a registry identification card, or may suspend or revoke a registry identification
13 card, if:

14 (A) The applicant or registry identification cardholder does not provide the information required
15 by this section;

16 (B) The authority determines that the applicant or registry identification cardholder provided
17 false information; or

18 (C) The authority determines that the applicant or registry identification cardholder violated a
19 provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

20 (b) If a registry identification card is revoked, any associated identification card issued under
21 subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.420
22 (6), shall also be revoked.

23 (c) A person whose application is denied, or whose registry identification card is revoked, under
24 this subsection may not reapply for a registry identification card for six months from the date of the
25 denial or revocation unless otherwise authorized by the authority.

26 [(9)(a)] **(10)(a)** The authority may deny a designation of a primary caregiver made under ORS
27 475B.418, or suspend or revoke an associated identification card issued under subsection (5)(b) of
28 this section, if the authority determines that the designee or the registry identification cardholder
29 violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

30 (b) A person whose designation has been denied, or whose identification card has been revoked,
31 under this subsection may not be designated as a primary caregiver under ORS 475B.418 for six
32 months from the date of the denial or revocation unless otherwise authorized by the authority.

33 [(10)] **(11)** Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry
34 identification card, or a registry identification cardholder applying for renewal of a registry iden-
35 tification card, submits to the authority proof of having served in the Armed Forces of the United
36 States [*and of having been diagnosed with post-traumatic stress disorder*], the authority may not im-
37 pose a fee that is greater than \$20 for the issuance or renewal of the registry identification card.

38 **(12) For any purpose described in ORS 475B.400 to 475B.525, including exemption from**
39 **criminal liability under ORS 475B.475, a receipt issued by the authority verifying that an**
40 **application has been submitted to the authority under subsection (2), (3) or (6)(b) of this**
41 **section has the same legal effect as a registry identification card for 30 days following the**
42 **date on which the receipt was issued to the applicant.**

43
44 **MATURE MARIJUANA PLANT GROW CANOPIES**
45

1 **SECTION 10.** ORS 475B.075 is amended to read:

2 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor Control Commission
3 shall adopt rules restricting the size of mature marijuana plant grow canopies at premises for which
4 a license has been issued under ORS 475B.070. In adopting rules under this subsection, the com-
5 mission shall:

6 (a) Limit the size of mature marijuana plant grow canopies, for premises where marijuana is
7 grown outdoors and for premises where marijuana is grown indoors, in a manner calculated to result
8 in premises that produce the same amount of harvested marijuana leaves and harvested marijuana
9 flowers regardless of whether the marijuana is grown outdoors or indoors.

10 (b) Adopt a tiered system under which the permitted size of a marijuana producer's mature
11 marijuana plant grow canopy increases at the time of licensure renewal under ORS 475B.070, except
12 that the permitted size of a marijuana producer's mature marijuana plant grow canopy may not in-
13 crease following any year during which the commission disciplined the marijuana producer for vio-
14 lating a provision of ORS 475B.010 to 475B.395 or a rule adopted under a provision of ORS 475B.010
15 to 475B.395.

16 (c) Take into consideration the market demand for marijuana items in this state, the number of
17 persons applying for a license under ORS 475B.070 and to whom a license has been issued under
18 ORS 475B.070, and whether the availability of marijuana items in this state is commensurate with
19 the market demand.

20 (2) This section:

21 (a) **Applies only to that portion of a premises for which a license has been issued under**
22 **ORS 475B.070 that is used to produce mature marijuana plants; and**

23 (b) Does not apply to a premises for which a license has been issued under ORS 475B.070 if the
24 premises is used only to propagate immature marijuana plants.

25
26 **APPLICATION PROCESS FOR OREGON**
27 **LIQUOR CONTROL COMMISSION LICENSEES**

28
29 **SECTION 11.** ORS 475B.063 is amended to read:

30 475B.063. (1) Prior to [*the issuance of*] **receiving** a license under ORS 475B.070, 475B.090,
31 475B.100 or 475B.110, [*the Oregon Liquor Control Commission*] **an applicant** shall request a land use
32 compatibility statement from the city or county that authorizes the land use. The land use compat-
33 ibility statement must demonstrate that the requested license is for a land use that is allowable as
34 a permitted or conditional use within the given zoning designation where the land is located. The
35 **Oregon Liquor Control** Commission may not issue a license if the land use compatibility statement
36 shows that the proposed land use is prohibited in the applicable zone.

37 (2) **Except as provided in subsection (3) of this section**, a city or county that receives a re-
38 quest for a land use compatibility statement under this section must act on that request within 21
39 days of:

40 (a) Receipt of the request, if the land use is allowable as an outright permitted use; or

41 (b) Final local permit approval, if the land use is allowable as a conditional use.

42 (3) **A city or county that receives a request for a land use compatibility statement under**
43 **this section is not required to act on that request during the period that the commission**
44 **discontinues licensing those premises pursuant to ORS 475B.800 (4)(b).**

45 [(3)] (4) A city or county action concerning a land use compatibility statement under this section

1 is not a land use decision for purposes of ORS chapter 195, 196, 197, [or] 215 **or 227.**

2
3 **RESEARCH**

4
5 **SECTION 12.** ORS 475B.235 is amended to read:

6 475B.235. (1) The Oregon Liquor Control Commission, in consultation with the Oregon Health
7 Authority and the State Department of Agriculture, shall establish a program for the purpose of
8 identifying and certifying private and public researchers of cannabis.

9 (2)(a) The authority shall assist the commission in identifying candidates for certification under
10 this section with respect to potential medical research.

11 (b) The department shall assist the commission in identifying candidates for certification under
12 this section with respect to potential agricultural research.

13 (3) Subject to subsection (4) of this section, the commission shall adopt by rule or order:

14 (a) Qualifications for certification under this section;

15 (b) The term of a certificate issued under this section;

16 (c) Processes for applying for, receiving and renewing a certificate under this section;

17 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid
18 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a
19 person certified under this section; and

20 (e) Procedures for disposing or otherwise making use of marijuana, usable marijuana,
21 cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

22 (4) In establishing qualifications under subsection (3) of this section, the commission shall con-
23 sider the following:

24 (a) A research applicant's access to funding and the overall cost of the proposed research;

25 (b) The overall benefit of an applicant's proposed research to this state's cannabis industry or
26 to public health and safety; and

27 (c) Legal barriers to conducting the proposed research or legal risks associated with conducting
28 the proposed research.

29 **(5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to**
30 **making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates**
31 **and cannabinoid extracts, the commission shall also adopt procedures by which a person**
32 **certified under this section may transfer limited amounts of marijuana, usable marijuana,**
33 **cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another person**
34 **certified under this section or to a premises for which a license has been issued under ORS**
35 **475B.070, 475B.090, 475B.100 or 475B.110.**

36 [(5)] (6) A person certified under this section:

37 (a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates
38 and cannabinoid extracts from a licensee or a registrant under ORS 475B.400 to 475B.525; and

39 (b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products,
40 cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in [rules
41 adopted by the commission under subsection (3)(e) of] this section **and rules adopted by the com-**
42 **mission under this section.**

43 [(6)] (7) Except as otherwise provided by the commission by rule, rules adopted by the commis-
44 sion for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to
45 licensees and licensee representatives apply to persons certified under this section and persons em-

1 ployed by or who otherwise perform work for persons certified under this section.

2 [(7)] (8) A person who is certified under this section, and an employee of or other person who
3 performs work for a person certified under this section, is exempt from the criminal laws of this
4 state for possession, delivery or manufacture of marijuana, aiding and abetting another in the pos-
5 session, delivery and manufacture of marijuana, or any other criminal offense in which possession,
6 delivery or manufacture of marijuana is an element, while performing activities related to conduct-
7 ing research as described in this section.

8
9 **WORK PERMITS**

10
11 **SECTION 13.** ORS 475B.218 is amended to read:

12 475B.218. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants
13 to perform work described in ORS 475B.215. The commission shall adopt rules establishing:

- 14 (a) The qualifications for performing work described in ORS 475B.215;
15 (b) The term of a permit issued under this section;
16 (c) Procedures for applying for and renewing a permit issued under this section; and
17 (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

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

- 21 (A) Checking identification;
22 (B) Detecting intoxication;
23 (C) Handling marijuana items;
24 (D) The content of ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to 475B.395;

25 and

- 26 (E) Any matter deemed necessary by the commission to protect the public health and safety.
27 (b) The commission or other provider of the course may charge a reasonable fee for the course.
28 (c) The commission may not require an individual to successfully complete the course more than

29 once, except that:

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

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

35 (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual
36 applying for a permit under this section.

37 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke
38 or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

39 (a) Is convicted of a felony[,] or is convicted of an offense under ORS 475.856, 475.858,
40 475.860, 475.862 or 475B.010 to 475B.395, except that the commission may not consider a conviction
41 for [*the manufacture or delivery of marijuana*] an offense under ORS 475.856, 475.858, 475.860,
42 475.862 or 475B.010 to 475B.395 if the date of the conviction is two or more years before the date
43 of the application or renewal;

44 (b) Violates any provision of ORS 475B.010 to 475B.395 or any rule adopted under ORS 475B.010
45 to 475B.395; or

1 (c) Makes a false statement to the commission.

2 (5) A permit issued under this section is a personal privilege and permits work described under
3 ORS 475B.215 only for the individual who holds the permit.

4
5 **DELEGATION OF AUTHORITY**

6
7 **SECTION 14.** Section 15 of this 2016 Act is added to and made a part of ORS 475B.010 to
8 475B.395.

9 **SECTION 15.** Except for the power to adopt rules, the Oregon Liquor Control Commission
10 may delegate to the administrator appointed under ORS 471.720 any of the commission's
11 functions, duties and powers as prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525,
12 475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law of the state related
13 to the regulation of marijuana items.

14
15 **AUTHORITY TO REQUIRE FINGERPRINTS**

16
17 **SECTION 16.** (1) Section 17 of this 2016 Act is added to and made a part of ORS 475B.010
18 to 475B.395.

19 (2) Section 18 of this 2016 Act is added to and made a part of ORS 475B.550 to 475B.590.

20 **SECTION 17.** For the purpose of requesting a state or nationwide criminal records check
21 under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints
22 of any individual listed on an application submitted under ORS 475B.218.

23 **SECTION 18.** For the purpose of requesting a state or nationwide criminal records check
24 under ORS 181A.195, the Oregon Liquor Control Commission may require the fingerprints
25 of any individual listed on an application submitted under ORS 475B.560.

26
27 **REGULATORY SPECIALISTS**

28
29 **SECTION 19.** ORS 471.001 is amended to read:

30 471.001. As used in this chapter and ORS chapter 473:

31 (1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than
32 one-half of one percent alcohol by volume and capable of being consumed by a human being.

33 (2) "Commercial establishment" means a place of business:

34 (a) Where food is cooked and served;

35 (b) That has kitchen facilities adequate for the preparation and serving of meals;

36 (c) That has dining facilities adequate for the serving and consumption of meals; and

37 (d) That:

38 (A) If not a for-profit private club, serves meals to the general public; or

39 (B) If a for-profit private club, serves meals to the club's members and guests and complies with
40 any minimum membership and food service requirements established by Oregon Liquor Control
41 Commission rules.

42 (3) "Commission" means the Oregon Liquor Control Commission.

43 (4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage.
44 "Distilled liquor" includes distilled spirits.

45 (5) "Licensee" means any person holding a license issued under this chapter.

1 (6)(a) “Malt beverage” means an alcoholic beverage obtained by the fermentation of grain that
2 contains not more than 14 percent alcohol by volume.

3 (b) “Malt beverage” includes:

4 (A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent
5 alcohol by volume;

6 (B) Malt beverages containing six percent or less alcohol by volume and that contain at least
7 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49
8 percent of the beverage’s overall alcohol content is obtained from flavors and other added
9 nonbeverage ingredients containing alcohol; and

10 (C) Malt beverages containing more than six percent alcohol by volume that derive not more
11 than 1.5 percent of the beverage’s overall alcohol content by volume from flavors and other added
12 nonbeverage ingredients containing alcohol.

13 (c) “Malt beverage” does not include cider or an alcoholic beverage obtained primarily by
14 fermentation of rice, such as sake.

15 (7) “Manufacturer” means every person who produces, brews, ferments, manufactures or blends
16 an alcoholic beverage within this state or who imports or causes to be imported into this state an
17 alcoholic beverage for sale or distribution within the state.

18 (8) “Permittee” means a person holding a permit issued under ORS 471.360 to 471.390.

19 (9) “Premises” or “licensed premises” means a location licensed under this chapter and includes
20 all enclosed areas at the location that are used in the business operated at the location, including
21 offices, kitchens, rest rooms and storerooms, including all public and private areas where patrons
22 are permitted to be present. “Premises” or “licensed premises” includes areas outside of a building
23 that the commission has specifically designated as approved for alcoholic beverage service or con-
24 sumption.

25 (10) “Regulatory specialist” means a full-time employee of the commission who is authorized to
26 act as an agent of the commission in conducting inspections or investigations, making arrests and
27 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing
28 this chapter, ORS 474.005 to 474.095 [and], 474.115, **475B.010 to 475B.395, 475B.550 to 475B.590 and**
29 **475B.600 to 475B.655**, commission rules and any other statutes the commission considers related to
30 regulating liquor, [or] marijuana **or marijuana-derived products**.

31 (11) “Wine” means any fermented vinous liquor or fruit juice, or other fermented beverage fit
32 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of
33 alcohol by volume and not more than 21 percent of alcohol by volume. “Wine” includes fortified
34 wine. “Wine” does not include cider.

35 **SECTION 20.** ORS 471.775 is amended to read:

36 471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of
37 the Oregon Liquor Control Commission or any of its authorized agents.

38 (2) **Subject to subsection (3) of this section**, regulatory specialists have authority as provided
39 under this chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to
40 133.739, 161.235, 161.239 [and], 161.245, **475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600**
41 **to 475B.655** and chapter 743, Oregon Laws 1971, to conduct inspections or investigations, make ar-
42 rests and seizures, aid in prosecutions for offenses, issue criminal citations and citations for vio-
43 lations and otherwise enforce this chapter, ORS 474.005 to 474.095 [and], 474.115, **475B.010 to**
44 **475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655**, commission rules and any other laws
45 of this state that the commission considers related to alcoholic liquor, **marijuana and marijuana-**

1 **derived products**, including but not limited to laws regarding the **production, processing**, manu-
2 **facture**, importation, transportation, possession, distribution, sale or consumption of alcoholic
3 **beverages**, the manufacture or use of false identification or the entry of premises licensed to sell
4 **alcoholic liquor, marijuana or marijuana-derived products**.

5 **(3) A regulatory specialist may not:**

6 **(a) Be sworn in as a federal law enforcement official and act in that capacity while per-**
7 **forming duties under subsection (2) of this section;**

8 **(b) Carry a firearm;**

9 **(c) Conduct inspections and investigations of a primary residence or for purposes of en-**
10 **sureing compliance with ORS 475B.245 and 475B.375; or**

11 **(d) Except as provided under the provisions of ORS 475B.010 to 475B.395, conduct in-**
12 **spections and investigations for purposes of ensuring compliance with ORS 475B.400 to**
13 **475B.525.**

14
15 **EXEMPTION FROM PUBLIC DISCLOSURE**

16
17 **SECTION 21.** Section 22 of this 2016 Act is added to and made a part of ORS 475B.010 to
18 **475B.395.**

19 **SECTION 22.** (1) Subject to subsection (2) of this section, information is exempt from
20 **public disclosure under ORS 192.410 to 192.505 if the information is:**

21 **(a) The address of a premises for which a license has been issued or for which an appli-**
22 **cant has proposed to be licensed under ORS 475B.070, 475B.090 or 485B.100;**

23 **(b) Is related to the security plan or the operational plan for a premises for which a li-**
24 **cence has been issued or for which an applicant has proposed to be licensed under ORS**
25 **475B.070, 475B.090, 485B.100 or 475B.110; or**

26 **(c) Is related to any record that the Oregon Liquor Control Commission determines**
27 **contains proprietary information of a person who holds a license under ORS 475B.070,**
28 **475B.090, 485B.100 or 475B.110.**

29 **(2) The exemption from public disclosure as provided by this section does not apply to a**
30 **request for information if the request is made by a law enforcement agency.**

31
32 **EXCESS USABLE MARIJUANA PRODUCED WITHIN**
33 **MARIJUANA GROW SITE POSSESSION LIMITS**

34
35 **SECTION 23.** ORS 475B.428 is amended to read:

36 **475B.428.** (1) Subject to subsection (2) of this section, a registry identification cardholder and the
37 **designated primary caregiver of the registry identification cardholder may jointly possess six or**
38 **fewer mature marijuana plants.**

39 **(2)(a) A person may be designated to produce marijuana under ORS 475B.420 by no more than**
40 **four registry identification cardholders.**

41 **(b) A person who is designated to produce marijuana by a registry identification cardholder may**
42 **produce no more than six mature marijuana plants [per] for a registry identification cardholder[.]**
43 **who designates the person to produce marijuana.**

44 **(3) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-**
45 **cated within city limits in an area zoned for residential use:**

1 (a) Except as provided in paragraph (b) of this subsection, no more than 12 mature marijuana
2 plants may be produced at the address; or

3 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site
4 located at the address first registered with the Oregon Health Authority under ORS 475B.420 before
5 January 1, 2015, no more than the amount of mature marijuana plants located at that address on
6 December 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana
7 plants, may be produced at the address.

8 (4) If the address of a person responsible for a marijuana grow site under ORS 475B.420 is lo-
9 cated in an area other than an area described in subsection (3) of this section:

10 (a) Except as provided in paragraph (b) of this subsection, no more than 48 mature marijuana
11 plants may be produced at the address; or

12 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana
13 grow site located at the address first registered with the authority under ORS 475B.420 before
14 January 1, 2015, no more than the amount of mature marijuana plants located at that address on
15 December 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana
16 plants, may be produced at the address.

17 (5) If the authority suspends or revokes the registration of a person responsible for a marijuana
18 grow site that is located at an address described in subsection (3)(b) or (4)(b) of this section:

19 (a) No more than 12 mature marijuana plants may be subsequently produced at any address
20 described in subsection (3) of this section at which the person responsible for that marijuana grow
21 site produces marijuana.

22 (b) No more than 48 mature marijuana plants may be subsequently produced at any address
23 described in subsection (4) of this section at which the person responsible for that marijuana grow
24 site produces marijuana.

25 (6) If a registry identification cardholder who designated a person to produce marijuana for the
26 registry identification cardholder pursuant to ORS 475B.420 terminates the designation, the person
27 responsible for the marijuana grow site whose designation has been terminated may not be desig-
28 nated to produce marijuana by another registry identification cardholder, except that the person
29 may be designated by another registry identification cardholder if no more than 48 mature
30 marijuana plants are produced at the address for the marijuana grow site at which the person
31 produces marijuana.

32 **(7) Subject to the limits described in subsections (2) to (6) of this section, if multiple**
33 **persons responsible for a marijuana grow site under ORS 475B.420 are located at the same**
34 **address, the persons designated to produce marijuana by registry identification cardholders**
35 **who are located at that address may collectively produce mature marijuana plants for any**
36 **number of registry identification cardholders who designate the persons to produce**
37 **marijuana.**

38 [(7)] (8) If a law enforcement officer determines that a registry identification cardholder, the
39 designated primary caregiver of a registry identification cardholder, or a person responsible for a
40 marijuana grow site under ORS 475B.420 who grows marijuana for a registry identification
41 cardholder, possesses a number of mature marijuana plants in excess of the quantities specified in
42 this section, the law enforcement officer may confiscate only the excess number of mature marijuana
43 plants.

44
45 **MEDICAL MARIJUANA BUSINESSES**

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**APPLYING TO BE LICENSED BY THE
OREGON LIQUOR CONTROL COMMISSION**

4 **SECTION 24.** Section 25 of this 2016 Act is added to and made a part of ORS 475B.010 to
5 **475B.395.**

6 **SECTION 25.** (1) The Oregon Liquor Control Commission shall adopt by rule procedures
7 by which:

8 (a) A person responsible for a marijuana grow site registered under ORS 475B.420, or, if
9 multiple persons responsible for a marijuana grow site registered under ORS 475B.420 are
10 located at the same address, each person responsible for a marijuana grow site located at
11 the address, may apply for a license under ORS 475B.070 to transition from being registered
12 by the Oregon Health Authority to being licensed by the commission;

13 (b) A marijuana processing site registered under ORS 475B.435 may apply for a license
14 under ORS 475B.090 to transition from being registered by the authority to being licensed
15 by the commission; and

16 (c) A medical marijuana dispensary registered under ORS 475B.450 may apply for a li-
17 cense under ORS 475B.110 to transition from being registered by the authority to being li-
18 censed by the commission.

19 (2)(a) In adopting rules under this section, the commission shall adopt, at a minimum,
20 procedures by which the inventory possessed by a person responsible for a marijuana grow
21 site, a marijuana processing site or a medical marijuana dispensary on the date on which the
22 person responsible for a marijuana grow site, the marijuana processing site or the medical
23 marijuana dispensary is first subject to tracking by the commission under ORS 475B.150:

24 (A) May be delivered to a premises for which a license has been issued under ORS
25 475B.090, 475B.100 or 475B.110; or

26 (B) May be sold to consumers by marijuana retailers that hold a license under ORS
27 475B.110.

28 (b) Procedures adopted under this subsection must require a person responsible for a
29 marijuana grow site registered under ORS 475B.420, or, if multiple persons responsible for a
30 marijuana grow site registered under ORS 475B.420 are located at the same address, each
31 person responsible for a marijuana grow site located at the address, to return to an individ-
32 ual to whom a registry identification card has been issued under ORS 475B.415, and for whom
33 the person or persons are producing marijuana, all the marijuana and usable marijuana
34 owned by the individual, except as otherwise allowed under a personal agreement entered
35 into under ORS 475B.425, at the time that the person or the persons receive a license under
36 ORS 475B.070.

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TAXATION OF CANNABIS AND CANNABIS PRODUCTS

40 **SECTION 26.** ORS 475B.705 is amended to read:

41 475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana items in this state. The
42 tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is
43 required [*to achieve convenience and facility in the collection and administration of the tax*]. The tax
44 shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at
45 which the retail sale occurs.

1 (2) The tax imposed under this section shall be imposed at the rate of:

2 (a) 17 percent of the retail sales price of marijuana leaves;

3 (b) 17 percent of the retail sales price of marijuana flowers;

4 (c) 17 percent of the retail sales price of immature marijuana plants;

5 (d) 17 percent of the retail sales price of a cannabinoid edible;

6 (e) 17 percent of the retail sales price of a cannabinoid concentrate;

7 (f) 17 percent of the retail sales price of a cannabinoid extract;

8 (g) 17 percent of the retail sales price of a cannabinoid product that is intended to be used by
9 applying the cannabinoid product to the skin or hair; and

10 (h) 17 percent of the retail sales price of cannabinoid products other than those described in
11 paragraph (g) of this subsection.

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

14 (4) **Except as otherwise provided by the Department of Revenue by rule**, the amount of the
15 tax shall be separately stated on an invoice, receipt or other similar document that the marijuana
16 retailer provides to the consumer[, *or shall be otherwise disclosed to the consumer.*] **at the time at**
17 **which the retail sale occurs.**

18 (5) A person may not knowingly sell, purchase, install, transfer or possess **electronic devices**
19 **or** software programs [*or other electronic devices intended to hide or to remove records of retail sales*
20 *of marijuana items or to falsify records of retail sales of marijuana items.*] **for the purposes of:**

21 (a) **Hiding or removing records of retail sales of marijuana items; or**

22 (b) **Falsifying records of retail sales of marijuana items.**

23 (6)(a) **A marijuana retailer may not discount a marijuana item or offer a marijuana item**
24 **for free if the retail sale of the marijuana item is made in conjunction with the retail sale**
25 **of any other item.**

26 (b) **Paragraph (a) of this subsection does not affect any provision of ORS 475B.010 to**
27 **475B.395 or any rule adopted by the Oregon Liquor Control Commission pursuant to ORS**
28 **475B.010 to 475B.395 that is related to the retail sale of marijuana items.**

29 **SECTION 27.** ORS 475B.710 is amended to read:

30 475B.710. (1) Except as otherwise provided in ORS 475B.700 to 475B.760, the tax imposed upon
31 the consumer under ORS 475B.705 shall be collected at the point of sale and remitted by each
32 marijuana retailer that engages in the retail sale of marijuana items. The tax is [*considered*] a tax
33 upon the marijuana retailer that is required to collect the tax, and the marijuana retailer is [*con-*
34 *sidered*] a taxpayer.

35 (2) The marijuana retailer shall [*submit*] **file** a return to the Department of Revenue on or before
36 the last day of January, April, July and October of each year for the previous calendar quarter.

37 (3) The marijuana retailer shall pay the tax to the department in the form and manner pre-
38 scribed by the department, but not later than with each quarterly return, without regard to [*exten-*
39 *sions*] **an extension granted** under subsection (5) of this section.

40 (4) Marijuana retailers shall file the returns required under this section regardless of whether
41 any tax is owed.

42 (5) **For good cause**, the department [*for good cause*] may extend the time for [*making any*] **filing**
43 **a** return under this section. The extension may be granted at any time if a written request is filed
44 with the department during or prior to the period for which the extension may be granted. The de-
45 partment may not grant an extension of more than 30 days.

1 (6) Interest shall be added at the rate established under ORS 305.220 for each month, or fraction
2 of a month, from the time the return was originally required to be filed to the time of payment.

3 **(7) If a marijuana retailer fails to file a return or pay the tax as required by this section,**
4 **the department shall impose a penalty in the manner provided in ORS 314.400.**

5 [(7)] **(8)** Except as provided in subsections [(8) and] (9) **and (10)** of this section, the period pre-
6 scribed for the department to allow or make a refund of any overpayment of tax paid under ORS
7 475B.700 to 475B.760 [shall be] **is** as provided in ORS 314.415.

8 [(8)(a)] **(9)(a)** The department shall first apply any overpayment of tax **by a marijuana retailer**
9 to any marijuana tax that is [then] **owed by the marijuana retailer.**

10 (b) If after any offset against any delinquent amount the overpayment of tax remains greater
11 than \$1,000, the [entire] **remaining** refund shall be applied as a credit against the next subsequent
12 calendar quarter as an estimated payment.

13 [(9)] **(10)** The department may not make a refund of, or credit, any overpayment of tax under
14 ORS 475B.700 to 475B.760 that was credited to the account of a marijuana retailer under subsection
15 [(8)(b)] **(9)(b)** of this section if the return for that tax period is not filed within three years after the
16 due date of that return.

17 **SECTION 28.** ORS 316.680 is amended to read:

18 316.680. (1) There shall be subtracted from federal taxable income:

19 (a) The interest or dividends on obligations of the United States and its territories and pos-
20 sessions or of any authority, commission or instrumentality of the United States to the extent
21 includable in gross income for federal income tax purposes but exempt from state income taxes un-
22 der the laws of the United States. However, the amount subtracted under this paragraph shall be
23 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
24 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
25 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
26 are deductible in determining federal taxable income.

27 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as
28 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for
29 which a tax benefit was received.

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

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

34 (e)(A) Federal pension income that is attributable to federal employment occurring before Oc-
35 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before
36 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
37 the tax year by the ratio of the number of months of federal creditable service occurring before
38 October 1, 1991, over the total number of months of federal creditable service.

39 (B) The subtraction allowed under this paragraph applies only to federal pension income re-
40 ceived at a time when:

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

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

44 (C) As used in this paragraph:

45 (i) "Federal creditable service" means those periods of time for which a federal employee earned

1 a federal pension.

2 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-
3 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
4 aries.

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

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

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

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

15 (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
16 year in qualified withdrawals from a savings network account for higher education established under
17 ORS 178.300 to 178.355.

18 *[(i) Any federal deduction that the taxpayer would have been allowed for the production, processing
19 or sale of marijuana items authorized under ORS 475B.010 to 475B.395 but for section 280E of the
20 Internal Revenue Code.]*

21 *[(j)]* (i) If included in taxable income for federal tax purposes, any distributions from an ABLE
22 account that do not exceed the qualified disability expenses of the designated beneficiary as pro-
23 vided in ORS 178.375 and 178.380 and rules adopted by the Oregon 529 Savings Board.

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

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

30 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-
31 torial possession of the United States that by the laws of the United States are exempt from federal
32 income tax but not from state income taxes. However, the amount added under this paragraph shall
33 be reduced by any interest on indebtedness incurred to carry the obligations or securities described
34 in this paragraph and by any expenses incurred in the production of interest or dividend income
35 described in this paragraph.

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

38 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the
39 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-
40 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

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

43 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-
44 ness credits under section 196 of the Internal Revenue Code.

45 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws

1 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
2 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal
3 Revenue Code.

4 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
5 during the tax year if:

6 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the
7 tax year; and

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

9 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
10 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
11 income repayment adjustment under ORS 315.068.

12 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 178.300, from a savings
13 network account for higher education established under ORS 178.300 to 178.355, the amount of the
14 withdrawal that is attributable to contributions that were subtracted from federal taxable income
15 under ORS 316.699.

16 (k) If the taxpayer makes a distribution from an ABLE account that is not a qualified disability
17 expense of the designated beneficiary as provided in ORS 178.375 and 178.380 and rules adopted by
18 the Oregon 529 Savings Board, the amount of the distribution that is attributable to contributions
19 that were subtracted from federal taxable income under ORS 316.699.

20 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-
21 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
22 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
23 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-
24 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

25 **SECTION 28a.** ORS 316.680, as amended by section 28 of this 2016 Act, is amended to read:

26 316.680. (1) There shall be subtracted from federal taxable income:

27 (a) The interest or dividends on obligations of the United States and its territories and pos-
28 sessions or of any authority, commission or instrumentality of the United States to the extent
29 includable in gross income for federal income tax purposes but exempt from state income taxes un-
30 der the laws of the United States. However, the amount subtracted under this paragraph shall be
31 reduced by any interest on indebtedness incurred to carry the obligations or securities described in
32 this paragraph, and by any expenses incurred in the production of interest or dividend income de-
33 scribed in this paragraph to the extent that such expenses, including amortizable bond premiums,
34 are deductible in determining federal taxable income.

35 (b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as
36 described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for
37 which a tax benefit was received.

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

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

42 (e)(A) Federal pension income that is attributable to federal employment occurring before Oc-
43 tober 1, 1991. Federal pension income that is attributable to federal employment occurring before
44 October 1, 1991, shall be determined by multiplying the total amount of federal pension income for
45 the tax year by the ratio of the number of months of federal creditable service occurring before

1 October 1, 1991, over the total number of months of federal creditable service.

2 (B) The subtraction allowed under this paragraph applies only to federal pension income re-
3 ceived at a time when:

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

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

7 (C) As used in this paragraph:

8 (i) "Federal creditable service" means those periods of time for which a federal employee earned
9 a federal pension.

10 (ii) "Federal pension" means any form of retirement allowance provided by the federal govern-
11 ment, its agencies or its instrumentalities to retirees of the federal government or their benefici-
12 aries.

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

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

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

20 (g) Any amounts awarded to the taxpayer by the Public Safety Memorial Fund Board under ORS
21 243.954 to 243.974 to the extent that the taxpayer has not taken the amount as a deduction in de-
22 termining the taxpayer's federal taxable income for the tax year.

23 (h) If included in taxable income for federal tax purposes, the amount withdrawn during the tax
24 year in qualified withdrawals from a savings network account for higher education established under
25 ORS 178.300 to 178.355.

26 (i) **Any federal deduction that the taxpayer would have been allowed for the production,
27 processing or sale of marijuana items authorized under ORS 475B.010 to 475B.395 or 475B.400
28 to 475B.525 but for section 280E of the Internal Revenue Code.**

29 [(i)] (j) If included in taxable income for federal tax purposes, any distributions from an ABLE
30 account that do not exceed the qualified disability expenses of the designated beneficiary as pro-
31 vided in ORS 178.375 and 178.380 and rules adopted by the Oregon 529 Savings Board.

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

33 (a) Interest or dividends, exempt from federal income tax, on obligations or securities of any
34 foreign state or of a political subdivision or authority of any foreign state. However, the amount
35 added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the
36 obligations or securities described in this paragraph and by any expenses incurred in the production
37 of interest or dividend income described in this paragraph.

38 (b) Interest or dividends on obligations of any authority, commission, instrumentality and terri-
39 torial possession of the United States that by the laws of the United States are exempt from federal
40 income tax but not from state income taxes. However, the amount added under this paragraph shall
41 be reduced by any interest on indebtedness incurred to carry the obligations or securities described
42 in this paragraph and by any expenses incurred in the production of interest or dividend income
43 described in this paragraph.

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

1 (d) The amount of any allowance for depletion in excess of the taxpayer's adjusted basis in the
2 property depleted, deducted on the taxpayer's federal income tax return for the taxable year, pur-
3 suant to sections 613, 613A, 614, 616 and 617 of the Internal Revenue Code.

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

6 (f) The amount taken as a deduction on the taxpayer's federal return for unused qualified busi-
7 ness credits under section 196 of the Internal Revenue Code.

8 (g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws
9 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815,
10 Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal
11 Revenue Code.

12 (h) The amount of any long term care insurance premiums paid or incurred by the taxpayer
13 during the tax year if:

14 (A) The amount is taken into account as a deduction on the taxpayer's federal return for the
15 tax year; and

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

17 (i) Any amount taken as a deduction under section 1341 of the Internal Revenue Code in com-
18 puting federal taxable income for the tax year, if the taxpayer has claimed a credit for claim of right
19 income repayment adjustment under ORS 315.068.

20 (j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 178.300, from a savings
21 network account for higher education established under ORS 178.300 to 178.355, the amount of the
22 withdrawal that is attributable to contributions that were subtracted from federal taxable income
23 under ORS 316.699.

24 (k) If the taxpayer makes a distribution from an ABLE account that is not a qualified disability
25 expense of the designated beneficiary as provided in ORS 178.375 and 178.380 and rules adopted by
26 the Oregon 529 Savings Board, the amount of the distribution that is attributable to contributions
27 that were subtracted from federal taxable income under ORS 316.699.

28 (3) Discount and gain or loss on retirement or disposition of obligations described under sub-
29 section (2)(a) of this section issued on or after January 1, 1985, shall be treated for purposes of this
30 chapter in the same manner as under sections 1271 to 1283 and other pertinent sections of the
31 Internal Revenue Code as if the obligations, although issued by a foreign state or a political subdivi-
32 sion of a foreign state, were not tax exempt under the Internal Revenue Code.

33 **SECTION 29.** (1) **The amendments to ORS 316.680 by section 28 of this 2016 Act apply to**
34 **conduct occurring on or after July 1, 2015, and before January 1, 2016, and to tax years**
35 **ending before January 1, 2016.**

36 (2) **The amendments to ORS 316.680 by section 28a of this 2016 Act apply to conduct oc-**
37 **curring on or after January 1, 2016, and to tax years beginning on or after January 1, 2016.**

38
39 **LOCAL CONTROL**

40 **(Local Repeal of Ordinances that Prohibit the**
41 **Establishment of Marijuana-Related Businesses)**

42
43 **SECTION 30.** (1) **The governing body of a city or county may repeal an ordinance that**
44 **prohibits the establishment of any one or more of the following in the area subject to the**
45 **jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:**

- 1 (a) Marijuana processing sites registered under ORS 475B.435;
- 2 (b) Medical marijuana dispensaries registered under ORS 475B.450;
- 3 (c) Marijuana producers licensed under ORS 475B.070;
- 4 (d) Marijuana processors licensed under ORS 475B.090;
- 5 (e) Marijuana wholesalers licensed under ORS 475B.100;
- 6 (f) Marijuana retailers licensed under ORS 475B.110; or
- 7 (g) Any combination of the entities described in this subsection.

8 (2) If the governing body of a city or county repeals an ordinance under this section, the
9 governing body must provide the text of the ordinance:

10 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority,
11 if the ordinance concerns a medical marijuana dispensary registered under ORS 475B.450 or
12 a marijuana processing site registered under ORS 475B.435; or

13 (b) To the Oregon Liquor Control Commission, in a form and manner prescribed by the
14 commission, if the ordinance concerns a premises for which a license has been issued under
15 ORS 475B.070, 475B.090, 475B.100 or 475B.110.

16
17 (Effective Date of Opt-In Ordinances
18 Adopted Pursuant to Referral)
19

20 **SECTION 31.** ORS 475B.800 is amended to read:

21 475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the
22 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
23 establishment of any one or more of the following in the area subject to the jurisdiction of the city
24 or **in** the unincorporated area subject to the jurisdiction of the county:

- 25 (a) Marijuana processing sites registered under ORS 475B.435;
- 26 (b) Medical marijuana dispensaries registered under ORS 475B.450;
- 27 (c) Marijuana producers licensed under ORS 475B.070;
- 28 (d) Marijuana processors licensed under ORS 475B.090;
- 29 (e) Marijuana wholesalers licensed under ORS 475B.100;
- 30 (f) Marijuana retailers licensed under ORS 475B.110; or
- 31 (g) Any combination of the entities described in this subsection.

32 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
33 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
34 proval at the next statewide general election.

35 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
36 erning body must provide the text of the ordinance:

37 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
38 ordinance concerns a medical marijuana dispensary registered under ORS 475B.450 or a marijuana
39 processing site registered under ORS 475B.435; or

40 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which
41 a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

42 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
43 shall discontinue registering those entities to which the prohibition applies until the date of the next
44 statewide general election.

45 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission

1 shall discontinue licensing those premises to which the prohibition applies until the date of the next
2 statewide general election.

3 **(5)(a) If an allowance is approved at the next statewide general election under subsection**
4 **(2) of this section, and the allowance concerns an entity described in subsection (1)(a) or (b)**
5 **of this section, the authority shall begin registering the entity to which the allowance applies**
6 **on the first business day of the January immediately following the date of the statewide**
7 **general election.**

8 **(b) If an allowance is approved at the next statewide general election under subsection**
9 **(2) of this section, and the allowance concerns an entity described in subsection (1)(c) to (f)**
10 **of this section, the commission shall begin licensing the premises to which the allowance**
11 **applies on the first business day of the January immediately following the date of the next**
12 **statewide general election.**

13 [(5)] **(6)** Notwithstanding any other provisions of law, a city or county that adopts an ordinance
14 under this section that prohibits the establishment of an entity described in subsection (1) of this
15 section may not impose a tax or fee on the production, processing or sale of marijuana or any
16 product into which marijuana has been incorporated.

17 [(6)] **(7)** Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not
18 subject to an ordinance adopted under this section if the medical marijuana dispensary:

19 (a) Is registered under ORS 475B.450 on or before the date on which the governing body adopts
20 the ordinance; and

21 (b) Has successfully completed a city or county land use application process.

22 [(7)] **(8)** Notwithstanding subsection (1) of this section, a marijuana processing site is not subject
23 to an ordinance adopted under this section if the marijuana processing site:

24 (a) Is registered under ORS 475B.435 on or before the date on which the governing body adopts
25 the ordinance; and

26 (b) Has successfully completed a city or county land use application process.

27
28 **(Intergovernmental Agreements Between Cities**
29 **and Counties and the Department of Revenue)**

30
31 **SECTION 32.** ORS 305.620 is amended to read:

32 305.620. (1) Any state agency or department may enter into agreements with any political sub-
33 division of this state for the collection, enforcement, administration and distribution of local taxes
34 of the political subdivision imposed upon or measured by gross or net income, wages or net earnings
35 from self-employment, [or] local general sales and use taxes **or taxes imposed under ORS**
36 **475B.345.**

37 (2) The department or agency shall prescribe the rules by which the agreements entered into
38 under subsection (1) of this section are administered.

39 (3) The department or agency shall prescribe the rules by which the taxes described by sub-
40 section (1) of this section are administered, collected, enforced and distributed.

41 (4) A political subdivision may appear as an intervenor at any conference held by the Depart-
42 ment of Revenue or conference, hearing or proceeding held by another department or agency in
43 connection with a local tax administered by the department or agency. The political subdivision may
44 be represented by its own counsel. The department or agency shall adopt rules governing the pro-
45 cedures to be followed by the political subdivision in making an appearance.

1 (5) Costs incurred by the department or agency in the administration, enforcement, collection
2 and distribution of taxes under the agreements entered into under subsection (1) of this section shall
3 be first deducted from the taxes collected before distribution is made to the political subdivision
4 which is a party to the agreement.

5 (6) The Oregon Tax Court shall have exclusive jurisdiction to review determinations of the De-
6 partment of Revenue or orders of another department or agency relating to the collection, enforce-
7 ment, administration and distribution of local taxes under agreements entered into under subsection
8 (1) of this section.

9 (7) A proceeding for refund or to set aside additional taxes or taxes assessed when no return
10 was filed may be initiated before the state agency or department.

11 (8) An appeal from a determination or an order may be taken by the taxpayer or by the political
12 subdivision whose taxes are in issue, by filing a complaint with the clerk of the Oregon Tax Court
13 at its principal office in Salem, Oregon, within 60 days after the notice of the determination of the
14 Department of Revenue or the order of the department or agency is sent to the taxpayer or the
15 political subdivision. The filing of the complaint in the Oregon Tax Court shall constitute perfection
16 of the appeal. Service of the taxpayer's complaint shall be accomplished by the clerk of the tax
17 court by filing a copy of the complaint with the administrative head of the department or agency
18 and a copy with the political subdivision. Service of the political subdivision's complaint shall be
19 accomplished by the clerk of the tax court by filing a copy of the complaint with the administrative
20 head of the department or agency and mailing a copy of the complaint to the taxpayer. The com-
21 plaint of a taxpayer shall be entitled in the name of the person filing as plaintiff and the department
22 or agency as defendant. The complaint of a political subdivision shall be entitled in the name of the
23 political subdivision as plaintiff and the taxpayer and the department or agency as defendants. A
24 copy of the order of the department or agency shall be attached to the complaint. All procedures
25 shall be in accordance with ORS 305.405 to 305.494.

26
27 **(Personal Use and Possession)**

28
29 **SECTION 33.** (1) As used in this section, "designated primary caregiver," "immature
30 marijuana plant," "marijuana," "medical cannabinoid product" and "registry identification
31 cardholder" have the meanings given those terms in ORS 475B.410.

32 (2) A city or county may not adopt an ordinance, by referral or otherwise, that prohibits
33 or otherwise limits:

34 (a) The privileges described in ORS 475B.245; or

35 (b) The right of a registry identification cardholder and the designated primary caregiver
36 of a registry identification cardholder to:

37 (A) Possess the seeds of marijuana, immature marijuana plants or medical cannabinoid
38 products as described in ORS 475B.400 to 475B.525;

39 (B) Jointly possess up to six mature marijuana plants under ORS 475B.428 (1); or

40 (C) Jointly possess up to 24 ounces of usable marijuana under ORS 475B.430 (1).

41
42 **AGREEMENTS WITH FEDERALLY RECOGNIZED INDIAN TRIBES**

43
44 **SECTION 34.** Section 35 of this 2016 Act is added to and made a part of ORS 475B.010 to
45 **475B.395.**

SECTION 35. (1) The Governor, or the Governor’s designee, may enter into an agreement with the governing body of a federally recognized Indian tribe located in this state for the purpose of cross-jurisdictional coordination and enforcement of marijuana-related businesses licensed to conduct business on tribal trust land by the governing body of the federally recognized Indian tribe.

(2) An agreement entered into under this section:

(a) May provide for the cross-jurisdictional coordination and enforcement of marijuana producers, marijuana processors, marijuana wholesalers, marijuana retailers and marijuana testing laboratories licensed by the governing body of the federally recognized Indian tribe.

(b) May require the governing body of the federally recognized Indian tribe to establish the same or similar requirements on marijuana producers, marijuana processors, marijuana wholesalers, marijuana retailers and marijuana testing laboratories that are consistent with the policies set forth in:

(A) ORS 475B.010 to 475B.395;

(B) ORS 475B.550 to 475B.590; and

(C) ORS 475B.600 to 475B.655.

(c) Must ensure enforceable public health and safety standards and include a system to regulate and track the purchase, sale, production, processing, transportation and delivery of marijuana items for marijuana producers, marijuana processors, marijuana wholesalers, marijuana retailers and marijuana testing laboratories that are licensed by the governing body of the federally recognized Indian tribe.

(d) May authorize an agency of this state to assist in the implementation and enforcement of the terms of the agreement.

CRIMES

(Home Use and Possession)

SECTION 36. ORS 475B.245 is amended to read:

475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045, **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070, **475B.075**, **475B.080**, 475B.090, 475B.100, 475B.110, **475B.115**, **475B.125**, 475B.130, **475B.135**, **475B.140**, **475B.145**, **475B.150**, 475B.160, 475B.165, 475B.170, **475B.180**, **475B.190**, **475B.195**, **475B.200**, **475B.205**, 475B.210, **475B.215**, **475B.218**, **475B.230**, **475B.233**, **475B.235**, **475B.240**, [475B.265,] 475B.325, 475B.330, 475B.335, **475B.340**, **475B.345**, 475B.350, 475B.353, 475B.355, 475B.358, **475B.360**, **475B.365**, **475B.370** and [475B.380] **475B.373** do not apply:

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

(2) To the possession or storage of usable marijuana items at a household by one or more persons 21 years of age or older, if the total amount of usable marijuana at the household does not exceed eight ounces of usable marijuana at any time.

[(2)] (3) To the making, processing, **possession** or storage of [*homemade*] cannabinoid products at a household by one or more persons 21 years of age and older, if the total amount of [*homemade*] cannabinoid products at the household does not exceed 16 ounces in solid form at any time.

1 [(3)] (4) To the making, processing, **possession** or storage of [*homemade*] cannabinoid products
2 at a household by one or more persons 21 years of age and older, if the total amount of
3 [*homemade*] cannabinoid products at the household does not exceed 72 ounces in liquid form at any
4 time.

5 [(4)] (5) To the making, processing, **possession** or storage of [*homemade*] cannabinoid concen-
6 trates at a household by one or more persons 21 years of age or older, if the total amount of
7 [*homemade*] cannabinoid concentrates at the household does not exceed 16 ounces at any time.

8 **(6) To the possession of cannabinoid extracts at a household by one or more persons 21**
9 **years of age or older, if the cannabinoid extracts were purchased from a marijuana retailer**
10 **that holds a license under ORS 475B.110, or transferred by a medical marijuana dispensary**
11 **registered by the Oregon Health Authority under ORS 475B.450, and the total amount of**
12 **cannabinoid extracts at the household does not exceed one ounce at any time.**

13 [(5)] (7) To the delivery of not more than one ounce of [*homegrown*] **usable** marijuana at a time
14 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
15 purposes.

16 [(6)] (8) To the delivery of not more than 16 ounces of [*homemade*] cannabinoid products in solid
17 form at a time by a person 21 years of age or older to another person 21 years of age or older for
18 noncommercial purposes.

19 [(7)] (9) To the delivery of not more than 72 ounces of [*homemade*] cannabinoid products in liquid
20 form at a time by a person 21 years of age or older to another person 21 years of age or older for
21 noncommercial purposes.

22 [(8)] (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by
23 a person 21 years of age or older to another person 21 years of age or older for noncommercial
24 purposes.

25 **SECTION 37.** ORS 475B.250 is amended to read:

26 475B.250. (1) A person may not produce, process, **possess** or store homegrown marijuana, [*or*
27 *homemade*] cannabinoid products or cannabinoid concentrates if the homegrown marijuana, [*or*
28 *homemade*] cannabinoid products or cannabinoid concentrates can be [*readily*] seen by normal un-
29 aided vision from a public place.

30 **(2) A person may not possess or store a cannabinoid extract if the cannabinoid extract**
31 **can be seen by normal unaided vision from a public place.**

32 [(2)] (3) A violation of subsection (1) **or** (2) of this section is a Class B violation.

33 **SECTION 38.** ORS 475B.255 is amended to read:

34 475B.255. A person **other than a person that holds a license under ORS 475B.090** may not
35 [*produce,*] process [*or store homemade*] cannabinoid extracts **into a cannabinoid product.**

36
37 **(Importing and Exporting)**
38

39 **SECTION 39.** ORS 475B.185 is amended to read:

40 475B.185. (1) A [*licensee or licensee representative*] **person** may not import marijuana items into
41 this state or export marijuana items from this state.

42 **(2) Except as provided in subsection (3) of this section, a violation of this section is a**
43 **Class B violation.**

44 [(2)] (3) A violation of [*subsection (1) of*] this section is a:

45 (a) Class C felony, if the importation or exportation:

1 (A) Is for consideration[; or] and the person holds a license under ORS 475B.070, 475B.090,
2 475B.100 or 475B.110; or

3 (B) Concerns usable marijuana and the importation or exportation exceeds 16 ounces of
4 usable marijuana.

5 (b) Class A misdemeanor, if the importation or exportation:

6 (A) Is not for consideration[.] and the person holds a license under ORS 475B.070, 475B.090,
7 475B.100 or 475B.110; or

8 (B) Concerns usable marijuana and the importation or exportation exceeds one ounce of
9 usable marijuana.

10
11 (Uniform Controlled Substances Act)

12
13 **SECTION 40.** Sections 41 and 47 of this 2016 Act are added to and made a part of ORS
14 475.752 to 475.980.

15 **SECTION 41.** As used in ORS 475.856, 475.858, 475.860, 475.862 and 475.864 and section 47
16 of this 2016 Act, “cannabinoid concentrate,” “cannabinoid extract,” “cannabinoid product,”
17 “homegrown,” “licensee,” “licensee representative,” “marijuana retailer,” “public place” and
18 “usable marijuana” have the meanings given those terms in ORS 475B.015.

19 **SECTION 42.** ORS 475.856 is amended to read:

20 475.856. [(1) As used in this section, “homegrown,” “household,” “license” and “licensee represen-
21 tative” have the meanings given those terms in ORS 475B.015.]

22 [(2)] (1) Except for licensees and licensee representatives that are engaged in lawful activities,
23 and except for a person acting within the scope of and in compliance with ORS 475B.245, it is un-
24 lawful for any person to manufacture marijuana.

25 [(3)] (2) Unlawful manufacture of marijuana is a Class C felony.

26 [(4)] (3) Notwithstanding subsection [(3)] (2) of this section, unlawful manufacture of marijuana
27 is a:

28 (a) Class B misdemeanor, if a person 21 years of age or older manufactures homegrown
29 marijuana at a household and the total number of homegrown marijuana plants at the household
30 exceeds four marijuana plants but does not exceed eight marijuana plants.

31 (b) Class B felony, if a person manufactures a cannabinoid extract.

32 **SECTION 43.** ORS 475.858 is amended to read:

33 475.858. (1) **Except for licensees and licensee representatives that are engaged in lawful**
34 **activities, and except for a person acting within the scope of and in compliance with ORS**
35 **475B.245,** it is unlawful for any person to manufacture marijuana within 1,000 feet of the real
36 property comprising a public or private elementary, secondary or career school attended primarily
37 by minors.

38 (2) Unlawful manufacture of marijuana within 1,000 feet of a school is a Class [A] C felony.

39 [(3) This section does not apply to:]

40 [(a) A licensee or licensee representative, as those terms are defined in ORS 475B.015, that is en-
41 gaged in lawful activities; or]

42 [(b) A person acting within the scope of and in compliance with ORS 475B.245.]

43 (3) **Notwithstanding subsection (2) of this section, unlawful manufacture of marijuana**
44 **within 1,000 feet of a school is a:**

45 (a) **Class B felony, if a person manufactures homegrown marijuana at a household and**

1 **the total number of homegrown marijuana plants at the household exceeds eight marijuana**
2 **plants.**

3 **(b) Class A felony, if a person manufactures a cannabinoid extract.**

4 **SECTION 44.** ORS 475.860 is amended to read:

5 475.860. (1) Except for licensees and licensee representatives[, *as those terms are defined in ORS*
6 *475B.015,*] that are engaged in lawful activities, and except for a person acting within the scope of
7 and in compliance with ORS 475B.245, it is unlawful for any person to deliver marijuana.

8 (2) Unlawful delivery of marijuana is a Class A misdemeanor.

9 (3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a **Class C**
10 **felony, if:**

11 **(a) A person who is at least 21 years of age delivers the marijuana to a person who is**
12 **under 18 years of age.**

13 **(b) A person delivers marijuana extracts that were not purchased from a marijuana**
14 **retailer that holds a license under ORS 475B.110.**

15 **(4) Notwithstanding subsection (3)(a) of this section, unlawful delivery of marijuana is a**
16 **Class A misdemeanor if a person who is under 24 years of age delivers, for no consideration,**
17 **less than one ounce of usable marijuana to a person who is at least 16 years of age.**

18 *[(a) Class A violation, if the delivery is for no consideration and consists of less than one*
19 *avoirdupois ounce of the dried leaves, stems and flowers of the plant Cannabis family Moraceae; or]*

20 *[(b) Violation, if the delivery is for no consideration and consists of less than five grams of the*
21 *dried leaves, stems and flowers of the plant Cannabis family Moraceae. A violation under this para-*
22 *graph is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.]*

23 *[(4) Notwithstanding subsections (2) and (3) of this section, unlawful delivery of marijuana is a*
24 *Class C felony, if the delivery is to a person under 18 years of age and the defendant is at least 21*
25 *years of age.]*

26 **SECTION 45.** ORS 475.862 is amended to read:

27 475.862. (1) **Except for licensees and licensee representatives that are engaged in lawful**
28 **activities, and except for a person acting within the scope of and in compliance with ORS**
29 **475B.245,** it is unlawful for any person to deliver marijuana within 1,000 feet of the real property
30 comprising a public or private elementary, secondary or career school attended primarily by minors.

31 (2) Unlawful delivery of marijuana within 1,000 feet of a school is a Class [A] C felony.

32 *[(3) This section does not apply to:]*

33 *[(a) A licensee or licensee representative, as those terms are defined in ORS 475B.015, that is en-*
34 *gaged in lawful activities; or]*

35 *[(b) A person acting within the scope of and in compliance with ORS 475B.245.]*

36 **(3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana within**
37 **1,000 feet of a school is a:**

38 **(a) Class B felony, if a person who is at least 21 years of age delivers the marijuana to**
39 **a person who is under 18 years of age.**

40 **(b) Class B felony, if a person delivers marijuana extracts that were not purchased from**
41 **a marijuana retailer that holds a license under ORS 475B.110.**

42 **(c) Class A misdemeanor, if a person who is under 18 years of age delivers the marijuana**
43 **for no consideration to a person who is under 18 years of age.**

44 **SECTION 46.** ORS 475.864 is amended to read:

45 475.864. *[(1) As used in subsections (2) to (4) of this section:]*

1 [(a) “Marijuana” means the leaves, stems and flowers of the plant Cannabis family Moraceae.]

2 [(b) “Marijuana product” has the meaning given the term “marijuana” in ORS 475.005 (16), but
3 does not include the leaves, stems and flowers of the plant Cannabis family Moraceae.]

4 [(2) It is unlawful for any person under 21 years of age knowingly or intentionally to possess
5 marijuana or marijuana product.]

6 [(3)(a) Unlawful possession of more than eight avoirdupois ounces of marijuana by a person under
7 21 years of age is a Class A misdemeanor.]

8 [(b) Unlawful possession of more than one avoirdupois ounce of marijuana, but less than eight
9 avoirdupois ounces, by a person under 21 years of age is a Class B misdemeanor.]

10 [(c) Unlawful possession of one avoirdupois ounce or less of marijuana by a person under 21 years
11 of age is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.]

12 [(4)(a) Unlawful possession of more than 16 avoirdupois ounces of marijuana product in a solid
13 form or more than 72 ounces of marijuana product in a liquid form by a person under 21 years of age
14 is a Class A misdemeanor.]

15 [(b) Unlawful possession of 16 avoirdupois ounces or less of marijuana product in a solid form or
16 72 ounces or less of marijuana product in a liquid form by a person under 21 years of age is a Class
17 B misdemeanor.]

18 [(5) As used in subsections (6) to (8) of this section, “cannabinoid concentrate,” “cannabinoid ex-
19 tract,” “cannabinoid product,” “licensee,” “licensee representative,” “marijuana,” “marijuana retailer,”
20 “public place” and “usable marijuana” have the meanings given those terms in ORS 475B.015.]

21 [(6)] (1) Except for licensees and licensee representatives acting in accordance with ORS
22 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any
23 person 21 years of age or older knowingly or intentionally to possess:

24 (a) **An amount of marijuana plants in excess of the amount of marijuana plants allowed
25 under ORS 475B.245 (1).**

26 [(a)] (b) More than one ounce of usable marijuana in a public place.

27 [(b)] (c) More than eight ounces of usable marijuana.

28 [(c)] (d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

29 [(d)] (e) More than 72 ounces of cannabinoid products in liquid form.

30 [(e)] (f) More than one ounce of cannabinoid extracts.

31 [(f)] (g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a
32 license under ORS 475B.110.

33 [(7)] (2) A violation of subsection [(6)(a)] (1)(a) to [(e)] (f) of this section is a:

34 (a) Class A misdemeanor, if the amount possessed is more than four times the applicable maxi-
35 mum amount specified in subsection [(6)(a)] (1)(a) to [(e)] (f) of this section;

36 (b) Class B misdemeanor, if the amount possessed is more than two times, but not more than
37 four times, the applicable maximum amount specified in subsection [(6)(a)] (1)(a) to [(e)] (f) of this
38 section; or

39 (c) Class B violation, if the amount possessed is not more than two times the applicable maxi-
40 mum amount specified in subsection [(6)(a)] (1)(a) to [(e)] (f) of this section.

41 [(8)] (3) A violation of subsection [(6)(f)] (1)(g) of this section is a:

42 (a) Class C felony, if the amount possessed is more than one-quarter ounce of [the] cannabinoid
43 extract; or

44 (b) Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of [the]
45 cannabinoid extract.

SECTION 47. (1) Except for licensees and licensee representatives acting in accordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any person under 21 years of age to knowingly or intentionally possess:

(a) An amount of marijuana plants in excess of the amount of marijuana plants allowed under ORS 475B.245 (1).

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

(c) More than eight ounces of usable marijuana.

(d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

(e) More than 72 ounces of cannabinoid products in liquid form.

(f) More than one ounce of cannabinoid extracts.

(g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license under ORS 475B.110.

(2) A violation of this section is a Class A misdemeanor.

(Motor Vehicle Use)

SECTION 48. Section 49 of this 2016 Act is added to and made a part of the Oregon Vehicle Code.

SECTION 49. (1) As used in this section:

(a) “Consumes” includes the inhalation of smoke from a marijuana item by a driver or passenger of a motor vehicle.

(b) “Marijuana item” has the meaning given that term in ORS 475B.015.

(2) A person commits the offense of use of marijuana in a motor vehicle if the person consumes in any manner a marijuana item while in a motor vehicle when the motor vehicle is upon a highway.

(3) This section does not apply to passengers in a motor vehicle that is operated by a common carrier and used primarily to carry passengers for hire.

(4) Use of marijuana in a motor vehicle, is a Class B traffic violation.

CONDITIONS OF RELEASE AND DIVERSION

SECTION 50. Section 51 of this 2016 Act is added to and made a part of ORS chapter 137.

SECTION 51. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana” have the meanings given those terms in ORS 475B.410.

(2) Notwithstanding ORS 137.540, the conditions of supervision of a person who holds a registry identification card and is sentenced to probation related to the use of usable marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts must be imposed in the same manner as the conditions of supervision of a person sentenced to probation related to prescription drugs.

SECTION 52. Section 53 of this 2016 Act is added to and made a part of ORS chapter 144.

SECTION 53. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid extract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana” have the meanings given those terms in ORS 475B.410.

1 (2) Notwithstanding ORS 144.102 and 144.270, the conditions of supervision of a person
2 who holds a registry identification card and is released from prison or jail to post-prison
3 supervision or parole related to the use of usable marijuana, medical cannabinoid products,
4 cannabinoid concentrates or cannabinoid extracts must be imposed in the same manner as
5 the conditions of supervision of a person sentenced to probation related to prescription
6 drugs.

7 SECTION 53a. Section 53b of this 2016 Act is added to and made a part of ORS 135.230
8 to 135.290.

9 SECTION 53b. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid ex-
10 tract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana”
11 have the meanings given those terms in ORS 475B.410.

12 (2) Notwithstanding ORS 135.245, the conditions of release of a person who holds a reg-
13 istry identification card and is released from custody related to the use of usable marijuana,
14 medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts must be
15 imposed in the same manner as conditions of release of a person released from custody re-
16 lated to prescription drugs.

17 SECTION 53c. Section 53d of this 2016 Act is added to and made a part of ORS 135.881
18 to 135.901.

19 SECTION 53d. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid ex-
20 tract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana”
21 have the meanings given those terms in ORS 475B.410.

22 (2) Notwithstanding ORS 135.891, the conditions of diversion of a person who holds a
23 registry identification card and enters into a diversion agreement related to the use of usable
24 marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts
25 must be imposed in the same manner as the conditions of diversion of a person who enters
26 into a diversion agreement related to prescription drugs.

27 SECTION 53e. Section 53f of this 2016 Act is added to and made a part of ORS 135.230 to
28 135.290.

29 SECTION 53f. (1) As used in this section, “cannabinoid concentrate,” “cannabinoid ex-
30 tract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana”
31 have the meanings given those terms in ORS 475B.410.

32 (2) Notwithstanding any other provision of ORS 135.230 to 135.290, the conditions of a
33 release agreement of a person who holds a registry identification card and is released before
34 judgment related to the use of usable marijuana, medical cannabinoid products, cannabinoid
35 concentrates or cannabinoid extracts must be imposed in the same manner as the conditions
36 of a release agreement of a person who is released before judgment related to the use of
37 prescription drugs.

38
39 **TECHNICAL CHANGES AND CONFORMING AMENDMENTS**
40 **(Operative March 1, 2016)**

41
42 SECTION 54. ORS 90.396 is amended to read:

43 90.396. (1) Except as provided in subsection (2) of this section, after at least 24 hours’ written
44 notice specifying the acts and omissions constituting the cause and specifying the date and time of
45 the termination, the landlord may terminate the rental agreement and take possession as provided

1 in ORS 105.105 to 105.168, if:

2 (a) The tenant, someone in the tenant's control or the tenant's pet seriously threatens to inflict
3 substantial personal injury, or inflicts any substantial personal injury, upon a person on the prem-
4 ises other than the tenant;

5 (b) The tenant or someone in the tenant's control recklessly endangers a person on the premises
6 other than the tenant by creating a serious risk of substantial personal injury;

7 (c) The tenant, someone in the tenant's control or the tenant's pet inflicts any substantial per-
8 sonal injury upon a neighbor living in the immediate vicinity of the premises;

9 (d) The tenant or someone in the tenant's control intentionally inflicts any substantial damage
10 to the premises or the tenant's pet inflicts substantial damage to the premises on more than one
11 occasion;

12 (e)(A) The tenant intentionally provided substantial false information on the application for the
13 tenancy within the past year;

14 (B) The false information was with regard to a criminal conviction of the tenant that would have
15 been material to the landlord's acceptance of the application; and

16 (C) The landlord terminates the rental agreement within 30 days after discovering the falsity
17 of the information; or

18 (f) The tenant, someone in the tenant's control or the tenant's pet commits any act that is out-
19 rageous in the extreme, on the premises or in the immediate vicinity of the premises. For purposes
20 of this paragraph, an act is outrageous in the extreme if the act is not described in paragraphs (a)
21 to (e) of this subsection, but is similar in degree and is one that a reasonable person in that com-
22 munity would consider to be so offensive as to warrant termination of the tenancy within 24 hours,
23 considering the seriousness of the act or the risk to others. An act that is outrageous in the extreme
24 is more extreme or serious than an act that warrants a 30-day termination under ORS 90.392. Acts
25 that are "outrageous in the extreme" include, but are not limited to, the following acts by a person:

26 (A) Prostitution, commercial sexual solicitation or promoting prostitution, as described in ORS
27 167.007, 167.008 and 167.012;

28 (B) Manufacture, delivery or possession of a controlled substance, as described in ORS 475.005,
29 but not including:

30 (i) The medical use of marijuana in compliance with ORS 475B.400 to 475B.525; **or**

31 [(ii) *Possession of, or delivery for no consideration of, less than one avoirdupois ounce of*
32 *marijuana as described in ORS 475.860 (3) or 475.864 (3); or]*

33 [(iii)] (ii) Possession of prescription drugs;

34 (C) Intimidation, as described in ORS 166.155 and 166.165; or

35 (D) Burglary as described in ORS 164.215 and 164.225.

36 (2) If the cause for a termination notice given pursuant to subsection (1) of this section is based
37 upon the acts of the tenant's pet, the tenant may cure the cause and avoid termination of the
38 tenancy by removing the pet from the premises prior to the end of the notice period. The notice
39 must describe the right of the tenant to cure the cause. If the tenant returns the pet to the premises
40 at any time after having cured the violation, the landlord, after at least 24 hours' written notice
41 specifying the subsequent presence of the offending pet, may terminate the rental agreement and
42 take possession as provided in ORS 105.105 to 105.168. The tenant does not have a right to cure this
43 subsequent violation.

44 (3) For purposes of subsection (1) of this section, someone is in the tenant's control if that per-
45 son enters or remains on the premises with the tenant's permission or consent after the tenant

1 reasonably knows or should know of that person's act or likelihood to commit any act of the type
2 described in subsection (1) of this section.

3 (4) An act can be proven to be outrageous in the extreme even if the act is one that does not
4 violate a criminal statute. Notwithstanding the references to criminal statutes in subsection (1)(f)
5 of this section, the landlord's burden of proof in an action for possession under subsection (1) of this
6 section is the civil standard of proof by a preponderance of the evidence.

7 (5) If a good faith effort by a landlord to terminate the tenancy under subsection (1)(f) of this
8 section and to recover possession of the rental unit under ORS 105.105 to 105.168 fails by decision
9 of the court, the landlord may not be found in violation of any state statute or local ordinance re-
10 quiring the landlord to remove that tenant upon threat of fine, abatement or forfeiture as long as
11 the landlord continues to make a good faith effort to terminate the tenancy.

12 **SECTION 55.** ORS 419C.239 is amended to read:

13 419C.239. (1) A formal accountability agreement shall:

14 (a) Be completed within a period of time not to exceed one year;

15 (b) Be voluntarily entered into by all parties;

16 (c) Be revocable by the youth at any time by a written revocation;

17 (d) Be revocable by the juvenile department in the event the department has reasonable cause
18 to believe the youth has failed to carry out the terms of the formal accountability agreement or has
19 committed a subsequent offense;

20 (e) Not be used as evidence against the youth at any adjudicatory hearing;

21 (f) Be executed in writing and expressed in language understandable to the persons involved;

22 (g) Be signed by the juvenile department, the youth, the youth's parent or parents or legal
23 guardian, and the youth's counsel, if any;

24 (h) Become part of the youth's juvenile department record; and

25 (i) When the youth has been charged with having committed the youth's first violation of a
26 provision under ORS 475.860 [(3)(b) or 475.864 (3)(c)] and unless the juvenile department determines
27 that it would be inappropriate in the particular case:

28 (A) Require the youth to participate in a diagnostic assessment and an information or treatment
29 program as recommended by the assessment. The agencies or organizations providing assessment or
30 programs of information or treatment must be the same as those designated by the court under ORS
31 419C.443 (1) and must meet the standards set by the Director of the Oregon Health Authority. The
32 parent of the youth shall pay the cost of the youth's participation in the program based upon the
33 ability of the parent to pay.

34 (B) Monitor the youth's progress in the program which shall be the responsibility of the diag-
35 nostic assessment agency or organization. It shall make a report to the juvenile department stating
36 the youth's successful completion or failure to complete all or any part of the program specified by
37 the diagnostic assessment. The form of the report shall be determined by agreement between the
38 juvenile department and the diagnostic assessment agency or organization. The juvenile department
39 shall make the report a part of the record of the case.

40 (2) Notwithstanding any other provision of law, the following information contained in a formal
41 accountability agreement under ORS 419C.230 is not confidential and is not exempt from disclosure:

42 (a) The name and date of birth of the youth;

43 (b) The act alleged; and

44 (c) The portion of the agreement providing for the disposition of the youth.

45 **SECTION 56.** ORS 419C.420 is amended to read:

1 419C.420. If a youth is cited or summoned for a violation under ORS 471.430[,] **or** 475.860 [(3)
2 *or 475.864 (3)(c)*] and fails to appear, the court may adjudicate the citation or petition and enter a
3 disposition without a hearing.

4 **SECTION 57.** ORS 419C.443 is amended to read:

5 419C.443. (1) Except when otherwise provided in subsection (3) of this section, when a youth
6 offender has been found to be within the jurisdiction of the court under ORS 419C.005 for a first
7 violation of the provisions under ORS 475.860 [(3)(b) *or 475.864 (3)(c)*], the court shall order an
8 evaluation and designate agencies or organizations to perform diagnostic assessment and provide
9 programs of information and treatment. The designated agencies or organizations must meet the
10 standards set by the Director of the Oregon Health Authority. Whenever possible, the court shall
11 designate agencies or organizations to perform the diagnostic assessment that are separate from
12 those that may be designated to carry out a program of information or treatment. The parent of the
13 youth offender shall pay the cost of the youth offender's participation in the program based upon
14 the ability of the parent to pay. The petition shall be dismissed by the court upon written certi-
15 fication of the youth offender's successful completion of the program from the designated agency or
16 organization providing the information and treatment.

17 (2) Monitoring the youth offender's progress in the program shall be the responsibility of the
18 diagnostic assessment agency or organization. The agency or organization shall make a report to the
19 court stating the youth offender's successful completion or failure to complete all or any part of the
20 program specified by the diagnostic assessment. The form of the report shall be determined by
21 agreement between the court and the diagnostic assessment agency or organization. The court shall
22 make the report a part of the record of the case.

23 (3) The court is not required to make the disposition required by subsection (1) of this section
24 if the court determines that the disposition is inappropriate in the case or if the court finds that the
25 youth offender has previously entered into a formal accountability agreement under ORS 419C.239
26 (1)(i).

27 **SECTION 58.** ORS 475.245 is amended to read:

28 475.245. (1) Whenever any person pleads guilty to or is found guilty of an offense listed in sub-
29 section (5) of this section, the court, without entering a judgment of guilt and with the consent of
30 the district attorney and the person, may defer further proceedings and place the person on pro-
31 bation.

32 (2) Upon violation of a term or condition of probation, the court may enter an adjudication of
33 guilt and proceed as otherwise provided.

34 (3) Upon fulfillment of the terms and conditions of probation, the court shall discharge the per-
35 son and dismiss the proceedings against the person. Discharge and dismissal under this section shall
36 be without adjudication of guilt and is not a conviction for purposes of this section or for purposes
37 of disqualifications or disabilities imposed by law upon conviction of a crime. There may be only one
38 discharge and dismissal under this section with respect to any person.

39 (4) In the event that the period of probation under this section expires, but the terms and con-
40 ditions of probation have not been fulfilled and no probation violation proceeding was initiated prior
41 to the expiration of the period of probation, the court may not discharge the person and dismiss the
42 proceedings against the person. The court shall instead issue an order requiring the person to ap-
43 pear and to show cause why the court should not enter an adjudication of guilt as described in
44 subsection (2) of this section due to the failure of the person to fulfill the terms and conditions of
45 probation prior to expiration of the period of probation. At the hearing on the order to show cause,

1 after considering any evidence or argument from the district attorney and the person, the court may:

2 (a) Order a new period of probation to allow the person to fulfill the terms and conditions of the
3 previous period of probation; or

4 (b) Enter an adjudication of guilt as described in subsection (2) of this section.

5 (5) This section applies to the following offenses:

6 (a) Possession of a controlled substance under ORS 475.752 (3), 475.814, 475.824, 475.834, 475.854,
7 475.864, 475.874, 475.884 or 475.894 **or section 47 of this 2016 Act**;

8 (b) Unlawfully possessing a prescription drug under ORS 689.527 (6);

9 (c) Endangering the welfare of a minor under ORS 163.575 (1)(b);

10 (d) Frequenting a place where controlled substances are used under ORS 167.222; and

11 (e) A property offense that is motivated by a dependence on a controlled substance.

12 **SECTION 59.** ORS 475.752 is amended to read:

13 475.752. (1) Except for licensees and licensee representatives, as those terms are defined in ORS
14 475B.015, that are engaged in lawful activities, and except for a person acting within the scope of
15 and in compliance with ORS 475B.245, and except as authorized by ORS 475.005 to 475.285 and
16 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a controlled substance.
17 Any person who violates this subsection with respect to:

18 (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise pro-
19 vided in ORS 475.886 and 475.890.

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

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

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

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

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

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

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

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

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

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

34 (3) It is unlawful for any person knowingly or intentionally to possess a controlled substance,
35 other than marijuana, unless the substance was obtained directly from, or pursuant to a valid pre-
36 scription or order of, a practitioner while acting in the course of professional practice, or except
37 as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates
38 this subsection with respect to:

39 (a) A controlled substance in Schedule I, is guilty of a Class B felony, except as otherwise pro-
40 vided in ORS 475.894.

41 (b) A controlled substance in Schedule II, is guilty of a Class C felony, except as otherwise
42 provided in ORS 475.864 **or section 47 of this 2016 Act**.

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

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

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

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

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

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

6 (c) In a manner that is not dangerous to the health of the user or others who are in the prox-
7 imity of the user.

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

10 (6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or
11 delivers a controlled substance in Schedule IV and who thereby causes death to another person is
12 guilty of a Class C felony.

13 (b) For purposes of this subsection, causation is established when the controlled substance plays
14 a substantial role in the death of the other person.

15 **SECTION 60.** ORS 475.898 is amended to read:

16 475.898. (1) A person who contacts emergency medical services or a law enforcement agency to
17 obtain medical assistance for another person who needs medical assistance due to a drug-related
18 overdose is immune from arrest or prosecution for an offense listed in subsection (3) of this section
19 if the evidence of the offense was obtained because the person contacted emergency medical services
20 or a law enforcement agency.

21 (2) A person who is in need of medical assistance due to a drug-related overdose is immune from
22 arrest or prosecution for an offense listed in subsection (3) of this section if the evidence of the of-
23 fense was obtained because any person contacted emergency medical services or a law enforcement
24 agency to obtain medical assistance for the person.

25 (3) The immunity conferred under subsections (1) and (2) of this section applies to arrest and
26 prosecution for:

27 (a) Frequenting a place where controlled substances are used as described in ORS 167.222;

28 (b) Possession of a controlled substance as described in ORS 475.752;

29 (c) Unlawful possession of hydrocodone as described in ORS 475.814;

30 (d) Unlawful possession of methadone as described in ORS 475.824;

31 (e) Unlawful possession of oxycodone as described in ORS 475.834;

32 (f) Unlawful possession of heroin as described in ORS 475.854;

33 (g) Unlawful possession of marijuana [*or a marijuana product*] as described in ORS 475.864 **and**
34 **section 47 of this 2016 Act;**

35 (h) Unlawful possession of 3,4-methylenedioxymethamphetamine as described in ORS 475.874;

36 (i) Unlawful possession of cocaine as described in ORS 475.884;

37 (j) Unlawful possession of methamphetamine as described in ORS 475.894;

38 (k) Unlawfully possessing a prescription drug as described in ORS 689.527 (6); and

39 (L) Unlawful possession of drug paraphernalia with intent to sell or deliver as described in ORS
40 475.525.

41 (4)(a) A person may not be arrested for violating, or found to be in violation of, the conditions
42 of the person's pretrial release, probation, post-prison supervision or parole if the violation involves:

43 (A) The possession or use of a controlled substance or frequenting a place where controlled
44 substances are used; and

45 (B) The evidence of the violation was obtained because the person contacted emergency medical

1 services or a law enforcement agency to obtain medical assistance for another person who needed
2 medical assistance due to a drug-related overdose.

3 (b) A person may not be arrested for violating, or found to be in violation of, the conditions of
4 the person's pretrial release, probation, post-prison supervision or parole if the violation involves:

5 (A) The possession or use of a controlled substance or frequenting a place where controlled
6 substances are used; and

7 (B) The evidence of the violation was obtained because the person was in need of medical as-
8 sistance due to a drug-related overdose and any person contacted emergency medical services or a
9 law enforcement agency to obtain medical assistance for the person.

10 (5)(a) A person may not be arrested on an outstanding warrant for any of the offenses listed in
11 subsection (3) of this section, or on an outstanding warrant for a violation, other than commission
12 of a new crime, of the conditions of the person's probation, post-prison supervision or parole for
13 conduct that would constitute an offense listed in subsection (3) of this section, if the location of the
14 person was obtained because the person contacted emergency medical services or a law enforcement
15 agency to obtain medical assistance for another person who needed medical assistance due to a
16 drug-related overdose.

17 (b) A person may not be arrested on an outstanding warrant for any of the offenses listed in
18 subsection (3) of this section, or on an outstanding warrant for a violation, other than commission
19 of a new crime, of the conditions of the person's probation, post-prison supervision or parole for
20 conduct that would constitute an offense listed in subsection (3) of this section, if the location of the
21 person was obtained because the person was in need of medical assistance due to a drug-related
22 overdose and any person contacted emergency medical services or a law enforcement agency to
23 obtain medical assistance for the person.

24 (c) This subsection does not apply to outstanding federal warrants or outstanding warrants is-
25 sued from other states.

26 (6) The immunity from arrest and prosecution described in this section is not grounds for the
27 suppression of evidence relating to a criminal offense other than the offenses listed in subsection (3)
28 of this section.

29 (7) As used in this section:

30 (a) "Controlled substance" has the meaning given that term in ORS 475.005.

31 (b) "Drug-related overdose" means an acute condition, including mania, hysteria, extreme phys-
32 ical illness, coma or death, resulting from the consumption or use of a controlled substance, or an-
33 other substance with which a controlled substance was combined, that a person would reasonably
34 believe to be a condition that requires medical attention.

35 **SECTION 61.** ORS 809.265 is amended to read:

36 809.265. (1) Unless the court finds compelling circumstances not to order suspension of driving
37 privileges, the court in which a person is convicted of an offense described in this subsection shall
38 order suspension of the person's driving privileges. This subsection applies when a person is con-
39 victed of:

40 (a) Any offense involving manufacturing, possession or delivery of controlled substances[, *except*
41 *for possession of less than one avoirdupois ounce of marijuana as described in ORS 475.864 (3)*].

42 (b) Driving while under the influence of intoxicants in violation of ORS 813.010 or of a municipal
43 ordinance if the person was under the influence of an inhalant or a controlled substance.

44 [(2) *The court in which a person is convicted of possession of less than one avoirdupois ounce of*
45 *marijuana, as described in ORS 475.864 (3), may order suspension of the person's driving privileges*

1 *if the person is under 18 years of age and the court determines that suspension of the person's driving*
2 *privileges is necessary for the safety of the community. The court shall indicate the findings supporting*
3 *the suspension in the judgment.]*

4 [(3)] (2) Upon receipt of an order under this section, the department shall take action as directed
5 under ORS 809.280.

6 **SECTION 62.** ORS 813.215 is amended to read:

7 813.215. (1) A defendant is eligible for diversion if the defendant meets all of the following con-
8 ditions:

9 (a) On the date the defendant filed the petition for a driving while under the influence of
10 intoxicants diversion agreement, the defendant had no charge, other than the charge for the present
11 offense, pending for:

12 (A) An offense of driving while under the influence of intoxicants in violation of:

13 (i) ORS 813.010; or

14 (ii) The statutory counterpart to ORS 813.010 in another jurisdiction;

15 (B) A driving under the influence of intoxicants offense in another jurisdiction that involved the
16 impaired driving of a vehicle due to the use of intoxicating liquor, a controlled substance, an
17 inhalant or any combination thereof; or

18 (C) A driving offense in another jurisdiction that involved operating a vehicle while having a
19 blood alcohol content above that jurisdiction's permissible blood alcohol content.

20 (b) The defendant has not been convicted of an offense described in paragraph (a) of this sub-
21 section within the period beginning 15 years before the date of the commission of the present offense
22 and ending on the date the defendant filed the petition for a driving while under the influence of
23 intoxicants diversion agreement.

24 (c) The defendant has not been convicted of a felony offense described in ORS 813.010 (5)(a).

25 (d) The defendant was not participating in a driving while under the influence of intoxicants
26 diversion program or in any similar alcohol or drug rehabilitation program in this state or in an-
27 other jurisdiction on the date the defendant filed the petition for a driving while under the influence
28 of intoxicants diversion agreement. A defendant is not ineligible for diversion under this paragraph
29 by reason of participation in a diversion program or any similar alcohol or drug rehabilitation pro-
30 gram as a result of the charge for the present offense[,] **or** a charge for violation of ORS 471.430
31 [*or a charge for violation of ORS 475.864 (3)*].

32 (e) The defendant did not participate in a diversion or rehabilitation program described in par-
33 agraph (d) of this subsection within the period beginning 15 years before the date of the commission
34 of the present offense and ending on the date the defendant filed the petition for a driving while
35 under the influence of intoxicants diversion agreement. A defendant is not ineligible for diversion
36 under this paragraph by reason of participation in a diversion program or rehabilitation program
37 described in paragraph (d) of this subsection as a result of the charge for the present offense[,] **or**
38 a charge for violation of ORS 471.430 [*or a charge for violation of ORS 475.864 (3)*].

39 (f) The defendant had no charge of an offense of aggravated vehicular homicide or of murder,
40 manslaughter, criminally negligent homicide or assault that resulted from the operation of a motor
41 vehicle pending in this state or in another jurisdiction on the date the defendant filed the petition
42 for a driving while under the influence of intoxicants diversion agreement.

43 (g) The defendant has not been convicted of an offense described in paragraph (f) of this sub-
44 section within the period beginning 15 years before the date of the commission of the present offense
45 and ending on the date the defendant filed the petition for a driving while under the influence of

1 intoxicants diversion agreement.

2 (h) The defendant did not hold commercial driving privileges on the date of the commission of
3 the offense.

4 (i) The defendant was not operating a commercial motor vehicle at the time of the offense.

5 (j) The present driving while under the influence of intoxicants offense did not involve an acci-
6 dent resulting in:

7 (A) Death of any person; or

8 (B) Physical injury as defined in ORS 161.015 to any person other than the defendant.

9 (2) For the purposes of subsection (1)(a) of this section, a conviction for a driving offense in
10 another jurisdiction based solely on a person under 21 years of age having a blood alcohol content
11 that is lower than the permissible blood alcohol content in that jurisdiction for a person 21 years
12 of age or older does not constitute a prior conviction.

13 (3) A defendant is eligible for a second or subsequent diversion if the defendant meets all of the
14 conditions of subsection (1) of this section and the defendant has not been convicted of any other
15 criminal offense involving a motor vehicle within the period beginning 15 years before the date of
16 the commission of the present offense and ending on the date the defendant filed the petition for the
17 second or subsequent driving while under the influence of intoxicants diversion agreement.

18 **SECTION 63.** ORS 475B.015 is amended to read:

19 475B.015. As used in ORS 475B.010 to 475B.395:

20 (1) "Consumer" means a person who purchases, acquires, owns, holds or uses marijuana items
21 other than for the purpose of resale.

22 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents of
23 marijuana.

24 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
25 marijuana by:

26 (a) A mechanical extraction process;

27 (b) A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water,
28 vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

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

31 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with
32 the Oregon Health Authority, by rule.

33 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
34 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

35 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
36 marijuana by:

37 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
38 or propane;

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

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

42 (6)(a) "Cannabinoid product" means a cannabinoid edible and any other product intended for
43 human consumption or use, including a product intended to be applied to the skin or hair, that
44 contains cannabinoids or dried marijuana leaves or flowers.

45 (b) "Cannabinoid product" does not include:

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

5 (7)(a) "Financial consideration" means value that is given or received either directly or indi-
6 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

7 (b) "Financial consideration" does not include[:] **marijuana, cannabinoid products or**
8 **cannabinoid concentrates that are delivered within the scope of and in compliance with ORS**
9 **475B.245.**

10 [(A) *Homegrown marijuana that is given or received when nothing is given or received in return;*
11 *or*]

12 [(B) *Homemade cannabinoid products or cannabinoid concentrates that are given or received when*
13 *nothing is given or received in return.*]

14 (8) "Homegrown" [*or "homemade"*] means grown [*or made*] by a person 21 years of age or older
15 for noncommercial purposes.

16 (9) "Household" means a housing unit and any place in or around a housing unit at which the
17 occupants of the housing unit are producing, processing, **possessing** or storing homegrown
18 marijuana, [*or homemade*] cannabinoid products, [*or*] cannabinoid concentrates **or cannabinoid ex-**
19 **tracts.**

20 (10) "Housing unit" means a house, an apartment or a mobile home, or a group of rooms or a
21 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
22 rately from any other persons in the building and that has direct access from the outside of the
23 building or through a common hall.

24 (11) "Immature marijuana plant" means a marijuana plant that is not flowering.

25 (12) "Licensee" means a person who holds a license issued under ORS 475B.070, 475B.090,
26 475B.100 or 475B.110.

27 (13) "Licensee representative" means an owner, director, officer, manager, employee, agent or
28 other representative of a licensee, to the extent that the person acts in a representative capacity.

29 (14)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
30 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

31 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

32 (15) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family
33 Cannabaceae.

34 (16) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and
35 cannabinoid extracts.

36 (17) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family
37 Cannabaceae.

38 (18) "Marijuana processor" means a person who processes marijuana items in this state.

39 (19) "Marijuana producer" means a person who produces marijuana in this state.

40 (20) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.

41 (21) "Marijuana wholesaler" means a person who purchases marijuana items in this state for
42 resale to a person other than a consumer.

43 (22) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana
44 plant.

45 (23) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-

1 nancial consideration.

2 (24)(a) "Premises" or "licensed premises" includes the following areas of a location licensed
3 under ORS 475B.070, 475B.090, 475B.100 or 475B.110:

4 (A) All public and private enclosed areas at the location that are used in the business operated
5 at the location, including offices, kitchens, rest rooms and storerooms;

6 (B) All areas outside a building that the commission has specifically licensed for the
7 [*production,*] processing, wholesale sale or retail sale of marijuana items; and

8 (C) For a location that the commission has specifically licensed for the production of marijuana
9 outside a building, [*the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases*
10 *or has a right to occupy*] **that portion of the location used to produce marijuana.**

11 (b) "Premises" or "licensed premises" does not include a primary residence.

12 (25)(a) "Processes" means the processing, compounding or conversion of marijuana into
13 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

14 (b) "Processes" does not include packaging or labeling.

15 (26)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of
16 marijuana.

17 (b) "Produces" does not include:

18 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
19 wise producing marijuana; or

20 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
21 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or
22 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

23 (27) "Propagate" means to grow immature marijuana plants or to breed or produce the seeds
24 of the plant Cannabis family Cannabaceae.

25 (28) "Public place" means a place to which the general public has access and includes, but is
26 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
27 rooms or apartments designed for actual residence, and highways, streets, schools, places of
28 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

29 (29)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

30 (b) "Usable marijuana" does not include:

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

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

33 **SECTION 64.** ORS 475B.150 is amended to read:

34 475B.150. (1) The Oregon Liquor Control Commission shall develop and maintain a system for
35 tracking the transfer of marijuana items between [*licensed*] premises.

36 (2) The purposes of the system developed and maintained under this section include, but are not
37 limited to:

38 (a) Preventing the diversion of marijuana items to criminal enterprises, gangs, cartels and other
39 states;

40 (b) Preventing persons from substituting or tampering with marijuana items;

41 (c) Ensuring an accurate accounting of the production, processing and sale of marijuana items;

42 [*d*] Ensuring that taxes are collected for the purpose of being distributed as described in section
43 44, chapter 1, Oregon Laws 2015;]

44 [*e*] (d) Ensuring that laboratory testing results are accurately reported; and

45 [*f*] (e) Ensuring compliance with the provisions of ORS 475B.010 to 475B.395, rules adopted

1 under the provisions of ORS 475B.010 to 475B.395 and any other law of this state that charges the
2 commission with a duty, function or power related to marijuana.

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

5 (a) The propagation of immature marijuana plants and the production of marijuana by a
6 marijuana producer;

7 (b) The processing of marijuana by a marijuana processor;

8 (c) The receiving, storing and delivering of marijuana items by a marijuana wholesaler;

9 (d) The sale of marijuana items by a marijuana retailer to a consumer;

10 (e) The purchase and sale of marijuana items between licensees, as permitted by ORS 475B.010
11 to 475B.395;

12 (f) The transfer of marijuana items between [*licensed*] premises; and

13 (g) Any other information that the commission determines is reasonably necessary to accomplish
14 the duties, functions and powers of the commission under ORS 475B.010 to 475B.395.

15 **SECTION 65.** ORS 475B.160 is amended to read:

16 475B.160. (1) A marijuana producer, marijuana processor or marijuana wholesaler may deliver
17 marijuana items only to or on a [*licensed*] premises.

18 (2) A [*licensed*] premises may receive marijuana items only from:

19 (a) A marijuana producer, marijuana processor or marijuana wholesaler for whom a premises
20 has been licensed by the Oregon Liquor Control Commission[.];

21 (b) **A researcher of cannabis certified under ORS 475B.235 who transfers limited amounts**
22 **of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and**
23 **cannabinoid extracts in accordance with procedures adopted under ORS 475B.235 (3)(d) and**
24 **(e); or**

25 (c) **A marijuana grow site registered under ORS 475B.420, marijuana processing site**
26 **registered under ORS 475B.435, or a medical marijuana dispensary registered under ORS**
27 **475B.450, acting in accordance with procedures adopted by the commission under section 25**
28 **of this 2016 Act.**

29 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS
30 475B.110 must be restricted to the premises described in the license, but deliveries may be made by
31 the marijuana retailer to consumers pursuant to a bona fide order received at the [*licensed*] premises
32 prior to delivery.

33 **SECTION 66.** ORS 475B.340 is amended to read:

34 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

35 (a) Reasonable conditions on the manner in which a marijuana producer licensed under ORS
36 475B.070 may produce marijuana;

37 (b) Reasonable conditions on the manner in which a marijuana processor licensed under ORS
38 475B.090 may process marijuana;

39 (c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under ORS
40 475B.100 may sell marijuana at wholesale;

41 [*(d) Reasonable limitations on the hours during which a marijuana retailer licensed under ORS*
42 *475B.110 may operate;*]

43 [*(e)*] (d) Reasonable conditions on the manner in which a marijuana retailer licensed under ORS
44 475B.110 may sell marijuana items;

45 (e) **Reasonable limitations on the hours during which a premises for which a license has**

1 **been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 may operate;**

2 (f) Reasonable requirements related to the public's access to a premises for which a license has
3 been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110; and

4 (g) Reasonable limitations on where a premises for which a license may be issued under ORS
5 475B.070, 475B.090, 475B.100 or 475B.110 may be located.

6 (2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances
7 that impose reasonable regulations on the operation of businesses located at premises for which a
8 license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 if the premises are lo-
9 cated in the area subject to the jurisdiction of the city or county, except that the governing body
10 of a city or county may not adopt an ordinance that prohibits a premises for which a license has
11 been issued under ORS 475B.110 from being located within a distance that is greater than 1,000 feet
12 of another premises for which a license has been issued under ORS 475B.110.

13 (3) Regulations adopted under this section must be consistent with city and county comprehen-
14 sive plans and zoning ordinances and applicable provisions of public health and safety laws.

15 **SECTION 67.** ORS 475B.375 is amended to read:

16 475B.375. ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055, 475B.060, 475B.065,
17 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130, 475B.160, 475B.165, 475B.170, 475B.180,
18 475B.185, 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265,
19 475B.270, 475B.275, 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325,
20 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.378, 475B.380
21 and 475B.395 **and section 25 of this 2016 Act:**

22 (1) Do not apply to the extent a person acts within the scope of and in compliance with the
23 Oregon Medical Marijuana Act; and

24 (2) Do not amend or affect duties, functions and powers of the Oregon Health Authority under
25 the Oregon Medical Marijuana Act.

26 **SECTION 68.** Section 3, chapter 20, Oregon Laws 2015, as amended by section 10, chapter 840,
27 Oregon Laws 2015, is amended to read:

28 **Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the biennium beginning July
29 1, 2013, and the biennium beginning July 1, 2015, the Oregon Liquor Control Commission may ex-
30 pend moneys in the Oregon Liquor Control Commission Account to pay any expenses incurred by
31 the commission in implementing and carrying out sections 3 to 70, chapter 1, Oregon Laws 2015.
32 Any expenditure made under this subsection is considered a loan and must be repaid from the
33 Oregon Marijuana Account established by section 44, chapter 1, Oregon Laws 2015. Expenditures
34 made under this subsection shall be made from moneys in the Oregon Liquor Control Commission
35 Account before the distributions required by ORS 471.810 are made.

36 (2) Notwithstanding section 44, chapter 1, Oregon Laws 2015, not later than [June] **September**
37 30, 2017, the Department of Revenue shall transfer from the Oregon Marijuana Account to the
38 commission for deposit in the Oregon Liquor Control Commission Account an amount equal to the
39 total amount expended by the commission under subsection (1) of this section plus two percent of
40 the total amount expended. The department shall make the transfer required by this subsection be-
41 fore making any other withholding, distribution or expenditure from the Oregon Marijuana Account
42 for purposes described in section 44, chapter 1, Oregon Laws 2015.

43 **SECTION 69.** Section 44, chapter 1, Oregon Laws 2015, is added to and made a part of
44 **ORS 475B.700 to 475B.760.**

45

(Operative January 1, 2017)

SECTION 70. ORS 475B.760 is amended to read:

475B.760. (1) All moneys received by the Department of Revenue under ORS 475B.700 to 475B.760 [*and section 21a, chapter 699, Oregon Laws 2015,*] shall be deposited in the State Treasury and credited to a suspense account established under ORS 293.445. The department may pay expenses for the administration and enforcement of ORS 475B.700 to 475B.760 [*and section 21a, chapter 699, Oregon Laws 2015,*] out of moneys received from the tax imposed under ORS 475B.705. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After the payment of administrative and enforcement expenses and refunds or credits arising from erroneous overpayments, the department shall credit the balance of the moneys received by the department under this section to the Oregon Marijuana Account established under section 44, chapter 1, Oregon Laws 2015.

YOUTH MARIJUANA-USE PREVENTION PILOT PROJECT

SECTION 71. (1) The Oregon Health Authority shall establish, for the purpose of establishing a statewide program during the 2017-2019 biennium, an evidence-based pilot project for the purpose of increasing awareness among youth of the impact of using marijuana and marijuana-derived products.

(2) As part of the pilot project, the authority shall implement a multimedia public campaign targeting youth and young adults at least 12 years of age and not older than 20 years of age and parents and teachers.

(3) At a minimum, the authority shall implement the pilot project in one metropolitan area located in this state and in one rural area of significant size located in this state.

(4) The authority shall monitor and collect data on the effectiveness of the pilot project established under this section.

(5) The Oregon Liquor Control Commission shall assist, pursuant to an agreement or otherwise, the authority in establishing the pilot project under this section.

(6) On or before January 1, 2017, the authority shall report to the interim legislative committees related to health, and any interim legislative committee specifically related to marijuana use, on the implementation of the pilot project established under this section and on further steps required to implement a statewide program during the 2017-2019 biennium. The report shall be made in the manner provided by ORS 192.245 and may include recommendations for legislation.

CLINICAL GUIDELINES WORK GROUP

SECTION 72. (1) The Oregon Health Authority shall convene a work group to develop recommendations related to attending physicians who diagnose individuals as having a debilitating medical condition, as defined in ORS 475B.410, and who recommend the medical use of marijuana for the purpose of mitigating the symptoms or effects of a debilitating medical condition.

(2) The work group convened under this section shall include at least one attending

1 physician who has diagnosed an individual as having a debilitating medical condition and at
2 least one individual for whom the medical use of marijuana has been recommended for the
3 purpose of mitigating the symptoms or effects of a debilitating medical condition. The work
4 group convened under this section shall include additional members as the authority con-
5 siders necessary to carry out the duties of the work group.

6 (3) At a minimum, the work group convened under this section shall develop guidelines
7 for attending physicians to follow when recommending the medical use of marijuana for the
8 purpose of mitigating the symptoms or effects of a debilitating medical condition.

9 (4) On or before January 1, 2017, the authority shall report to the interim legislative
10 committees related to health, and any interim legislative committee specifically related to
11 the regulation of the medical use of marijuana, on the recommendations developed by the
12 work group. The report shall be made in the manner provided by ORS 192.245 and may in-
13 clude recommendations for legislation.

14
15 **REPORTS**

16 (By the Oregon Liquor Control Commission)

17
18 **SECTION 73.** On or before January 1, 2017, the Oregon Liquor Control Commission shall
19 report to the interim legislative committees related to business, and any interim legislative
20 committee specifically related to businesses that produce marijuana, on rules adopted by the
21 commission under ORS 475B.070 (3)(d) related to assisting the viability of marijuana produc-
22 ers that are independently owned and operated and are limited in size and revenue with re-
23 spect to other marijuana producers. The report shall be made in the manner provided by ORS
24 192.245.

25
26 (By the Oregon Health Authority)

27
28 **SECTION 74.** On or before January 1, 2017, the Oregon Health Authority shall report to
29 the interim legislative committees related to the environment, and any interim legislative
30 committee specifically related to businesses that sell marijuana or marijuana-derived pro-
31 ducts, on rules adopted by the authority or steps otherwise taken by the authority related
32 to recalling marijuana or marijuana-derived products that are contaminated and unfit for
33 human consumption. The report shall be made in the manner provided by ORS 192.245 and
34 may include recommendations for legislation.

35
36 **SUNSET FOR SECTIONS 71, 73, 74 AND 75**

37
38 **SECTION 75.** Sections 71, 72, 73 and 74 of this 2016 Act are repealed on January 2, 2018.

39
40 **REPEALS**

41
42 **SECTION 76.** ORS 475B.120, 475B.285 and 811.481 are repealed.

43 **SECTION 77.** Sections 173 and 175b, chapter 614, Oregon Laws 2015, are repealed.

44
45 **APPLICABILITY**

1 **SECTION 78.** The amendments to ORS 475.856, 475.858, 475.860, 475.862, 475.864 and
2 475B.185 by sections 39 and 42 to 46 of this 2016 Act apply to conduct occurring on or after
3 the operative date specified in section 79 of this 2016 Act.

4
5 **OPERATIVE DATES**

6
7 **SECTION 79.** (1) Sections 14 to 18, 21, 22, 24, 25, 30, 33 to 35, 40, 41, 47 to 53f, 69 and 71
8 to 75 of this 2016 Act, the amendments to statutes and session law by sections 1 to 13, 19,
9 20, 23, 26, 27, 31, 32, 36 to 39, 42 to 46 and 54 to 68 of this 2016 Act and the repeal of statutes
10 and session law by sections 76 and 77 of this 2016 Act become operative on March 1, 2016.

11 (2) The Oregon Liquor Control Commission, Oregon Health Authority and Department
12 of Revenue may take any action before the operative date specified in subsection (1) of this
13 section that is necessary to enable the commission, authority or department to exercise, on
14 and after the operative date specified in subsection (1) of this section, all the duties, powers
15 and functions conferred on the commission, authority or department by sections 14 to 18,
16 21, 22, 24, 25, 30, 33 to 35, 40, 41, 47 to 53f, 69 and 71 to 75 of this 2016 Act, the amendments
17 to statutes and session law by sections 1 to 13, 19, 20, 23, 26, 27, 31, 32, 36 to 39, 42 to 46 and
18 54 to 68 of this 2016 Act and the repeal of statutes and session law by sections 76 and 77 of
19 this 2016 Act.

20 **SECTION 80.** The amendments to ORS 475B.760 by section 70 of this 2016 Act become
21 operative on January 1, 2017.

22
23 **UNIT CAPTIONS**

24
25 **SECTION 81.** The unit captions used in this 2016 Act are provided only for the conven-
26 ience of the reader and do not become part of the statutory law of this state or express any
27 legislative intent in the enactment of this 2016 Act.

28
29 **EMERGENCY CLAUSE**

30
31 **SECTION 82.** This 2016 Act being necessary for the immediate preservation of the public
32 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect
33 on its passage.

