

Requested by JOINT COMMITTEE ON MARIJUANA LEGALIZATION

**PROPOSED AMENDMENTS TO
HOUSE BILL 4014**

1 On page 1 of the printed bill, line 2, after “amending” delete the rest of
2 the line and lines 3 through 8 and insert “ORS 90.396, 305.620, 316.680,
3 419C.239, 419C.420, 419C.443, 471.001, 471.775, 475.245, 475.752, 475.856, 475.858,
4 475.860, 475.862, 475.864, 475.898, 475B.015, 475B.063, 475B.070, 475B.075,
5 475B.090, 475B.100, 475B.110, 475B.150, 475B.160, 475B.185, 475B.218, 475B.235,
6 475B.245, 475B.250, 475B.255, 475B.340, 475B.375, 475B.415, 475B.420, 475B.428,
7 475B.435, 475B.443, 475B.450, 475B.705, 475B.710, 475B.760, 475B.800, 809.265
8 and 813.215 and section 3, chapter 20, Oregon Laws 2015; repealing ORS
9 475B.120, 475B.285 and 811.481 and sections 173 and 175b, chapter 614, Oregon
10 Laws 2015; and declaring an emergency.”.

11 Delete lines 10 through 30 and delete pages 2 through 43 and insert:

12

13

“LICENSEES AND REGISTRANTS

14

“(Producers Licensed by the

15

Oregon Liquor Control Commission)

16

17

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

18

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

20

“(2) A marijuana producer must have a production license issued by the
21 commission for the premises at which the marijuana is produced. To hold a

1 production license under this section, a marijuana producer:

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

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

7 “(c) Must meet the requirements of any rule adopted by the commission
8 under subsection (3) of this section.

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

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

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

14 “(c) Require marijuana produced by marijuana producers to be tested in
15 accordance with ORS 475B.555;

16 “**(d) Assist the viability of marijuana producers that are independ-**
17 **ently owned and operated and that are limited in size and revenue with**
18 **respect to other marijuana producers, by minimizing barriers to entry**
19 **into the regulated system and by expanding, to the extent practicable,**
20 **transportation options that will support their access to the retail**
21 **market;**

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

25 “[*e*](A) (f)(A) Require a marijuana producer to meet any public health
26 and safety standards and industry best practices established by the commis-
27 sion by rule related to:

28 “(i) The production of marijuana; or

29 “(ii) The propagation of immature marijuana plants and the seeds of the
30 plant Cannabis family Cannabaceae.

1 “(B) For purposes of establishing rules under subparagraph (A)(ii) of this
2 paragraph, the commission may not limit:

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

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

7 “(iii) The weight or size of shipments of immature marijuana plants made
8 by a marijuana producer licensed under this section.

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

10 “(a) May not exceed, **together with other fees collected under ORS**
11 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
12 [*with respect to marijuana producers*];

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

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

18

19 “(Processors Licensed by the
20 **Oregon Liquor Control Commission)**

21

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

23 “475B.090. (1) The processing of marijuana items is subject to regulation
24 by the Oregon Liquor Control Commission.

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

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

29 “(b) [*Must, until January 1, 2020, provide proof that an applicant listed on*
30 *an application submitted under ORS 475B.040 has been a resident of this state*

1 *for two or more years, and]* Must provide proof that the applicant is 21 years
2 of age or older;

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

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

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

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

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

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

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

17 “(A) Cannabinoid edibles;

18 “(B) Cannabinoid concentrates;

19 “(C) Cannabinoid extracts; and

20 “(D) Any other type of cannabinoid product identified by the commission
21 by rule.

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

23 “(a) May not exceed, **together with other fees collected under ORS**
24 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
25 [*with respect to marijuana processors*]; and

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

28

29 “(Wholesalers Licensed by the
30 Oregon Liquor Control Commission)

1 **“SECTION 3.** ORS 475B.100 is amended to read:

2 “475B.100. (1) The wholesale sale of marijuana items is subject to regu-
3 lation by the Oregon Liquor Control Commission.

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

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

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

13 “(c) May not be located in an area that is zoned exclusively for residen-
14 tial use; and

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

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

18 “(a) Require a marijuana wholesaler to annually renew a license issued
19 under this section;

20 “(b) Establish application, licensure and renewal of licensure fees for
21 marijuana wholesalers;

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

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

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

27 “(a) May not exceed, **together with other fees collected under ORS**
28 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
29 [*with respect to marijuana wholesalers*]; and

30 “(b) Shall be deposited in the Marijuana Control and Regulation Fund

1 established under ORS 475B.240.

2
3 **“(Retailers Licensed by the**
4 **Oregon Liquor Control Commission)**

5
6 **“SECTION 4.** ORS 475B.110 is amended to read:

7 “475B.110. (1) The retail sale of marijuana items is subject to regulation
8 by the Oregon Liquor Control Commission.

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

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

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

17 “(c) May not be located in an area that is zoned exclusively for residen-
18 tial use;

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

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

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

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

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

27 “(a) Require a marijuana retailer to annually renew a license issued un-
28 der this section;

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

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

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

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

6 “(a) May not exceed, **together with other fees collected under ORS**
7 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
8 [*with respect to marijuana retailers*]; and

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

11

12 “(Marijuana Grow Sites Registered
13 with the Oregon Health Authority)

14

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

16 “475B.420. (1)(a) The Oregon Health Authority shall establish by rule a
17 marijuana grow site registration system to track and regulate the production
18 of marijuana by a registry identification cardholder or a person designated
19 by the registry identification cardholder to produce marijuana for the regis-
20 try identification cardholder.

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

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

26 “(2) Rules adopted under this section must require an applicant for a
27 registry identification card, or a registry identification cardholder who
28 produces marijuana or who designates another person to produce marijuana,
29 to submit an application to the authority containing the following informa-
30 tion at the time of making an application under ORS 475B.415 (2), renewing

1 a registry identification card under ORS 475B.415 (6)(b), or notifying the
2 authority of a change under ORS 475B.415 (6)(a):

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

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

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

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

10 “(3)(a) The authority shall conduct a criminal records check under ORS
11 181A.195 of any person whose name is submitted under this section as the
12 person responsible for a marijuana grow site.

13 “(b) A person convicted of a Class A or Class B felony under ORS 475.752
14 to 475.920 for the manufacture or delivery of a controlled substance in
15 Schedule I or Schedule II may not act as or be designated a person respon-
16 sible for a marijuana grow site for two years from the date of conviction.

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

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

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

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

29 “(7)(a) All seeds, immature marijuana plants, mature marijuana plants
30 and usable marijuana associated with the production of marijuana for a

1 registry identification cardholder by a person responsible for a marijuana
2 grow site are the property of the registry identification cardholder.

3 “(b) All seeds, immature marijuana plants, mature marijuana plants and
4 usable marijuana associated with the production of marijuana for a registry
5 identification cardholder by a person responsible for a marijuana grow site
6 must be transferred to the registry identification cardholder upon the request
7 of the registry identification cardholder.

8 “(c) All usable marijuana associated with the production of marijuana for
9 a registry identification cardholder by a person responsible for a marijuana
10 grow site must be transferred to a marijuana processing site upon the re-
11 quest of the registry identification cardholder. For purposes of this para-
12 graph, a request to transfer usable marijuana constitutes an assignment of
13 the right to possess the usable marijuana.

14 “(d) All seeds, immature marijuana plants and usable marijuana associ-
15 ated with the production of marijuana for a registry identification cardholder
16 by a person responsible for a marijuana grow site must be transferred to a
17 medical marijuana dispensary upon request of the registry identification
18 cardholder. For purposes of this paragraph, a request to transfer seeds, im-
19 mature marijuana plants or usable marijuana constitutes an assignment of
20 the right to possess the seeds, immature marijuana plants or usable
21 marijuana.

22 “(e) Information related to transfers made under this subsection must be
23 submitted to the authority in the manner required by ORS 475B.423.

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

28 “(9) The authority may inspect:

29 “(a) The marijuana grow site of a person designated to produce marijuana
30 by a registry identification cardholder to ensure compliance with this section

1 and ORS 475B.423 and 475B.428 and any rule adopted under this section and
2 ORS 475B.423 and 475B.428; and

3 “(b) The records of the marijuana grow site of a person designated to
4 produce marijuana by a registry identification cardholder to ensure compli-
5 ance with this section and ORS 475B.423 and any rule adopted under this
6 section and ORS 475B.423.

7 “(10) The authority may refuse to register a registry identification
8 cardholder or a designee under this section or may suspend or revoke the
9 registration of a person responsible for a marijuana grow site if the author-
10 ity determines that the applicant or the person responsible for a marijuana
11 grow site violated a provision of ORS 475B.400 to 475B.525, a rule adopted
12 under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS
13 475B.500.

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

18

19 **“(Processors Registered with the**
20 **Oregon Health Authority)**

21

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

23 “475B.435. (1)(a) The Oregon Health Authority shall establish by rule a
24 marijuana processing site registration system to track and regulate the pro-
25 cessing of marijuana by a person responsible for a marijuana processing site.

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

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

1 “(2) The registration system established under subsection (1) of this sec-
2 tion must require an applicant for a marijuana processing site to submit an
3 application to the authority that includes:

4 “(a) The name of the individual who owns the marijuana processing site
5 or, if a business entity owns the marijuana processing site, the name of each
6 individual who has a financial interest in the marijuana processing site;

7 “(b) The name of the individual or individuals responsible for the
8 marijuana processing site, if different from the name of the individual who
9 owns the marijuana processing site;

10 “(c) The address of the marijuana processing site;

11 “(d) [*Proof, until January 1, 2020, that each individual responsible for the*
12 *marijuana processing site has been a resident of this state for two or more*
13 *years, and*] Proof that each individual responsible for the marijuana pro-
14 cessing site is 21 years of age or older;

15 “(e) Documentation, as required by the authority by rule, that demon-
16 strates the marijuana processing site meets the requirements of subsection
17 (3) of this section; and

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

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

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

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

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

27 “(4)(a) The authority shall conduct a criminal records check under ORS
28 181A.195 for each individual named in an application under subsection (2)
29 of this section.

30 “(b) An individual convicted for the manufacture or delivery of a con-

1 trolled substance in Schedule I or Schedule II may not own or be responsible
2 for a marijuana processing site for two years from the date the individual
3 is convicted.

4 “(c) An individual convicted more than once for the manufacture or de-
5 livery of a controlled substance in Schedule I or Schedule II may not own
6 or be responsible for a marijuana processing site.

7 “(5) If a person submits the application required under subsection (2) of
8 this section, if the marijuana processing site identified in the application
9 meets the requirements of this section and any rules adopted under this
10 section and if each individual named in the application passes the criminal
11 records check required under subsection (4) of this section, the authority
12 shall register the marijuana processing site and issue proof of registration.
13 Proof of registration must be displayed on the premises of the marijuana
14 processing site at all times.

15 “(6) A marijuana processing site that is registered under this section is
16 not required to register with the State Board of Pharmacy under ORS
17 475.125.

18 “(7) The individual or individuals responsible for a marijuana processing
19 site shall maintain documentation of each transfer of usable marijuana,
20 medical cannabinoid products, cannabinoid concentrates and cannabinoid
21 extracts.

22 “(8) The authority may inspect:

23 “(a) The premises of a proposed marijuana processing site or a registered
24 marijuana processing site to ensure compliance with this section and ORS
25 475B.438 and 475B.440 and any rules adopted under this section and ORS
26 475B.438 and 475B.440; and

27 “(b) The records of a registered marijuana processing site to ensure com-
28 pliance with subsection (7) of this section.

29 “(9) Subject to the provisions of ORS chapter 183, the authority may re-
30 fuse to register an applicant under this section or may suspend or revoke the

1 registration of a marijuana processing site if the authority determines that
2 the applicant, the owner of the marijuana processing site, a person respon-
3 sible for the marijuana processing site, or an employee of the marijuana
4 processing site, violated a provision of ORS 475B.400 to 475B.525, a rule
5 adopted under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant
6 to ORS 475B.500.

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

9 “(a) Require a registered marijuana processing site to annually renew the
10 registration for that site;

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

13 “(c) Require that medical cannabinoid products, cannabinoid concentrates
14 and cannabinoid extracts transferred by a marijuana processing site be tested
15 to ensure the public health and safety; and

16 “(d) Impose any other standard on the operation of a marijuana process-
17 ing site to ensure the public health and safety.

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

19 “475B.443. (1) A marijuana processing site may not transfer medical
20 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to
21 a person other than [*a registry identification cardholder, a designated primary*
22 *caregiver*] **another marijuana processing site** or a medical marijuana
23 dispensary.

24 “(2) A person other than a marijuana processing site may not transfer
25 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
26 tracts to a medical marijuana dispensary.

27

28 “**(Medical Marijuana Dispensaries Registered**
29 **with the Oregon Health Authority)**

30

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

2 “475B.450. (1)(a) The Oregon Health Authority shall establish by rule a
3 medical marijuana dispensary registration system for the purpose of tracking
4 and regulating the transfer of:

5 “(A) Usable marijuana, immature marijuana plants and seeds from regis-
6 try identification cardholders, designated primary caregivers and persons
7 responsible for marijuana grow sites to medical marijuana dispensaries;

8 “(B) Medical cannabinoid products, cannabinoid concentrates and
9 cannabinoid extracts from persons responsible for marijuana processing sites
10 to medical marijuana dispensaries; and

11 “(C) Usable marijuana, immature marijuana plants, seeds, medical
12 cannabinoid products, cannabinoid concentrates and cannabinoid extracts
13 from medical marijuana dispensaries to registry identification cardholders
14 and designated primary caregivers.

15 “(b) A person may not operate an establishment for the purpose of pro-
16 viding the services described in paragraph (a) of this subsection unless the
17 person is registered under this section.

18 “(2) The registration system established under subsection (1) of this sec-
19 tion must require an applicant for a medical marijuana dispensary to submit
20 an application to the authority that includes:

21 “(a) The name of the individual who owns the medical marijuana
22 dispensary or, if a business entity owns the medical marijuana dispensary,
23 the name of each individual who has a financial interest in the medical
24 marijuana dispensary;

25 “(b) The name of the individual or individuals responsible for the medical
26 marijuana dispensary, if different from the name of the individual who owns
27 the medical marijuana dispensary;

28 “(c) The address of the medical marijuana dispensary;

29 “(d) *[Proof, until January 1, 2020, that each individual responsible for the*
30 *medical marijuana dispensary has been a resident of this state for two or more*

1 *years, and]* Proof that each individual responsible for the medical marijuana
2 dispensary is 21 years of age or older;

3 “(e) Documentation, as required by the authority by rule, that demon-
4 strates the medical marijuana dispensary meets the requirements of sub-
5 section (3) of this section; and

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

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

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

10 “(b) May not be located at the same address as a marijuana grow site;

11 “(c) Must be registered as a business, or have filed an application to
12 register as a business, with the office of the Secretary of State;

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

14 “(A) A public elementary or secondary school for which attendance is
15 compulsory under ORS 339.020; or

16 “(B) A private or parochial elementary or secondary school, teaching
17 children as described in ORS 339.030 (1)(a);

18 “(e) Must not be located within 1,000 feet of another medical marijuana
19 dispensary; and

20 “(f) Must meet the requirements of any rule adopted by the authority
21 under subsection (10) of this section.

22 “(4)(a) The authority shall conduct a criminal records check under ORS
23 181A.195 for each individual named in an application submitted under sub-
24 section (2) of this section.

25 “(b) An individual convicted for the manufacture or delivery of a con-
26 trolled substance in Schedule I or Schedule II may not own or be responsible
27 for a medical marijuana dispensary for two years from the date the individ-
28 ual is convicted.

29 “(c) An individual convicted more than once for the manufacture or de-
30 livery of a controlled substance in Schedule I or Schedule II may not own

1 or be responsible for a medical marijuana dispensary.

2 “(5) If a person submits the application required under subsection (2) of
3 this section, if the medical marijuana dispensary identified in the application
4 meets the requirements of this section and any rules adopted under this
5 section and if each individual named in the application passes the criminal
6 records check required under subsection (4) of this section, the authority
7 shall register the medical marijuana dispensary and issue proof of registra-
8 tion. Proof of registration must be displayed on the premises of the medical
9 marijuana dispensary at all times.

10 “(6) A medical marijuana dispensary that is registered under this section
11 is not required to register with the State Board of Pharmacy under ORS
12 475.125.

13 “(7) The individual or individuals responsible for a medical marijuana
14 dispensary shall maintain documentation of each transfer of usable
15 marijuana, medical cannabinoid products, cannabinoid concentrates,
16 cannabinoid extracts, immature marijuana plants and seeds.

17 “(8) The authority may inspect:

18 “(a) The premises of a proposed medical marijuana dispensary or a regis-
19 tered medical marijuana dispensary to ensure compliance with this section
20 and ORS 475B.453 and any rules adopted under this section or ORS 475B.453;
21 and

22 “(b) The records of a registered medical marijuana dispensary to ensure
23 compliance with subsection (7) of this section.

24 “(9) Subject to the provisions of ORS chapter 183, the authority may re-
25 fuse to register an applicant under this section or may suspend or revoke the
26 registration of a medical marijuana dispensary if the authority determines
27 that the applicant, the owner of the medical marijuana dispensary, a person
28 responsible for the medical marijuana dispensary, or an employee of the
29 medical marijuana dispensary, violated a provision of ORS 475B.400 to
30 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance

1 adopted pursuant to ORS 475B.500.

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

4 “(a) Require a registered medical marijuana dispensary to annually renew
5 the registration for that dispensary;

6 “(b) Establish fees for registering, and renewing the registration of, a
7 medical marijuana dispensary;

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

11 “(d) Require that usable marijuana, medical cannabinoid products,
12 cannabinoid concentrates, cannabinoid extracts and immature marijuana
13 plants transferred by a medical marijuana dispensary be tested to ensure the
14 public health and safety; and

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

17

18 **“(Registry Identification Cardholders**
19 **and Designated Primary Caregivers)**

20

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

22 “475B.415. (1) The Oregon Health Authority shall establish a program for
23 the issuance of registry identification cards to applicants who meet the re-
24 quirements of this section.

25 “(2) The authority shall issue a registry identification card to an appli-
26 cant who is 18 years of age or older if the applicant pays a fee in an amount
27 established by the authority by rule and submits to the authority an appli-
28 cation containing the following information:

29 “(a) Written documentation from the applicant’s attending physician
30 stating that the attending physician has diagnosed the applicant as having

1 a debilitating medical condition and that the medical use of marijuana may
2 mitigate the symptoms or effects of the applicant's debilitating medical con-
3 dition;

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

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

7 “(d) Proof of residency, [*as*] **submitted in a form** required by the au-
8 thority by rule;

9 “(e) The name and address of the applicant's designated primary
10 caregiver, if the applicant is designating a primary caregiver under ORS
11 475B.418; and

12 “(f) The information described in ORS 475B.420 (2), if the applicant is
13 applying to produce marijuana or designate another person under ORS
14 475B.420 to produce marijuana.

15 “(3)(a) The authority shall issue a registry identification card to an ap-
16 plicant who is under 18 years of age if:

17 “(A) The applicant pays the fee and submits the application described in
18 subsection (2) of this section; and

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

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

25 “(ii) The custodial parent or legal guardian consents to the medical use
26 of marijuana by the applicant;

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

29 “(iv) The custodial parent or legal guardian agrees to control the acqui-
30 sition, dosage and frequency of the medical use of marijuana by the appli-

1 cant.

2 “(b) An applicant who is under 18 years of age may not apply to produce
3 marijuana under subsection (2)(f) of this section.

4 “(4) The authority shall:

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

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

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

15 “(A) The registry identification cardholder’s name, address and date of
16 birth;

17 “(B) The issuance date and expiration date of the registry identification
18 card;

19 “(C) If the registry identification cardholder designated a primary
20 caregiver under ORS 475B.418, the name and address of the registry iden-
21 tification cardholder’s designated primary caregiver; and

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

23 “(b) If the registry identification cardholder designated a primary
24 caregiver under ORS 475B.418, the authority shall issue an identification
25 card to the designated primary caregiver. The identification card must con-
26 tain the information required by paragraph (a) of this subsection.

27 “(6) A registry identification cardholder shall:

28 “(a) In a form and manner prescribed by the authority, notify the au-
29 thority of any change concerning the registry identification cardholder’s:

30 “(A) Name, address or attending physician;

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

4 “(C) Person responsible for a marijuana grow site, including the desig-
5 nation of a person responsible for a marijuana grow site made at a time
6 other than at the time of applying for or renewing a registry identification
7 card.

8 “(b) Annually renew the registry identification card by paying a fee in
9 an amount established by the authority by rule and submitting to the au-
10 thority an application that contains the following information:

11 “(A) Updated written documentation from the registry identification
12 cardholder’s attending physician stating that the registry identification
13 cardholder still has a debilitating medical condition and that the medical use
14 of marijuana may mitigate the symptoms or effects of the registry identifi-
15 cation cardholder’s debilitating medical condition;

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

18 “(C) If the registry identification cardholder is under 18 years of age, a
19 statement signed by the custodial parent or legal guardian of the registry
20 identification cardholder that meets the requirements of subsection (3) of this
21 section.

22 “(7) **The authority shall:**

23 “(a) **On the date on which the authority receives an application**
24 **described in subsection (2) of this section, issue a receipt to the ap-**
25 **plicant verifying that the authority received an application under**
26 **subsection (6)(b) of this section; and**

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

29 “[~~(7)(a)~~] (8)(a) If the registry identification cardholder’s attending physi-
30 cian determines that the registry identification cardholder no longer has a

1 debilitating medical condition, or determines that the medical use of
2 marijuana is contraindicated for the registry identification cardholder's de-
3 bilitating medical condition, the registry identification cardholder shall re-
4 turn the registry identification card to the authority within 30 calendar days
5 after receiving notice of the determination.

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

13 “[~~(8)(a)~~] **(9)(a)** The authority may deny an application for a registry
14 identification card or an application to renew a registry identification card,
15 or may suspend or revoke a registry identification card, if:

16 “(A) The applicant or registry identification cardholder does not provide
17 the information required by this section;

18 “(B) The authority determines that the applicant or registry identification
19 cardholder provided false information; or

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

23 “(b) If a registry identification card is revoked, any associated identifi-
24 cation card issued under subsection (5)(b) of this section, or marijuana grow
25 site registration card issued under ORS 475B.420 (6), shall also be revoked.

26 “(c) A person whose application is denied, or whose registry identification
27 card is revoked, under this subsection may not reapply for a registry iden-
28 tification card for six months from the date of the denial or revocation un-
29 less otherwise authorized by the authority.

30 “[~~(9)(a)~~] **(10)(a)** The authority may deny a designation of a primary

1 caregiver made under ORS 475B.418, or suspend or revoke an associated
2 identification card issued under subsection (5)(b) of this section, if the au-
3 thority determines that the designee or the registry identification cardholder
4 violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under
5 ORS 475B.400 to 475B.525.

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

10 “[~~(10)~~] (11) Notwithstanding subsection (2) or (6)(b) of this section, if an
11 applicant for a registry identification card, or a registry identification
12 cardholder applying for renewal of a registry identification card, submits to
13 the authority proof of having served in the Armed Forces of the United
14 States [*and of having been diagnosed with post-traumatic stress disorder*], the
15 authority may not impose a fee that is greater than \$20 for the issuance or
16 renewal of the registry identification card.

17 “(12) For any purpose described in ORS 475B.400 to 475B.525, in-
18 cluding exemption from criminal liability under ORS 475B.475, a re-
19 ceipt issued by the authority verifying that an application has been
20 submitted to the authority under subsection (2), (3) or (6)(b) of this
21 section has the same legal effect as a registry identification card for
22 30 days following the date on which the receipt was issued to the ap-
23 plicant.

24

25 “MATURE MARIJUANA PLANT GROW CANOPIES

26

27 “SECTION 10. ORS 475B.075 is amended to read:

28 “475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor
29 Control Commission shall adopt rules restricting the size of mature
30 marijuana plant grow canopies at premises for which a license has been is-

1 sued under ORS 475B.070. In adopting rules under this subsection, the com-
2 mission shall:

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

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

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

20 “(2) This section:

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

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

27

28 **“APPLICATION PROCESS FOR OREGON**
29 **LIQUOR CONTROL COMMISSION LICENSEES**

30

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

2 “475B.063. (1) Prior to [*the issuance of*] **receiving** a license under ORS
3 475B.070, 475B.090, 475B.100 or 475B.110, [*the Oregon Liquor Control Com-*
4 *mission*] **an applicant** shall request a land use compatibility statement from
5 the city or county that authorizes the land use. The land use compatibility
6 statement must demonstrate that the requested license is for a land use that
7 is allowable as a permitted or conditional use within the given zoning des-
8 ignation where the land is located. The **Oregon Liquor Control** Commission
9 may not issue a license if the land use compatibility statement shows that
10 the proposed land use is prohibited in the applicable zone.

11 **“(2) Except as provided in subsection (3) of this section,** a city or
12 county that receives a request for a land use compatibility statement under
13 this section must act on that request within 21 days of:

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

16 “(b) Final local permit approval, if the land use is allowable as a condi-
17 tional use.

18 **“(3) A city or county that receives a request for a land use com-**
19 **patibility statement under this section is not required to act on that**
20 **request during the period that the commission discontinues licensing**
21 **those premises pursuant to ORS 475B.800 (4)(b).**

22 “[~~(3)~~] (4) A city or county action concerning a land use compatibility
23 statement under this section is not a land use decision for purposes of ORS
24 chapter 195, 196, 197, [*or*] 215 **or 227.**

25

26

“RESEARCH

27

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

29 “475B.235. (1) The Oregon Liquor Control Commission, in consultation
30 with the Oregon Health Authority and the State Department of Agriculture,

1 shall establish a program for the purpose of identifying and certifying pri-
2 vate and public researchers of cannabis.

3 “(2)(a) The authority shall assist the commission in identifying candidates
4 for certification under this section with respect to potential medical re-
5 search.

6 “(b) The department shall assist the commission in identifying candidates
7 for certification under this section with respect to potential agricultural re-
8 search.

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

11 “(a) Qualifications for certification under this section;

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

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

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

19 “(e) Procedures for disposing or otherwise making use of marijuana, usa-
20 ble marijuana, cannabinoid products, cannabinoid concentrates and
21 cannabinoid extracts.

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

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

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

28 “(c) Legal barriers to conducting the proposed research or legal risks as-
29 sociated with conducting the proposed research.

30 **“(5) In adopting procedures under subsection (3)(d) and (e) of this**

1 **section with respect to making use of marijuana, usable marijuana,**
2 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
3 **tracts, the commission shall also adopt procedures by which a person**
4 **certified under this section may transfer limited amounts of**
5 **marijuana, usable marijuana, cannabinoid products, cannabinoid con-**
6 **centrates and cannabinoid extracts to another person certified under**
7 **this section or to a premises for which a license has been issued under**
8 **ORS 475B.070, 475B.090, 475B.100 or 475B.110.**

9 “[5] (6) A person certified under this section:

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

13 “(b) May not sell or otherwise transfer marijuana, usable marijuana,
14 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to
15 any other person, except as provided in [*rules adopted by the commission*
16 *under subsection (3)(e) of*] this section **and rules adopted by the commis-**
17 **sion under this section.**

18 “[6] (7) Except as otherwise provided by the commission by rule, rules
19 adopted by the commission for the purpose of administering and enforcing
20 ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-
21 tatives apply to persons certified under this section and persons employed
22 by or who otherwise perform work for persons certified under this section.

23 “[7] (8) A person who is certified under this section, and an employee
24 of or other person who performs work for a person certified under this sec-
25 tion, is exempt from the criminal laws of this state for possession, delivery
26 or manufacture of marijuana, aiding and abetting another in the possession,
27 delivery and manufacture of marijuana, or any other criminal offense in
28 which possession, delivery or manufacture of marijuana is an element, while
29 performing activities related to conducting research as described in this
30 section.

1 **“WORK PERMITS**

2
3 **“SECTION 13.** ORS 475B.218 is amended to read:

4 “475B.218. (1) The Oregon Liquor Control Commission shall issue permits
5 to qualified applicants to perform work described in ORS 475B.215. The
6 commission shall adopt rules establishing:

7 “(a) The qualifications for performing work described in ORS 475B.215;

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

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

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

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

16 “(A) Checking identification;

17 “(B) Detecting intoxication;

18 “(C) Handling marijuana items;

19 “(D) The content of ORS 475B.010 to 475B.395 and rules adopted under
20 ORS 475B.010 to 475B.395; and

21 “(E) Any matter deemed necessary by the commission to protect the pub-
22 lic health and safety.

23 “(b) The commission or other provider of the course may charge a rea-
24 sonable fee for the course.

25 “(c) The commission may not require an individual to successfully com-
26 plete the course more than once, except that:

27 “(A) As part of a final order suspending a permit issued under this sec-
28 tion, the commission may require a permit holder to successfully complete
29 the course as a condition of lifting the suspension; and

30 “(B) As part of a final order revoking a permit issued under this section,

1 the commission shall require an individual to successfully complete the
2 course prior to applying for a new permit.

3 “(3) The commission shall conduct a criminal records check under ORS
4 181A.195 on an individual applying for a permit under this section.

5 “(4) Subject to the applicable provisions of ORS chapter 183, the com-
6 mission may suspend, revoke or refuse to issue or renew a permit if the in-
7 dividual who is applying for or who holds the permit:

8 “(a) Is convicted of a felony[,] **or is convicted of an offense under ORS**
9 **475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395**, except that the
10 commission may not consider a conviction for [*the manufacture or delivery*
11 *of marijuana*] **an offense under ORS 475.856, 475.858, 475.860, 475.862 or**
12 **475B.010 to 475B.395** if the date of the conviction is two or more years before
13 the date of the application or renewal;

14 “(b) Violates any provision of ORS 475B.010 to 475B.395 or any rule
15 adopted under ORS 475B.010 to 475B.395; or

16 “(c) Makes a false statement to the commission.

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

20

21 “DELEGATION OF AUTHORITY

22

23 “**SECTION 14. Section 15 of this 2016 Act is added to and made a**
24 **part of ORS 475B.010 to 475B.395.**

25 “**SECTION 15. Except for the power to adopt rules, the Oregon Li-**
26 **quor Control Commission may delegate to the administrator appointed**
27 **under ORS 471.720 any of the commission’s functions, duties and**
28 **powers as prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525,**
29 **475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law**
30 **of the state related to the regulation of marijuana items.**

1 **“AUTHORITY TO REQUIRE FINGERPRINTS**

2
3 **“SECTION 16. (1) Section 17 of this 2016 Act is added to and made**
4 **a part of ORS 475B.010 to 475B.395.**

5 **“(2) Section 18 of this 2016 Act is added to and made a part of ORS**
6 **475B.550 to 475B.590.**

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

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

15
16 **“REGULATORY SPECIALISTS**

17
18 **“SECTION 19. ORS 471.001 is amended to read:**

19 **“471.001. As used in this chapter and ORS chapter 473:**

20 **“(1) ‘Alcoholic beverage’ and ‘alcoholic liquor’ mean any liquid or solid**
21 **containing more than one-half of one percent alcohol by volume and capable**
22 **of being consumed by a human being.**

23 **“(2) ‘Commercial establishment’ means a place of business:**

24 **“(a) Where food is cooked and served;**

25 **“(b) That has kitchen facilities adequate for the preparation and serving**
26 **of meals;**

27 **“(c) That has dining facilities adequate for the serving and consumption**
28 **of meals; and**

29 **“(d) That:**

30 **“(A) If not a for-profit private club, serves meals to the general public;**

1 or

2 “(B) If a for-profit private club, serves meals to the club’s members and
3 guests and complies with any minimum membership and food service re-
4 quirements established by Oregon Liquor Control Commission rules.

5 “(3) ‘Commission’ means the Oregon Liquor Control Commission.

6 “(4) ‘Distilled liquor’ means any alcoholic beverage other than a wine,
7 cider or malt beverage. ‘Distilled liquor’ includes distilled spirits.

8 “(5) ‘Licensee’ means any person holding a license issued under this
9 chapter.

10 “(6)(a) ‘Malt beverage’ means an alcoholic beverage obtained by the
11 fermentation of grain that contains not more than 14 percent alcohol by
12 volume.

13 “(b) ‘Malt beverage’ includes:

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

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

21 “(C) Malt beverages containing more than six percent alcohol by volume
22 that derive not more than 1.5 percent of the beverage’s overall alcohol con-
23 tent by volume from flavors and other added nonbeverage ingredients con-
24 taining alcohol.

25 “(c) ‘Malt beverage’ does not include cider or an alcoholic beverage ob-
26 tained primarily by fermentation of rice, such as sake.

27 “(7) ‘Manufacturer’ means every person who produces, brews, ferments,
28 manufactures or blends an alcoholic beverage within this state or who im-
29 ports or causes to be imported into this state an alcoholic beverage for sale
30 or distribution within the state.

1 “(8) ‘Permittee’ means a person holding a permit issued under ORS 471.360
2 to 471.390.

3 “(9) ‘Premises’ or ‘licensed premises’ means a location licensed under this
4 chapter and includes all enclosed areas at the location that are used in the
5 business operated at the location, including offices, kitchens, rest rooms and
6 storerooms, including all public and private areas where patrons are per-
7 mitted to be present. ‘Premises’ or ‘licensed premises’ includes areas outside
8 of a building that the commission has specifically designated as approved for
9 alcoholic beverage service or consumption.

10 “(10) ‘Regulatory specialist’ means a full-time employee of the commission
11 who is authorized to act as an agent of the commission in conducting in-
12 spections or investigations, making arrests and seizures, aiding in prose-
13 cutions for offenses, issuing citations for violations and otherwise enforcing
14 this chapter, ORS 474.005 to 474.095 [and], 474.115, **475B.010 to 475B.395,**
15 **475B.550 to 475B.590 and 475B.600 to 475B.655,** commission rules and any
16 other statutes the commission considers related to regulating liquor, [or]
17 marijuana **or marijuana-derived products.**

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

23 **“SECTION 20.** ORS 471.775 is amended to read:

24 “471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued
25 by each member of the Oregon Liquor Control Commission or any of its au-
26 thorized agents.

27 “(2) **Subject to subsection (3) of this section,** regulatory specialists
28 have authority as provided under this chapter, ORS chapter 153, ORS 133.005
29 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.239
30 [and], 161.245, **475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to**

1 **475B.655** and chapter 743, Oregon Laws 1971, to conduct inspections or in-
2 vestigations, make arrests and seizures, aid in prosecutions for offenses, issue
3 criminal citations and citations for violations and otherwise enforce this
4 chapter, ORS 474.005 to 474.095 [*and*], 474.115, **475B.010 to 475B.395,**
5 **475B.550 to 475B.590 and 475B.600 to 475B.655,** commission rules and any
6 other laws of this state that the commission considers related to alcoholic
7 liquor, **marijuana and marijuana-derived products,** including but not
8 limited to laws regarding the **production, processing,** manufacture,
9 importation, transportation, possession, distribution, sale or consumption of
10 alcoholic beverages, the manufacture or use of false identification or the
11 entry of premises licensed to sell alcoholic liquor, **marijuana or**
12 **marijuana-derived products.**

13 **“(3) A regulatory specialist may not:**

14 **“(a) Be sworn in as a federal law enforcement official and act in**
15 **that capacity while performing duties under subsection (2) of this**
16 **section;**

17 **“(b) Carry a firearm;**

18 **“(c) Conduct inspections and investigations of a primary residence**
19 **or for purposes of ensuring compliance with ORS 475B.245 and**
20 **475B.375; or**

21 **“(d) Except as provided under the provisions of ORS 475B.010 to**
22 **475B.395, conduct inspections and investigations for purposes of en-**
23 **sureing compliance with ORS 475B.400 to 475B.525.**

24

25 **“EXEMPTION FROM PUBLIC DISCLOSURE**

26

27 **“SECTION 21. Section 22 of this 2016 Act is added to and made a**
28 **part of ORS 475B.010 to 475B.395.**

29 **“SECTION 22. (1) Subject to subsection (2) of this section, infor-**
30 **mation is exempt from public disclosure under ORS 192.410 to 192.505**

1 **if the information is:**

2 **“(a) The address of a premises for which a license has been issued**
3 **or for which an applicant has proposed to be licensed under ORS**
4 **475B.070, 475B.090 or 485B.100;**

5 **“(b) Is related to the security plan or the operational plan for a**
6 **premises for which a license has been issued or for which an applicant**
7 **has proposed to be licensed under ORS 475B.070, 475B.090, 485B.100 or**
8 **475B.110; or**

9 **“(c) Is related to any record that the Oregon Liquor Control Com-**
10 **mission determines contains proprietary information of a person who**
11 **holds a license under ORS 475B.070, 475B.090, 485B.100 or 475B.110.**

12 **“(2) The exemption from public disclosure as provided by this sec-**
13 **tion does not apply to a request for information if the request is made**
14 **by a law enforcement agency.**

15

16 **“EXCESS USABLE MARIJUANA PRODUCED WITHIN**
17 **MARIJUANA GROW SITE POSSESSION LIMITS**

18

19 **“SECTION 23.** ORS 475B.428 is amended to read:

20 **“475B.428. (1) Subject to subsection (2) of this section, a registry iden-**
21 **tification cardholder and the designated primary caregiver of the registry**
22 **identification cardholder may jointly possess six or fewer mature marijuana**
23 **plants.**

24 **“(2)(a) A person may be designated to produce marijuana under ORS**
25 **475B.420 by no more than four registry identification cardholders.**

26 **“(b) A person who is designated to produce marijuana by a registry**
27 **identification cardholder may produce no more than six mature marijuana**
28 **plants [per] for a registry identification cardholder[.] who designates the**
29 **person to produce marijuana.**

30 **“(3) If the address of a person responsible for a marijuana grow site under**

1 ORS 475B.420 is located within city limits in an area zoned for residential
2 use:

3 “(a) Except as provided in paragraph (b) of this subsection, no more than
4 12 mature marijuana plants may be produced at the address; or

5 “(b) Subject to subsection (5) of this section, if each person responsible
6 for a marijuana grow site located at the address first registered with the
7 Oregon Health Authority under ORS 475B.420 before January 1, 2015, no
8 more than the amount of mature marijuana plants located at that address
9 on December 31, 2014, in excess of 12 mature marijuana plants, not to exceed
10 24 mature marijuana plants, may be produced at the address.

11 “(4) If the address of a person responsible for a marijuana grow site under
12 ORS 475B.420 is located in an area other than an area described in sub-
13 section (3) of this section:

14 “(a) Except as provided in paragraph (b) of this subsection, no more than
15 48 mature marijuana plants may be produced at the address; or

16 “(b) Subject to subsections (5) and (6) of this section, if each person re-
17 sponsible for a marijuana grow site located at the address first registered
18 with the authority under ORS 475B.420 before January 1, 2015, no more than
19 the amount of mature marijuana plants located at that address on December
20 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature
21 marijuana plants, may be produced at the address.

22 “(5) If the authority suspends or revokes the registration of a person re-
23 sponsible for a marijuana grow site that is located at an address described
24 in subsection (3)(b) or (4)(b) of this section:

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

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

1 “(6) If a registry identification cardholder who designated a person to
2 produce marijuana for the registry identification cardholder pursuant to ORS
3 475B.420 terminates the designation, the person responsible for the marijuana
4 grow site whose designation has been terminated may not be designated to
5 produce marijuana by another registry identification cardholder, except that
6 the person may be designated by another registry identification cardholder
7 if no more than 48 mature marijuana plants are produced at the address for
8 the marijuana grow site at which the person produces marijuana.

9 “(7) **Subject to the limits described in subsections (2) to (6) of this**
10 **section, if multiple persons responsible for a marijuana grow site un-**
11 **der ORS 475B.420 are located at the same address, the persons desig-**
12 **nated to produce marijuana by registry identification cardholders who**
13 **are located at that address may collectively produce mature marijuana**
14 **plants for any number of registry identification cardholders who des-**
15 **ignate the persons to produce marijuana.**

16 “[7] (8) If a law enforcement officer determines that a registry identifi-
17 cation cardholder, the designated primary caregiver of a registry identifica-
18 tion cardholder, or a person responsible for a marijuana grow site under ORS
19 475B.420 who grows marijuana for a registry identification cardholder, pos-
20 sesses a number of mature marijuana plants in excess of the quantities
21 specified in this section, the law enforcement officer may confiscate only the
22 excess number of mature marijuana plants.

23

24 “**MEDICAL MARIJUANA BUSINESSES**
25 **APPLYING TO BE LICENSED BY THE**
26 **OREGON LIQUOR CONTROL COMMISSION**

27

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

30 “**SECTION 25. (1) The Oregon Liquor Control Commission shall**

1 adopt by rule procedures by which:

2 “(a) A person responsible for a marijuana grow site registered under
3 ORS 475B.420, or, if multiple persons responsible for a marijuana grow
4 site registered under ORS 475B.420 are located at the same address,
5 each person responsible for a marijuana grow site located at the ad-
6 dress, may apply for a license under ORS 475B.070 to transition from
7 being registered by the Oregon Health Authority to being licensed by
8 the commission;

9 “(b) A marijuana processing site registered under ORS 475B.435 may
10 apply for a license under ORS 475B.090 to transition from being regis-
11 tered by the authority to being licensed by the commission; and

12 “(c) A medical marijuana dispensary registered under ORS 475B.450
13 may apply for a license under ORS 475B.110 to transition from being
14 registered by the authority to being licensed by the commission.

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

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

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

26 “(b) Procedures adopted under this subsection must require a per-
27 son responsible for a marijuana grow site registered under ORS
28 475B.420, or, if multiple persons responsible for a marijuana grow site
29 registered under ORS 475B.420 are located at the same address, each
30 person responsible for a marijuana grow site located at the address,

1 to return to an individual to whom a registry identification card has
2 been issued under ORS 475B.415, and for whom the person or persons
3 are producing marijuana, all the marijuana and usable marijuana
4 owned by the individual, except as otherwise allowed under a personal
5 agreement entered into under ORS 475B.425, at the time that the per-
6 son or the persons receive a license under ORS 475B.070.

7
8 **“TAXATION OF CANNABIS AND CANNABIS PRODUCTS**

9
10 **“SECTION 26.** ORS 475B.705 is amended to read:

11 “475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana
12 items in this state. The tax imposed by this section is a direct tax on the
13 consumer, for which payment upon retail sale is required [*to achieve conven-*
14 *ience and facility in the collection and administration of the tax*]. The tax
15 shall be collected at the point of sale of a marijuana item by a marijuana
16 retailer at the time at which the retail sale occurs.

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

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

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

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

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

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

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

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

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

29 “(3) If the tax imposed under this section does not equal an amount cal-
30 culable to a whole cent, the tax shall be equal to the next higher whole cent.

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

6 “(5) A person may not knowingly sell, purchase, install, transfer or pos-
7 sess **electronic devices or** software programs [*or other electronic devices in-*
8 *tended to hide or to remove records of retail sales of marijuana items or to*
9 *falsify records of retail sales of marijuana items.*] **for the purposes of:**

10 “(a) **Hiding or removing records of retail sales of marijuana items;**
11 **or**

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

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

16 “(b) **Paragraph (a) of this subsection does not affect any provision**
17 **of ORS 475B.010 to 475B.395 or any rule adopted by the Oregon Liquor**
18 **Control Commission pursuant to ORS 475B.010 to 475B.395 that is re-**
19 **lated to the retail sale of marijuana items.**

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

21 “475B.710. (1) Except as otherwise provided in ORS 475B.700 to 475B.760,
22 the tax imposed upon the consumer under ORS 475B.705 shall be collected
23 at the point of sale and remitted by each marijuana retailer that engages in
24 the retail sale of marijuana items. The tax is [*considered*] a tax upon the
25 marijuana retailer that is required to collect the tax, and the marijuana
26 retailer is [*considered*] a taxpayer.

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

30 “(3) The marijuana retailer shall pay the tax to the department in the

1 form and manner prescribed by the department, but not later than with each
2 quarterly return, without regard to [*extensions*] **an extension granted** under
3 subsection (5) of this section.

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

6 “(5) **For good cause**, the department [*for good cause*] may extend the time
7 for [*making any*] **filing a** return under this section. The extension may be
8 granted at any time if a written request is filed with the department during
9 or prior to the period for which the extension may be granted. The depart-
10 ment may not grant an extension of more than 30 days.

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

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

17 “[~~(7)~~] (8) Except as provided in subsections [~~(8) and~~] (9) **and (10)** of this
18 section, the period prescribed for the department to allow or make a refund
19 of any overpayment of tax paid under ORS 475B.700 to 475B.760 [*shall be*]
20 **is** as provided in ORS 314.415.

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

24 “(b) If after any offset against any delinquent amount the overpayment
25 of tax remains greater than \$1,000, the [*entire*] **remaining** refund shall be
26 applied as a credit against the next subsequent calendar quarter as an esti-
27 mated payment.

28 “[~~(9)~~] (10) The department may not make a refund of, or credit, any
29 overpayment of tax under ORS 475B.700 to 475B.760 that was credited to the
30 account of a marijuana retailer under subsection [~~(8)(b)~~] (9)(b) of this section

1 if the return for that tax period is not filed within three years after the due
2 date of that return.

3 **“SECTION 28.** ORS 316.680 is amended to read:

4 “316.680. (1) There shall be subtracted from federal taxable income:

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

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

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

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

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

1 service.

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

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

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

8 “(C) As used in this paragraph:

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

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

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

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

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

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

26 “(h) If included in taxable income for federal tax purposes, the amount
27 withdrawn during the tax year in qualified withdrawals from a savings net-
28 work account for higher education established under ORS 178.300 to 178.355.

29 “[i] *Any federal deduction that the taxpayer would have been allowed for*
30 *the production, processing or sale of marijuana items authorized under ORS*

1 *475B.010 to 475B.395 but for section 280E of the Internal Revenue Code.]*

2 “[*(j)*] (i) If included in taxable income for federal tax purposes, any dis-
3 tributions from an ABLE account that do not exceed the qualified disability
4 expenses of the designated beneficiary as provided in ORS 178.375 and 178.380
5 and rules adopted by the Oregon 529 Savings Board.

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

7 “(a) Interest or dividends, exempt from federal income tax, on obligations
8 or securities of any foreign state or of a political subdivision or authority
9 of any foreign state. However, the amount added under this paragraph shall
10 be reduced by any interest on indebtedness incurred to carry the obligations
11 or securities described in this paragraph and by any expenses incurred in the
12 production of interest or dividend income described in this paragraph.

13 “(b) Interest or dividends on obligations of any authority, commission,
14 instrumentality and territorial possession of the United States that by the
15 laws of the United States are exempt from federal income tax but not from
16 state income taxes. However, the amount added under this paragraph shall
17 be reduced by any interest on indebtedness incurred to carry the obligations
18 or securities described in this paragraph and by any expenses incurred in the
19 production of interest or dividend income described in this paragraph.

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

22 “(d) The amount of any allowance for depletion in excess of the taxpayer’s
23 adjusted basis in the property depleted, deducted on the taxpayer’s federal
24 income tax return for the taxable year, pursuant to sections 613, 613A, 614,
25 616 and 617 of the Internal Revenue Code.

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

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

1 Code.

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

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

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

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

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

17 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS
18 178.300, from a savings network account for higher education established
19 under ORS 178.300 to 178.355, the amount of the withdrawal that is attrib-
20 utable to contributions that were subtracted from federal taxable income
21 under ORS 316.699.

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

27 “(3) Discount and gain or loss on retirement or disposition of obligations
28 described under subsection (2)(a) of this section issued on or after January
29 1, 1985, shall be treated for purposes of this chapter in the same manner as
30 under sections 1271 to 1283 and other pertinent sections of the Internal

1 Revenue Code as if the obligations, although issued by a foreign state or a
2 political subdivision of a foreign state, were not tax exempt under the
3 Internal Revenue Code.

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

6 “316.680. (1) There shall be subtracted from federal taxable income:

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

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

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

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

27 “(e)(A) Federal pension income that is attributable to federal employment
28 occurring before October 1, 1991. Federal pension income that is attributable
29 to federal employment occurring before October 1, 1991, shall be determined
30 by multiplying the total amount of federal pension income for the tax year

1 by the ratio of the number of months of federal creditable service occurring
2 before October 1, 1991, over the total number of months of federal creditable
3 service.

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

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

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

10 “(C) As used in this paragraph:

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

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

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

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

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

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

28 “(h) If included in taxable income for federal tax purposes, the amount
29 withdrawn during the tax year in qualified withdrawals from a savings net-
30 work account for higher education established under ORS 178.300 to 178.355.

1 “(i) Any federal deduction that the taxpayer would have been al-
2 lowed for the production, processing or sale of marijuana items au-
3 thorized under ORS 475B.010 to 475B.395 or 475B.400 to 475B.525 but for
4 section 280E of the Internal Revenue Code.

5 “[(i)] (j) If included in taxable income for federal tax purposes, any dis-
6 tributions from an ABLE account that do not exceed the qualified disability
7 expenses of the designated beneficiary as provided in ORS 178.375 and 178.380
8 and rules adopted by the Oregon 529 Savings Board.

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

10 “(a) Interest or dividends, exempt from federal income tax, on obligations
11 or securities of any foreign state or of a political subdivision or authority
12 of any foreign state. However, the amount added under this paragraph shall
13 be reduced by any interest on indebtedness incurred to carry the obligations
14 or securities described in this paragraph and by any expenses incurred in the
15 production of interest or dividend income described in this paragraph.

16 “(b) Interest or dividends on obligations of any authority, commission,
17 instrumentality and territorial possession of the United States that by the
18 laws of the United States are exempt from federal income tax but not from
19 state income taxes. However, the amount added under this paragraph shall
20 be reduced by any interest on indebtedness incurred to carry the obligations
21 or securities described in this paragraph and by any expenses incurred in the
22 production of interest or dividend income described in this paragraph.

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

25 “(d) The amount of any allowance for depletion in excess of the taxpayer’s
26 adjusted basis in the property depleted, deducted on the taxpayer’s federal
27 income tax return for the taxable year, pursuant to sections 613, 613A, 614,
28 616 and 617 of the Internal Revenue Code.

29 “(e) For taxable years beginning on or after January 1, 1985, the dollar
30 amount deducted under section 151 of the Internal Revenue Code for personal

1 exemptions for the taxable year.

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

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

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

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

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

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

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

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

30 “(3) Discount and gain or loss on retirement or disposition of obligations

1 described under subsection (2)(a) of this section issued on or after January
2 1, 1985, shall be treated for purposes of this chapter in the same manner as
3 under sections 1271 to 1283 and other pertinent sections of the Internal
4 Revenue Code as if the obligations, although issued by a foreign state or a
5 political subdivision of a foreign state, were not tax exempt under the
6 Internal Revenue Code.

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

10 **“(2) The amendments to ORS 316.680 by section 28a of this 2016 Act**
11 **apply to conduct occurring on or after January 1, 2016, and to tax**
12 **years beginning on or after January 1, 2016.**

13

14

“LOCAL CONTROL

15

“(Local Repeal of Ordinances that Prohibit the 16 Establishment of Marijuana-Related Businesses)

17

18 **“SECTION 30. (1) The governing body of a city or county may repeal**
19 **an ordinance that prohibits the establishment of any one or more of**
20 **the following in the area subject to the jurisdiction of the city or in**
21 **the unincorporated area subject to the jurisdiction of the county:**

22

“(a) Marijuana processing sites registered under ORS 475B.435;

23

“(b) Medical marijuana dispensaries registered under ORS 475B.450;

24

“(c) Marijuana producers licensed under ORS 475B.070;

25

“(d) Marijuana processors licensed under ORS 475B.090;

26

“(e) Marijuana wholesalers licensed under ORS 475B.100;

27

“(f) Marijuana retailers licensed under ORS 475B.110; or

28

“(g) Any combination of the entities described in this subsection.

29

30 **“(2) If the governing body of a city or county repeals an ordinance**
under this section, the governing body must provide the text of the

1 **ordinance:**

2 **“(a) To the Oregon Health Authority, in a form and manner pre-**
3 **scribed by the authority, if the ordinance concerns a medical**
4 **marijuana dispensary registered under ORS 475B.450 or a marijuana**
5 **processing site registered under ORS 475B.435; or**

6 **“(b) To the Oregon Liquor Control Commission, in a form and**
7 **manner prescribed by the commission, if the ordinance concerns a**
8 **premises for which a license has been issued under ORS 475B.070,**
9 **475B.090, 475B.100 or 475B.110.**

10

11 **“(Effective Date of Opt-In Ordinances**
12 **Adopted Pursuant to Referral)**

13

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

15 **“475B.800. (1) The governing body of a city or county may adopt ordi-**
16 **nances to be referred to the electors of the city or county as described in**
17 **subsection (2) of this section that prohibit or allow the establishment of any**
18 **one or more of the following in the area subject to the jurisdiction of the**
19 **city or *in* the unincorporated area subject to the jurisdiction of the county:**

20 **“(a) Marijuana processing sites registered under ORS 475B.435;**

21 **“(b) Medical marijuana dispensaries registered under ORS 475B.450;**

22 **“(c) Marijuana producers licensed under ORS 475B.070;**

23 **“(d) Marijuana processors licensed under ORS 475B.090;**

24 **“(e) Marijuana wholesalers licensed under ORS 475B.100;**

25 **“(f) Marijuana retailers licensed under ORS 475B.110; or**

26 **“(g) Any combination of the entities described in this subsection.**

27 **“(2) If the governing body of a city or county adopts an ordinance under**
28 **this section, the governing body shall submit the measure of the ordinance**
29 **to the electors of the city or county for approval at the next statewide gen-**
30 **eral election.**

1 “(3) If the governing body of a city or county adopts an ordinance under
2 this section, the governing body must provide the text of the ordinance:

3 “(a) To the Oregon Health Authority, in a form and manner prescribed
4 by the authority, if the ordinance concerns a medical marijuana dispensary
5 registered under ORS 475B.450 or a marijuana processing site registered un-
6 der ORS 475B.435; or

7 “(b) To the Oregon Liquor Control Commission, if the ordinance concerns
8 a premises for which a license has been issued under ORS 475B.070, 475B.090,
9 475B.100 or 475B.110.

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

13 “(b) Upon receiving notice of a prohibition under subsection (3) of this
14 section, the commission shall discontinue licensing those premises to which
15 the prohibition applies until the date of the next statewide general election.

16 “(5)(a) **If an allowance is approved at the next statewide general
17 election under subsection (2) of this section, and the allowance con-
18 cerns an entity described in subsection (1)(a) or (b) of this section, the
19 authority shall begin registering the entity to which the allowance
20 applies on the first business day of the January immediately following
21 the date of the statewide general election.**

22 “(b) **If an allowance is approved at the next statewide general
23 election under subsection (2) of this section, and the allowance con-
24 cerns an entity described in subsection (1)(c) to (f) of this section, the
25 commission shall begin licensing the premises to which the allowance
26 applies on the first business day of the January immediately following
27 the date of the next statewide general election.**

28 “[5] (6) Notwithstanding any other provisions of law, a city or county
29 that adopts an ordinance under this section that prohibits the establishment
30 of an entity described in subsection (1) of this section may not impose a tax

1 or fee on the production, processing or sale of marijuana or any product into
2 which marijuana has been incorporated.

3 “[6] (7) Notwithstanding subsection (1) of this section, a medical
4 marijuana dispensary is not subject to an ordinance adopted under this sec-
5 tion if the medical marijuana dispensary:

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

8 “(b) Has successfully completed a city or county land use application
9 process.

10 “[7] (8) Notwithstanding subsection (1) of this section, a marijuana
11 processing site is not subject to an ordinance adopted under this section if
12 the marijuana processing site:

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

15 “(b) Has successfully completed a city or county land use application
16 process.

17

18 “(Intergovernmental Agreements Between Cities
19 and Counties and the Department of Revenue)

20

21 “**SECTION 32.** ORS 305.620 is amended to read:

22 “305.620. (1) Any state agency or department may enter into agreements
23 with any political subdivision of this state for the collection, enforcement,
24 administration and distribution of local taxes of the political subdivision
25 imposed upon or measured by gross or net income, wages or net earnings
26 from self-employment, [or] local general sales and use taxes **or taxes im-**
27 **posed under ORS 475B.345.**

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

30 “(3) The department or agency shall prescribe the rules by which the

1 taxes described by subsection (1) of this section are administered, collected,
2 enforced and distributed.

3 “(4) A political subdivision may appear as an intervenor at any conference
4 held by the Department of Revenue or conference, hearing or proceeding held
5 by another department or agency in connection with a local tax administered
6 by the department or agency. The political subdivision may be represented
7 by its own counsel. The department or agency shall adopt rules governing
8 the procedures to be followed by the political subdivision in making an ap-
9 pearance.

10 “(5) Costs incurred by the department or agency in the administration,
11 enforcement, collection and distribution of taxes under the agreements en-
12 tered into under subsection (1) of this section shall be first deducted from
13 the taxes collected before distribution is made to the political subdivision
14 which is a party to the agreement.

15 “(6) The Oregon Tax Court shall have exclusive jurisdiction to review
16 determinations of the Department of Revenue or orders of another depart-
17 ment or agency relating to the collection, enforcement, administration and
18 distribution of local taxes under agreements entered into under subsection
19 (1) of this section.

20 “(7) A proceeding for refund or to set aside additional taxes or taxes as-
21 sessed when no return was filed may be initiated before the state agency or
22 department.

23 “(8) An appeal from a determination or an order may be taken by the
24 taxpayer or by the political subdivision whose taxes are in issue, by filing
25 a complaint with the clerk of the Oregon Tax Court at its principal office
26 in Salem, Oregon, within 60 days after the notice of the determination of the
27 Department of Revenue or the order of the department or agency is sent to
28 the taxpayer or the political subdivision. The filing of the complaint in the
29 Oregon Tax Court shall constitute perfection of the appeal. Service of the
30 taxpayer’s complaint shall be accomplished by the clerk of the tax court by

1 filing a copy of the complaint with the administrative head of the department
2 or agency and a copy with the political subdivision. Service of the political
3 subdivision's complaint shall be accomplished by the clerk of the tax court
4 by filing a copy of the complaint with the administrative head of the de-
5 partment or agency and mailing a copy of the complaint to the taxpayer. The
6 complaint of a taxpayer shall be entitled in the name of the person filing as
7 plaintiff and the department or agency as defendant. The complaint of a
8 political subdivision shall be entitled in the name of the political subdivision
9 as plaintiff and the taxpayer and the department or agency as defendants.
10 A copy of the order of the department or agency shall be attached to the
11 complaint. All procedures shall be in accordance with ORS 305.405 to 305.494.

12
13 **“(Personal Use and Possession)”**

14
15 **“SECTION 33. (1) As used in this section, ‘designated primary**
16 **caregiver,’ ‘immature marijuana plant,’ ‘marijuana,’ ‘medical**
17 **cannabinoid product’ and ‘registry identification cardholder’ have the**
18 **meanings given those terms in ORS 475B.410.**

19 **“(2) A city or county may not adopt an ordinance, by referral or**
20 **otherwise, that prohibits or otherwise limits:**

21 **“(a) The privileges described in ORS 475B.245; or**

22 **“(b) The right of a registry identification cardholder and the desig-**
23 **nated primary caregiver of a registry identification cardholder to:**

24 **“(A) Possess the seeds of marijuana, immature marijuana plants**
25 **or medical cannabinoid products as described in ORS 475B.400 to**
26 **475B.525;**

27 **“(B) Jointly possess up to six mature marijuana plants under ORS**
28 **475B.428 (1); or**

29 **“(C) Jointly possess up to 24 ounces of usable marijuana under ORS**
30 **475B.430 (1).**

1 **“AGREEMENTS WITH FEDERALLY RECOGNIZED INDIAN TRIBES**

2
3 **“SECTION 34. Section 35 of this 2016 Act is added to and made a**
4 **part of ORS 475B.010 to 475B.395.**

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

11 **“(2) An agreement entered into under this section:**

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

16 **“(b) May require the governing body of the federally recognized**
17 **Indian tribe to establish the same or similar requirements on**
18 **marijuana producers, marijuana processors, marijuana wholesalers,**
19 **marijuana retailers and marijuana testing laboratories that are con-**
20 **sistent with the policies set forth in:**

21 **“(A) ORS 475B.010 to 475B.395;**

22 **“(B) ORS 475B.550 to 475B.590; and**

23 **“(C) ORS 475B.600 to 475B.655.**

24 **“(c) Must ensure enforceable public health and safety standards and**
25 **include a system to regulate and track the purchase, sale, production,**
26 **processing, transportation and delivery of marijuana items for**
27 **marijuana producers, marijuana processors, marijuana wholesalers,**
28 **marijuana retailers and marijuana testing laboratories that are li-**
29 **censed by the governing body of the federally recognized Indian tribe.**

30 **“(d) May authorize an agency of this state to assist in the imple-**

1 **mentation and enforcement of the terms of the agreement.**

2
3 **“CRIMES**

4 **“(Home Use and Possession)**

5
6 **“SECTION 36.** ORS 475B.245 is amended to read:

7 “475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045,
8 **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070,
9 **475B.075**, **475B.080**, 475B.090, 475B.100, 475B.110, **475B.115**, **475B.125**,
10 475B.130, **475B.135**, **475B.140**, **475B.145**, **475B.150**, 475B.160, 475B.165,
11 475B.170, **475B.180**, **475B.190**, **475B.195**, **475B.200**, **475B.205**, 475B.210,
12 **475B.215**, **475B.218**, **475B.230**, **475B.233**, **475B.235**, **475B.240**, [475B.265,]
13 475B.325, 475B.330, 475B.335, **475B.340**, **475B.345**, 475B.350, 475B.353,
14 475B.355, 475B.358, **475B.360**, **475B.365**, **475B.370** and [475B.380] **475B.373** do
15 not apply:

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

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

24 “[2)] (3) To the making, processing, **possession** or storage of
25 [*homemade*] cannabinoid products at a household by one or more persons 21
26 years of age and older, if the total amount of [*homemade*] cannabinoid pro-
27 ducts at the household does not exceed 16 ounces in solid form at any time.

28 “[3)] (4) To the making, processing, **possession** or storage of
29 [*homemade*] cannabinoid products at a household by one or more persons 21
30 years of age and older, if the total amount of [*homemade*] cannabinoid pro-

1 ducts at the household does not exceed 72 ounces in liquid form at any time.

2 “[4] (5) To the making, processing, **possession** or storage of
3 [*homemade*] cannabinoid concentrates at a household by one or more persons
4 21 years of age or older, if the total amount of [*homemade*] cannabinoid
5 concentrates at the household does not exceed 16 ounces at any time.

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

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

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

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

23 “[8] (10) To the delivery of not more than 16 ounces of cannabinoid
24 concentrates at a time by a person 21 years of age or older to another person
25 21 years of age or older for noncommercial purposes.

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

27 “475B.250. (1) A person may not produce, process, **possess** or store
28 homegrown marijuana, [*or homemade*] cannabinoid products or cannabinoid
29 concentrates if the homegrown marijuana, [*or homemade*] cannabinoid pro-
30 ducts or cannabinoid concentrates can be [*readily*] seen by normal unaided

1 vision from a public place.

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

5 “[2] (3) A violation of subsection (1) or (2) of this section is a Class B
6 violation.

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

8 “475B.255. A person **other than a person that holds a license under**
9 **ORS 475B.090** may not [*produce,*] process [*or store homemade*] cannabinoid
10 extracts **into a cannabinoid product.**

11

12 “(Importing and Exporting)

13

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

15 “475B.185. (1) A [*licensee or licensee representative*] **person** may not import
16 marijuana items into this state or export marijuana items from this state.

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

19 “[2] (3) A violation of [*subsection (1) of*] this section is a:

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

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

23 “(B) **Concerns usable marijuana and the importation or exportation**
24 **exceeds 16 ounces of usable marijuana.**

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

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

28 “(B) **Concerns usable marijuana and the importation or exportation**
29 **exceeds one ounce of usable marijuana.**

30

1 “(Uniform Controlled Substances Act)
2

3 **“SECTION 40. Sections 41 and 47 of this 2016 Act are added to and**
4 **made a part of ORS 475.752 to 475.980.**

5 **“SECTION 41. As used in ORS 475.856, 475.858, 475.860, 475.862 and**
6 **475.864 and section 47 of this 2016 Act, ‘cannabinoid concentrate,’**
7 **‘cannabinoid extract,’ ‘cannabinoid product,’ ‘homegrown,’ ‘licensee,’**
8 **‘licensee representative,’ ‘marijuana retailer,’ ‘public place’ and ‘usa-**
9 **ble marijuana’ have the meanings given those terms in ORS 475B.015.**

10 **“SECTION 42. ORS 475.856 is amended to read:**

11 *“475.856. [(1) As used in this section, ‘homegrown,’ ‘household,’ ‘license’*
12 *and ‘licensee representative’ have the meanings given those terms in ORS*
13 *475B.015.]*

14 *“[(2)] (1) Except for licensees and licensee representatives that are en-*
15 *gaged in lawful activities, and except for a person acting within the scope*
16 *of and in compliance with ORS 475B.245, it is unlawful for any person to*
17 *manufacture marijuana.*

18 *“[(3)] (2) Unlawful manufacture of marijuana is a Class C felony.*

19 *“[(4)] (3) Notwithstanding subsection [(3)] (2) of this section, unlawful*
20 *manufacture of marijuana is a:*

21 **“(a) Class B misdemeanor, if a person 21 years of age or older manufac-**
22 **tures homegrown marijuana at a household and the total number of**
23 **homegrown marijuana plants at the household exceeds four marijuana plants**
24 **but does not exceed eight marijuana plants.**

25 **“(b) Class B felony, if a person manufactures a cannabinoid extract.**

26 **“SECTION 43. ORS 475.858 is amended to read:**

27 **“475.858. (1) Except for licensees and licensee representatives that**
28 **are engaged in lawful activities, and except for a person acting within**
29 **the scope of and in compliance with ORS 475B.245, it is unlawful for any**
30 **person to manufacture marijuana within 1,000 feet of the real property com-**

1 prising a public or private elementary, secondary or career school attended
2 primarily by minors.

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

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

6 “[*(a) A licensee or licensee representative, as those terms are defined in*
7 *ORS 475B.015, that is engaged in lawful activities; or]*

8 “[*(b) A person acting within the scope of and in compliance with ORS*
9 *475B.245.*]

10 “(3) Notwithstanding subsection (2) of this section, unlawful manu-
11 facture of marijuana within 1,000 feet of a school is a:

12 “(a) Class B felony, if a person manufactures homegrown marijuana
13 at a household and the total number of homegrown marijuana plants
14 at the household exceeds eight marijuana plants.

15 “(b) Class A felony, if a person manufactures a cannabinoid extract.

16 “**SECTION 44.** ORS 475.860 is amended to read:

17 “475.860. (1) Except for licensees and licensee representatives[, *as those*
18 *terms are defined in ORS 475B.015,*] that are engaged in lawful activities, and
19 except for a person acting within the scope of and in compliance with ORS
20 475B.245, it is unlawful for any person to deliver marijuana.

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

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

24 “(a) A person who is at least 21 years of age delivers the marijuana
25 to a person who is under 18 years of age.

26 “(b) A person delivers marijuana extracts that were not purchased
27 from a marijuana retailer that holds a license under ORS 475B.110.

28 “(4) Notwithstanding subsection (3)(a) of this section, unlawful de-
29 livery of marijuana is a Class A misdemeanor if a person who is under
30 24 years of age delivers, for no consideration, less than one ounce of

1 **usable marijuana to a person who is at least 16 years of age.**

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

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

9 “[(4) Notwithstanding subsections (2) and (3) of this section, unlawful de-
10 livery of marijuana is a Class C felony, if the delivery is to a person under
11 18 years of age and the defendant is at least 21 years of age.]

12 **“SECTION 45.** ORS 475.862 is amended to read:

13 “475.862. (1) **Except for licensees and licensee representatives that**
14 **are engaged in lawful activities, and except for a person acting within**
15 **the scope of and in compliance with ORS 475B.245,** it is unlawful for any
16 person to deliver marijuana within 1,000 feet of the real property comprising
17 a public or private elementary, secondary or career school attended primarily
18 by minors.

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

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

22 “[(a) A licensee or licensee representative, as those terms are defined in
23 ORS 475B.015, that is engaged in lawful activities; or]

24 “[(b) A person acting within the scope of and in compliance with ORS
25 475B.245.]

26 **“(3) Notwithstanding subsection (2) of this section, unlawful deliv-**
27 **ery of marijuana within 1,000 feet of a school is a:**

28 **“(a) Class B felony, if a person who is at least 21 years of age de-**
29 **livers the marijuana to a person who is under 18 years of age.**

30 **“(b) Class B felony, if a person delivers marijuana extracts that**

1 **were not purchased from a marijuana retailer that holds a license**
2 **under ORS 475B.110.**

3 **“(c) Class A misdemeanor, if a person who is under 18 years of age**
4 **delivers the marijuana for no consideration to a person who is under**
5 **18 years of age.**

6 **“SECTION 46.** ORS 475.864 is amended to read:

7 *“475.864. [(1) As used in subsections (2) to (4) of this section:]*

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

10 *“[(b) ‘Marijuana product’ has the meaning given the term ‘marijuana’ in*
11 *ORS 475.005 (16), but does not include the leaves, stems and flowers of the*
12 *plant Cannabis family Moraceae.]*

13 *“[(2) It is unlawful for any person under 21 years of age knowingly or in-*
14 *tentionally to possess marijuana or marijuana product.]*

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

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

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

23 *“[(4)(a) Unlawful possession of more than 16 avoirdupois ounces of*
24 *marijuana product in a solid form or more than 72 ounces of marijuana*
25 *product in a liquid form by a person under 21 years of age is a Class A*
26 *misdemeanor.]*

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

30 *“[(5) As used in subsections (6) to (8) of this section, ‘cannabinoid concen-*

1 *trate,* *'cannabinoid extract,' 'cannabinoid product,' 'licensee,' 'licensee repre-*
2 *sentative,' 'marijuana,' 'marijuana retailer,' 'public place' and 'usable*
3 *marijuana' have the meanings given those terms in ORS 475B.015.]*

4 “[6] (1) Except for licensees and licensee representatives acting in ac-
5 cordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS
6 475B.010 to 475B.395, it is unlawful for any person 21 years of age or older
7 knowingly or intentionally to possess:

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

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

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

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

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

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

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

18 “[7] (2) A violation of subsection [(6)(a)] (1)(a) to [(e)] (f) of this section
19 is a:

20 “(a) Class A misdemeanor, if the amount possessed is more than four
21 times the applicable maximum amount specified in subsection [(6)(a)] (1)(a)
22 to [(e)] (f) of this section;

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

26 “(c) Class B violation, if the amount possessed is not more than two times
27 the applicable maximum amount specified in subsection [(6)(a)] (1)(a) to
28 [(e)] (f) of this section.

29 “[8] (3) A violation of subsection [(6)(f)] (1)(g) of this section is a:

30 “(a) Class C felony, if the amount possessed is more than one-quarter

1 ounce of *[the]* cannabinoid extract; or

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

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

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

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

11 “(c) More than eight ounces of usable marijuana.

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

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

15 “(f) More than one ounce of cannabinoid extracts.

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

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

19

20 “(Motor Vehicle Use)

21

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

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

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

27 “(b) ‘Marijuana item’ has the meaning given that term in ORS
28 475B.015.

29 “(2) A person commits the offense of use of marijuana in a motor
30 vehicle if the person consumes in any manner a marijuana item while

1 in a motor vehicle when the motor vehicle is upon a highway.

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

5 “(4) Use of marijuana in a motor vehicle, is a Class B traffic vio-
6 lation.

7
8 “CONDITIONS OF RELEASE AND DIVERSION

9
10 “SECTION 50. Section 51 of this 2016 Act is added to and made a
11 part of ORS chapter 137.

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

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

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

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

28 “(2) Notwithstanding ORS 144.102 and 144.270, the conditions of
29 supervision of a person who holds a registry identification card and is
30 released from prison or jail to post-prison supervision or parole related

1 to the use of usable marijuana, medical cannabinoid products,
2 cannabinoid concentrates or cannabinoid extracts must be imposed in
3 the same manner as the conditions of supervision of a person sen-
4 tenced to probation related to prescription drugs.

5 **“SECTION 53a.** Section 53b of this 2016 Act is added to and made a
6 part of ORS 135.230 to 135.290.

7 **“SECTION 53b.** (1) As used in this section, ‘cannabinoid concen-
8 trate,’ ‘cannabinoid extract,’ ‘medical cannabinoid product,’ ‘registry
9 identification card’ and ‘usable marijuana’ have the meanings given
10 those terms in ORS 475B.410.

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

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

19 **“SECTION 53d.** (1) As used in this section, ‘cannabinoid concen-
20 trate,’ ‘cannabinoid extract,’ ‘medical cannabinoid product,’ ‘registry
21 identification card’ and ‘usable marijuana’ have the meanings given
22 those terms in ORS 475B.410.

23 **“(2)** Notwithstanding ORS 135.891, the conditions of diversion of a
24 person who holds a registry identification card and enters into a di-
25 version agreement related to the use of usable marijuana, medical
26 cannabinoid products, cannabinoid concentrates or cannabinoid ex-
27 tracts must be imposed in the same manner as the conditions of di-
28 version of a person who enters into a diversion agreement related to
29 prescription drugs.

30 **“SECTION 53e.** Section 53f of this 2016 Act is added to and made a

1 part of ORS 135.230 to 135.290.

2 **“SECTION 53f. (1) As used in this section, ‘cannabinoid concen-**
3 **trate,’ ‘cannabinoid extract,’ ‘medical cannabinoid product,’ ‘registry**
4 **identification card’ and ‘usable marijuana’ have the meanings given**
5 **those terms in ORS 475B.410.**

6 **“(2) Notwithstanding any other provision of ORS 135.230 to 135.290,**
7 **the conditions of a release agreement of a person who holds a registry**
8 **identification card and is released before judgment related to the use**
9 **of usable marijuana, medical cannabinoid products, cannabinoid con-**
10 **centrates or cannabinoid extracts must be imposed in the same man-**
11 **ner as the conditions of a release agreement of a person who is**
12 **released before judgment related to the use of prescription drugs.**

13

14 **“TECHNICAL CHANGES AND CONFORMING AMENDMENTS**

15 **“(Operative March 1, 2016)**

16

17 **“SECTION 54. ORS 90.396 is amended to read:**

18 **“90.396. (1) Except as provided in subsection (2) of this section, after at**
19 **least 24 hours’ written notice specifying the acts and omissions constituting**
20 **the cause and specifying the date and time of the termination, the landlord**
21 **may terminate the rental agreement and take possession as provided in ORS**
22 **105.105 to 105.168, if:**

23 **“(a) The tenant, someone in the tenant’s control or the tenant’s pet seri-**
24 **ously threatens to inflict substantial personal injury, or inflicts any sub-**
25 **stantial personal injury, upon a person on the premises other than the**
26 **tenant;**

27 **“(b) The tenant or someone in the tenant’s control recklessly endangers**
28 **a person on the premises other than the tenant by creating a serious risk**
29 **of substantial personal injury;**

30 **“(c) The tenant, someone in the tenant’s control or the tenant’s pet in-**

1 flicts any substantial personal injury upon a neighbor living in the immedi-
2 ate vicinity of the premises;

3 “(d) The tenant or someone in the tenant’s control intentionally inflicts
4 any substantial damage to the premises or the tenant’s pet inflicts substan-
5 tial damage to the premises on more than one occasion;

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

8 “(B) The false information was with regard to a criminal conviction of
9 the tenant that would have been material to the landlord’s acceptance of the
10 application; and

11 “(C) The landlord terminates the rental agreement within 30 days after
12 discovering the falsity of the information; or

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

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

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

28 “(i) The medical use of marijuana in compliance with ORS 475B.400 to
29 475B.525; **or**

30 “[(ii) *Possession of, or delivery for no consideration of, less than one*

1 *avoirdufois ounce of marijuana as described in ORS 475.860 (3) or 475.864 (3);*
2 *or]*

3 “[*iii*] **(ii)** Possession of prescription drugs;

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

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

6 “(2) If the cause for a termination notice given pursuant to subsection (1)
7 of this section is based upon the acts of the tenant’s pet, the tenant may cure
8 the cause and avoid termination of the tenancy by removing the pet from the
9 premises prior to the end of the notice period. The notice must describe the
10 right of the tenant to cure the cause. If the tenant returns the pet to the
11 premises at any time after having cured the violation, the landlord, after at
12 least 24 hours’ written notice specifying the subsequent presence of the of-
13 fending pet, may terminate the rental agreement and take possession as
14 provided in ORS 105.105 to 105.168. The tenant does not have a right to cure
15 this subsequent violation.

16 “(3) For purposes of subsection (1) of this section, someone is in the
17 tenant’s control if that person enters or remains on the premises with the
18 tenant’s permission or consent after the tenant reasonably knows or should
19 know of that person’s act or likelihood to commit any act of the type de-
20 scribed in subsection (1) of this section.

21 “(4) An act can be proven to be outrageous in the extreme even if the act
22 is one that does not violate a criminal statute. Notwithstanding the refer-
23 ences to criminal statutes in subsection (1)(f) of this section, the landlord’s
24 burden of proof in an action for possession under subsection (1) of this sec-
25 tion is the civil standard of proof by a preponderance of the evidence.

26 “(5) If a good faith effort by a landlord to terminate the tenancy under
27 subsection (1)(f) of this section and to recover possession of the rental unit
28 under ORS 105.105 to 105.168 fails by decision of the court, the landlord may
29 not be found in violation of any state statute or local ordinance requiring
30 the landlord to remove that tenant upon threat of fine, abatement or forfei-

1 ture as long as the landlord continues to make a good faith effort to termi-
2 nate the tenancy.

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

4 “419C.239. (1) A formal accountability agreement shall:

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

6 “(b) Be voluntarily entered into by all parties;

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

8 “(d) Be revocable by the juvenile department in the event the department
9 has reasonable cause to believe the youth has failed to carry out the terms
10 of the formal accountability agreement or has committed a subsequent of-
11 fense;

12 “(e) Not be used as evidence against the youth at any adjudicatory hear-
13 ing;

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

16 “(g) Be signed by the juvenile department, the youth, the youth’s parent
17 or parents or legal guardian, and the youth’s counsel, if any;

18 “(h) Become part of the youth’s juvenile department record; and

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

23 “(A) Require the youth to participate in a diagnostic assessment and an
24 information or treatment program as recommended by the assessment. The
25 agencies or organizations providing assessment or programs of information
26 or treatment must be the same as those designated by the court under ORS
27 419C.443 (1) and must meet the standards set by the Director of the Oregon
28 Health Authority. The parent of the youth shall pay the cost of the youth’s
29 participation in the program based upon the ability of the parent to pay.

30 “(B) Monitor the youth’s progress in the program which shall be the re-

1 sponsibility of the diagnostic assessment agency or organization. It shall
2 make a report to the juvenile department stating the youth's successful
3 completion or failure to complete all or any part of the program specified
4 by the diagnostic assessment. The form of the report shall be determined by
5 agreement between the juvenile department and the diagnostic assessment
6 agency or organization. The juvenile department shall make the report a part
7 of the record of the case.

8 “(2) Notwithstanding any other provision of law, the following informa-
9 tion contained in a formal accountability agreement under ORS 419C.230 is
10 not confidential and is not exempt from disclosure:

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

12 “(b) The act alleged; and

13 “(c) The portion of the agreement providing for the disposition of the
14 youth.

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

16 “419C.420. If a youth is cited or summoned for a violation under ORS
17 471.430[,] **or** 475.860 [(3) *or* 475.864 (3)(c)] and fails to appear, the court may
18 adjudicate the citation or petition and enter a disposition without a hearing.

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

20 “419C.443. (1) Except when otherwise provided in subsection (3) of this
21 section, when a youth offender has been found to be within the jurisdiction
22 of the court under ORS 419C.005 for a first violation of the provisions under
23 ORS 475.860 [(3)(b) *or* 475.864 (3)(c)], the court shall order an evaluation and
24 designate agencies or organizations to perform diagnostic assessment and
25 provide programs of information and treatment. The designated agencies or
26 organizations must meet the standards set by the Director of the Oregon
27 Health Authority. Whenever possible, the court shall designate agencies or
28 organizations to perform the diagnostic assessment that are separate from
29 those that may be designated to carry out a program of information or
30 treatment. The parent of the youth offender shall pay the cost of the youth

1 offender's participation in the program based upon the ability of the parent
2 to pay. The petition shall be dismissed by the court upon written certifica-
3 tion of the youth offender's successful completion of the program from the
4 designated agency or organization providing the information and treatment.

5 "(2) Monitoring the youth offender's progress in the program shall be the
6 responsibility of the diagnostic assessment agency or organization. The
7 agency or organization shall make a report to the court stating the youth
8 offender's successful completion or failure to complete all or any part of the
9 program specified by the diagnostic assessment. The form of the report shall
10 be determined by agreement between the court and the diagnostic assessment
11 agency or organization. The court shall make the report a part of the record
12 of the case.

13 "(3) The court is not required to make the disposition required by sub-
14 section (1) of this section if the court determines that the disposition is in-
15 appropriate in the case or if the court finds that the youth offender has
16 previously entered into a formal accountability agreement under ORS
17 419C.239 (1)(i).

18 "**SECTION 58.** ORS 475.245 is amended to read:

19 "475.245. (1) Whenever any person pleads guilty to or is found guilty of
20 an offense listed in subsection (5) of this section, the court, without entering
21 a judgment of guilt and with the consent of the district attorney and the
22 person, may defer further proceedings and place the person on probation.

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

25 "(3) Upon fulfillment of the terms and conditions of probation, the court
26 shall discharge the person and dismiss the proceedings against the person.
27 Discharge and dismissal under this section shall be without adjudication of
28 guilt and is not a conviction for purposes of this section or for purposes of
29 disqualifications or disabilities imposed by law upon conviction of a crime.
30 There may be only one discharge and dismissal under this section with re-

1 spect to any person.

2 “(4) In the event that the period of probation under this section expires,
3 but the terms and conditions of probation have not been fulfilled and no
4 probation violation proceeding was initiated prior to the expiration of the
5 period of probation, the court may not discharge the person and dismiss the
6 proceedings against the person. The court shall instead issue an order re-
7 quiring the person to appear and to show cause why the court should not
8 enter an adjudication of guilt as described in subsection (2) of this section
9 due to the failure of the person to fulfill the terms and conditions of pro-
10 bation prior to expiration of the period of probation. At the hearing on the
11 order to show cause, after considering any evidence or argument from the
12 district attorney and the person, the court may:

13 “(a) Order a new period of probation to allow the person to fulfill the
14 terms and conditions of the previous period of probation; or

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

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

18 “(a) Possession of a controlled substance under ORS 475.752 (3), 475.814,
19 475.824, 475.834, 475.854, 475.864, 475.874, 475.884 or 475.894 **or section 47 of**
20 **this 2016 Act;**

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

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

23 “(d) Frequenting a place where controlled substances are used under ORS
24 167.222; and

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

27 **“SECTION 59.** ORS 475.752 is amended to read:

28 “475.752. (1) Except for licensees and licensee representatives, as those
29 terms are defined in ORS 475B.015, that are engaged in lawful activities, and
30 except for a person acting within the scope of and in compliance with ORS

1 475B.245, and except as authorized by ORS 475.005 to 475.285 and 475.752 to
2 475.980, it is unlawful for any person to manufacture or deliver a controlled
3 substance. Any person who violates this subsection with respect to:

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

6 “(b) A controlled substance in Schedule II, is guilty of a Class B felony,
7 except as otherwise provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880,
8 475.882, 475.904 and 475.906.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 “(b) For purposes of this subsection, causation is established when the
26 controlled substance plays a substantial role in the death of the other per-
27 son.

28 “**SECTION 60.** ORS 475.898 is amended to read:

29 “475.898. (1) A person who contacts emergency medical services or a law
30 enforcement agency to obtain medical assistance for another person who

1 needs medical assistance due to a drug-related overdose is immune from ar-
2 rest or prosecution for an offense listed in subsection (3) of this section if
3 the evidence of the offense was obtained because the person contacted
4 emergency medical services or a law enforcement agency.

5 “(2) A person who is in need of medical assistance due to a drug-related
6 overdose is immune from arrest or prosecution for an offense listed in sub-
7 section (3) of this section if the evidence of the offense was obtained because
8 any person contacted emergency medical services or a law enforcement
9 agency to obtain medical assistance for the person.

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

12 “(a) Frequenting a place where controlled substances are used as de-
13 scribed in ORS 167.222;

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

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

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

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

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

19 “(g) Unlawful possession of marijuana [*or a marijuana product*] as de-
20 scribed in ORS 475.864 **and section 47 of this 2016 Act**;

21 “(h) Unlawful possession of 3,4-methylenedioxymethamphetamine as de-
22 scribed in ORS 475.874;

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

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

25 “(k) Unlawfully possessing a prescription drug as described in ORS
26 689.527 (6); and

27 “(L) Unlawful possession of drug paraphernalia with intent to sell or de-
28 liver as described in ORS 475.525.

29 “(4)(a) A person may not be arrested for violating, or found to be in vio-
30 lation of, the conditions of the person’s pretrial release, probation, post-

1 prison supervision or parole if the violation involves:

2 “(A) The possession or use of a controlled substance or frequenting a
3 place where controlled substances are used; and

4 “(B) The evidence of the violation was obtained because the person con-
5 tacted emergency medical services or a law enforcement agency to obtain
6 medical assistance for another person who needed medical assistance due to
7 a drug-related overdose.

8 “(b) A person may not be arrested for violating, or found to be in vio-
9 lation of, the conditions of the person’s pretrial release, probation, post-
10 prison supervision or parole if the violation involves:

11 “(A) The possession or use of a controlled substance or frequenting a
12 place where controlled substances are used; and

13 “(B) The evidence of the violation was obtained because the person was
14 in need of medical assistance due to a drug-related overdose and any person
15 contacted emergency medical services or a law enforcement agency to obtain
16 medical assistance for the person.

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

26 “(b) A person may not be arrested on an outstanding warrant for any of
27 the offenses listed in subsection (3) of this section, or on an outstanding
28 warrant for a violation, other than commission of a new crime, of the con-
29 ditions of the person’s probation, post-prison supervision or parole for con-
30 duct that would constitute an offense listed in subsection (3) of this section,

1 if the location of the person was obtained because the person was in need
2 of medical assistance due to a drug-related overdose and any person con-
3 tacted emergency medical services or a law enforcement agency to obtain
4 medical assistance for the person.

5 “(c) This subsection does not apply to outstanding federal warrants or
6 outstanding warrants issued from other states.

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

10 “(7) As used in this section:

11 “(a) ‘Controlled substance’ has the meaning given that term in ORS
12 475.005.

13 “(b) ‘Drug-related overdose’ means an acute condition, including mania,
14 hysteria, extreme physical illness, coma or death, resulting from the con-
15 sumption or use of a controlled substance, or another substance with which
16 a controlled substance was combined, that a person would reasonably believe
17 to be a condition that requires medical attention.

18 **“SECTION 61.** ORS 809.265 is amended to read:

19 “809.265. (1) Unless the court finds compelling circumstances not to order
20 suspension of driving privileges, the court in which a person is convicted of
21 an offense described in this subsection shall order suspension of the person’s
22 driving privileges. This subsection applies when a person is convicted of:

23 “(a) Any offense involving manufacturing, possession or delivery of con-
24 trolled substances[, *except for possession of less than one avoirdupois ounce*
25 *of marijuana as described in ORS 475.864 (3)*].

26 “(b) Driving while under the influence of intoxicants in violation of ORS
27 813.010 or of a municipal ordinance if the person was under the influence
28 of an inhalant or a controlled substance.

29 “[2) *The court in which a person is convicted of possession of less than one*
30 *avoirdupois ounce of marijuana, as described in ORS 475.864 (3), may order*

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

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

7 **“SECTION 62.** ORS 813.215 is amended to read:

8 “813.215. (1) A defendant is eligible for diversion if the defendant meets
9 all of the following conditions:

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

13 “(A) An offense of driving while under the influence of intoxicants in vi-
14 olation of:

15 “(i) ORS 813.010; or

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

17 “(B) A driving under the influence of intoxicants offense in another ju-
18 risdiction that involved the impaired driving of a vehicle due to the use of
19 intoxicating liquor, a controlled substance, an inhalant or any combination
20 thereof; or

21 “(C) A driving offense in another jurisdiction that involved operating a
22 vehicle while having a blood alcohol content above that jurisdiction's per-
23 missible blood alcohol content.

24 “(b) The defendant has not been convicted of an offense described in
25 paragraph (a) of this subsection within the period beginning 15 years before
26 the date of the commission of the present offense and ending on the date the
27 defendant filed the petition for a driving while under the influence of
28 intoxicants diversion agreement.

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

1 “(d) The defendant was not participating in a driving while under the
2 influence of intoxicants diversion program or in any similar alcohol or drug
3 rehabilitation program in this state or in another jurisdiction on the date
4 the defendant filed the petition for a driving while under the influence of
5 intoxicants diversion agreement. A defendant is not ineligible for diversion
6 under this paragraph by reason of participation in a diversion program or
7 any similar alcohol or drug rehabilitation program as a result of the charge
8 for the present offense[,] **or** a charge for violation of ORS 471.430 [*or a*
9 *charge for violation of ORS 475.864 (3)*].

10 “(e) The defendant did not participate in a diversion or rehabilitation
11 program described in paragraph (d) of this subsection within the period be-
12 ginning 15 years before the date of the commission of the present offense and
13 ending on the date the defendant filed the petition for a driving while under
14 the influence of intoxicants diversion agreement. A defendant is not ineligi-
15 ble for diversion under this paragraph by reason of participation in a diver-
16 sion program or rehabilitation program described in paragraph (d) of this
17 subsection as a result of the charge for the present offense[,] **or** a charge for
18 violation of ORS 471.430 [*or a charge for violation of ORS 475.864 (3)*].

19 “(f) The defendant had no charge of an offense of aggravated vehicular
20 homicide or of murder, manslaughter, criminally negligent homicide or as-
21 sult that resulted from the operation of a motor vehicle pending in this
22 state or in another jurisdiction on the date the defendant filed the petition
23 for a driving while under the influence of intoxicants diversion agreement.

24 “(g) The defendant has not been convicted of an offense described in
25 paragraph (f) of this subsection within the period beginning 15 years before
26 the date of the commission of the present offense and ending on the date the
27 defendant filed the petition for a driving while under the influence of
28 intoxicants diversion agreement.

29 “(h) The defendant did not hold commercial driving privileges on the date
30 of the commission of the offense.

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

3 “(j) The present driving while under the influence of intoxicants offense
4 did not involve an accident resulting in:

5 “(A) Death of any person; or

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

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

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

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

21 “475B.015. As used in ORS 475B.010 to 475B.395:

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

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

26 “(3) ‘Cannabinoid concentrate’ means a substance obtained by separating
27 cannabinoids from marijuana by:

28 “(a) A mechanical extraction process;

29 “(b) A chemical extraction process using a nonhydrocarbon-based or other
30 solvent, such as water, vegetable glycerin, vegetable oils, animal fats,

1 isopropyl alcohol or ethanol;

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

5 “(d) Any other process identified by the Oregon Liquor Control Commis-
6 sion, in consultation with the Oregon Health Authority, by rule.

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

10 “(5) ‘Cannabinoid extract’ means a substance obtained by separating
11 cannabinoids from marijuana by:

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

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

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

18 “(6)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other
19 product intended for human consumption or use, including a product in-
20 tended to be applied to the skin or hair, that contains cannabinoids or dried
21 marijuana leaves or flowers.

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

23 “(A) Usable marijuana by itself;

24 “(B) A cannabinoid concentrate by itself;

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

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

27 “(7)(a) ‘Financial consideration’ means value that is given or received ei-
28 ther directly or indirectly through sales, barter, trade, fees, charges, dues,
29 contributions or donations.

30 “(b) ‘Financial consideration’ does not include[:] **marijuana,**

1 **cannabinoid products or cannabinoid concentrates that are delivered**
2 **within the scope of and in compliance with ORS 475B.245.**

3 “[(A) *Homegrown marijuana that is given or received when nothing is given*
4 *or received in return; or]*

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

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

9 “(9) ‘Household’ means a housing unit and any place in or around a
10 housing unit at which the occupants of the housing unit are producing,
11 processing, **possessing** or storing homegrown marijuana, [*or homemade*]
12 cannabinoid products, [*or*] cannabinoid concentrates **or cannabinoid ex-**
13 **tracts.**

14 “(10) ‘Housing unit’ means a house, an apartment or a mobile home, or
15 a group of rooms or a single room that is occupied as separate living quar-
16 ters, in which the occupants live and eat separately from any other persons
17 in the building and that has direct access from the outside of the building
18 or through a common hall.

19 “(11) ‘Immature marijuana plant’ means a marijuana plant that is not
20 flowering.

21 “(12) ‘Licensee’ means a person who holds a license issued under ORS
22 475B.070, 475B.090, 475B.100 or 475B.110.

23 “(13) ‘Licensee representative’ means an owner, director, officer, manager,
24 employee, agent or other representative of a licensee, to the extent that the
25 person acts in a representative capacity.

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

29 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS
30 571.300.

1 “(15) ‘Marijuana flowers’ means the flowers of the plant genus Cannabis
2 within the plant family Cannabaceae.

3 “(16) ‘Marijuana items’ means marijuana, cannabinoid products,
4 cannabinoid concentrates and cannabinoid extracts.

5 “(17) ‘Marijuana leaves’ means the leaves of the plant genus Cannabis
6 within the plant family Cannabaceae.

7 “(18) ‘Marijuana processor’ means a person who processes marijuana
8 items in this state.

9 “(19) ‘Marijuana producer’ means a person who produces marijuana in
10 this state.

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

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

15 “(22) ‘Mature marijuana plant’ means a marijuana plant that is not an
16 immature marijuana plant.

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

19 “(24)(a) ‘Premises’ or ‘licensed premises’ includes the following areas of
20 a location licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110:

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

24 “(B) All areas outside a building that the commission has specifically li-
25 censed for the [*production,*] processing, wholesale sale or retail sale of
26 marijuana items; and

27 “(C) For a location that the commission has specifically licensed for the
28 production of marijuana outside a building, [*the entire lot or parcel, as de-*
29 *finied in ORS 92.010, that the licensee owns, leases or has a right to occupy*]
30 **that portion of the location used to produce marijuana.**

1 “(b) ‘Premises’ or ‘licensed premises’ does not include a primary residence.

2 “(25)(a) ‘Processes’ means the processing, compounding or conversion of
3 marijuana into cannabinoid products, cannabinoid concentrates or
4 cannabinoid extracts.

5 “(b) ‘Processes’ does not include packaging or labeling.

6 “(26)(a) ‘Produces’ means the manufacture, planting, cultivation, growing
7 or harvesting of marijuana.

8 “(b) ‘Produces’ does not include:

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

11 “(B) The cultivation and growing of an immature marijuana plant by a
12 marijuana processor, marijuana wholesaler or marijuana retailer if the
13 marijuana processor, marijuana wholesaler or marijuana retailer purchased
14 or otherwise received the plant from a licensed marijuana producer.

15 “(27) ‘Propagate’ means to grow immature marijuana plants or to breed
16 or produce the seeds of the plant Cannabis family Cannabaceae.

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

23 “(29)(a) ‘Usable marijuana’ means the dried leaves and flowers of
24 marijuana.

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

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

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

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

30 “475B.150. (1) The Oregon Liquor Control Commission shall develop and

1 maintain a system for tracking the transfer of marijuana items between [*li-*
2 *censed*] premises.

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

5 “(a) Preventing the diversion of marijuana items to criminal enterprises,
6 gangs, cartels and other states;

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

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

11 “[*d*] *Ensuring that taxes are collected for the purpose of being distributed*
12 *as described in section 44, chapter 1, Oregon Laws 2015;*]

13 “[*e*] **(d)** Ensuring that laboratory testing results are accurately reported;
14 and

15 “[*f*] **(e)** Ensuring compliance with the provisions of ORS 475B.010 to
16 475B.395, rules adopted under the provisions of ORS 475B.010 to 475B.395 and
17 any other law of this state that charges the commission with a duty, function
18 or power related to marijuana.

19 “(3) The system developed and maintained under this section must be ca-
20 pable of tracking, at a minimum:

21 “(a) The propagation of immature marijuana plants and the production
22 of marijuana by a marijuana producer;

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

24 “(c) The receiving, storing and delivering of marijuana items by a
25 marijuana wholesaler;

26 “(d) The sale of marijuana items by a marijuana retailer to a consumer;

27 “(e) The purchase and sale of marijuana items between licensees, as per-
28 mitted by ORS 475B.010 to 475B.395;

29 “(f) The transfer of marijuana items between [*licensed*] premises; and

30 “(g) Any other information that the commission determines is reasonably

1 necessary to accomplish the duties, functions and powers of the commission
2 under ORS 475B.010 to 475B.395.

3 **“SECTION 65.** ORS 475B.160 is amended to read:

4 “475B.160. (1) A marijuana producer, marijuana processor or marijuana
5 wholesaler may deliver marijuana items only to or on a [*licensed*] premises.

6 “(2) A [*licensed*] premises may receive marijuana items only from:

7 “(a) A marijuana producer, marijuana processor or marijuana wholesaler
8 for whom a premises has been licensed by the Oregon Liquor Control
9 Commission[.];

10 **“(b) A researcher of cannabis certified under ORS 475B.235 who**
11 **transfers limited amounts of marijuana, usable marijuana,**
12 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
13 **tracts in accordance with procedures adopted under ORS 475B.235**
14 **(3)(d) and (e); or**

15 **“(c) A marijuana grow site registered under ORS 475B.420,**
16 **marijuana processing site registered under ORS 475B.435, or a medical**
17 **marijuana dispensary registered under ORS 475B.450, acting in ac-**
18 **cordance with procedures adopted by the commission under section 25**
19 **of this 2016 Act.**

20 “(3) The sale of marijuana items by a marijuana retailer that holds a li-
21 cense issued under ORS 475B.110 must be restricted to the premises described
22 in the license, but deliveries may be made by the marijuana retailer to con-
23 sumers pursuant to a bona fide order received at the [*licensed*] premises prior
24 to delivery.

25 **“SECTION 66.** ORS 475B.340 is amended to read:

26 “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-
27 cludes:

28 “(a) Reasonable conditions on the manner in which a marijuana producer
29 licensed under ORS 475B.070 may produce marijuana;

30 “(b) Reasonable conditions on the manner in which a marijuana processor

1 licensed under ORS 475B.090 may process marijuana;

2 “(c) Reasonable conditions on the manner in which a marijuana whole-
3 saler licensed under ORS 475B.100 may sell marijuana at wholesale;

4 “[*(d) Reasonable limitations on the hours during which a marijuana*
5 *retailer licensed under ORS 475B.110 may operate;*]

6 “[*(e)*] **(d)** Reasonable conditions on the manner in which a marijuana
7 retailer licensed under ORS 475B.110 may sell marijuana items;

8 **“(e) Reasonable limitations on the hours during which a premises**
9 **for which a license has been issued under ORS 475B.070, 475B.090,**
10 **475B.100 or 475B.110 may operate;**

11 “(f) Reasonable requirements related to the public’s access to a premises
12 for which a license has been issued under ORS 475B.070, 475B.090, 475B.100
13 or 475B.110; and

14 “(g) Reasonable limitations on where a premises for which a license may
15 be issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 may be located.

16 “(2) Notwithstanding ORS 633.738, the governing body of a city or county
17 may adopt ordinances that impose reasonable regulations on the operation
18 of businesses located at premises for which a license has been issued under
19 ORS 475B.070, 475B.090, 475B.100 or 475B.110 if the premises are located in
20 the area subject to the jurisdiction of the city or county, except that the
21 governing body of a city or county may not adopt an ordinance that prohibits
22 a premises for which a license has been issued under ORS 475B.110 from
23 being located within a distance that is greater than 1,000 feet of another
24 premises for which a license has been issued under ORS 475B.110.

25 “(3) Regulations adopted under this section must be consistent with city
26 and county comprehensive plans and zoning ordinances and applicable pro-
27 visions of public health and safety laws.

28 **“SECTION 67.** ORS 475B.375 is amended to read:

29 “475B.375. ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055,
30 475B.060, 475B.065, 475B.068, 475B.070, 475B.090, 475B.100, 475B.110, 475B.130,

1 475B.160, 475B.165, 475B.170, 475B.180, 475B.185, 475B.190, 475B.195, 475B.200,
2 475B.205, 475B.210, 475B.250, 475B.255, 475B.260, 475B.265, 475B.270, 475B.275,
3 475B.280, 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.320, 475B.325,
4 475B.330, 475B.335, 475B.340, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365,
5 475B.378, 475B.380 and 475B.395 **and section 25 of this 2016 Act:**

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

8 “(2) Do not amend or affect duties, functions and powers of the Oregon
9 Health Authority under the Oregon Medical Marijuana Act.

10 **“SECTION 68.** Section 3, chapter 20, Oregon Laws 2015, as amended by
11 section 10, chapter 840, Oregon Laws 2015, is amended to read:

12 **“Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the
13 biennium beginning July 1, 2013, and the biennium beginning July 1, 2015,
14 the Oregon Liquor Control Commission may expend moneys in the Oregon
15 Liquor Control Commission Account to pay any expenses incurred by the
16 commission in implementing and carrying out sections 3 to 70, chapter 1,
17 Oregon Laws 2015. Any expenditure made under this subsection is considered
18 a loan and must be repaid from the Oregon Marijuana Account established
19 by section 44, chapter 1, Oregon Laws 2015. Expenditures made under this
20 subsection shall be made from moneys in the Oregon Liquor Control Com-
21 mission Account before the distributions required by ORS 471.810 are made.

22 “(2) Notwithstanding section 44, chapter 1, Oregon Laws 2015, not later
23 than [*June*] **September** 30, 2017, the Department of Revenue shall transfer
24 from the Oregon Marijuana Account to the commission for deposit in the
25 Oregon Liquor Control Commission Account an amount equal to the total
26 amount expended by the commission under subsection (1) of this section plus
27 two percent of the total amount expended. The department shall make the
28 transfer required by this subsection before making any other withholding,
29 distribution or expenditure from the Oregon Marijuana Account for purposes
30 described in section 44, chapter 1, Oregon Laws 2015.

1 **“SECTION 69. Section 44, chapter 1, Oregon Laws 2015, is added to**
2 **and made a part of ORS 475B.700 to 475B.760.**

3
4 **“(Operative January 1, 2017)**

5
6 **“SECTION 70. ORS 475B.760 is amended to read:**

7 **“475B.760. (1) All moneys received by the Department of Revenue under**
8 **ORS 475B.700 to 475B.760 [and section 21a, chapter 699, Oregon Laws 2015,]**
9 **shall be deposited in the State Treasury and credited to a suspense account**
10 **established under ORS 293.445. The department may pay expenses for the**
11 **administration and enforcement of ORS 475B.700 to 475B.760 [and section 21a,**
12 **chapter 699, Oregon Laws 2015,] out of moneys received from the tax imposed**
13 **under ORS 475B.705. Amounts necessary to pay administrative and enforce-**
14 **ment expenses are continuously appropriated to the department from the**
15 **suspense account.**

16 **“(2) After the payment of administrative and enforcement expenses and**
17 **refunds or credits arising from erroneous overpayments, the department shall**
18 **credit the balance of the moneys received by the department under this sec-**
19 **tion to the Oregon Marijuana Account established under section 44, chapter**
20 **1, Oregon Laws 2015.**

21
22 **“YOUTH MARIJUANA-USE PREVENTION PILOT PROJECT**

23
24 **“SECTION 71. (1) The Oregon Health Authority shall establish, for**
25 **the purpose of establishing a statewide program during the 2017-2019**
26 **biennium, an evidence-based pilot project for the purpose of increasing**
27 **awareness among youth of the impact of using marijuana and**
28 **marijuana-derived products.**

29 **“(2) As part of the pilot project, the authority shall implement a**
30 **multimedia public campaign targeting youth and young adults at least**

1 12 years of age and not older than 20 years of age and parents and
2 teachers.

3 “(3) At a minimum, the authority shall implement the pilot project
4 in one metropolitan area located in this state and in one rural area
5 of significant size located in this state.

6 “(4) The authority shall monitor and collect data on the effective-
7 ness of the pilot project established under this section.

8 “(5) The Oregon Liquor Control Commission shall assist, pursuant
9 to an agreement or otherwise, the authority in establishing the pilot
10 project under this section.

11 “(6) On or before January 1, 2017, the authority shall report to the
12 interim legislative committees related to health, and any interim leg-
13 islative committee specifically related to marijuana use, on the im-
14 plementation of the pilot project established under this section and on
15 further steps required to implement a statewide program during the
16 2017-2019 biennium. The report shall be made in the manner provided
17 by ORS 192.245 and may include recommendations for legislation.

18

19 “CLINICAL GUIDELINES WORK GROUP

20

21 “SECTION 72. (1) The Oregon Health Authority shall convene a
22 work group to develop recommendations related to attending physi-
23 cians who diagnose individuals as having a debilitating medical con-
24 dition, as defined in ORS 475B.410, and who recommend the medical
25 use of marijuana for the purpose of mitigating the symptoms or effects
26 of a debilitating medical condition.

27 “(2) The work group convened under this section shall include at
28 least one attending physician who has diagnosed an individual as
29 having a debilitating medical condition and at least one individual for
30 whom the medical use of marijuana has been recommended for the

1 purpose of mitigating the symptoms or effects of a debilitating medical
2 condition. The work group convened under this section shall include
3 additional members as the authority considers necessary to carry out
4 the duties of the work group.

5 “(3) At a minimum, the work group convened under this section
6 shall develop guidelines for attending physicians to follow when re-
7 commending the medical use of marijuana for the purpose of mitigat-
8 ing the symptoms or effects of a debilitating medical condition.

9 “(4) On or before January 1, 2017, the authority shall report to the
10 interim legislative committees related to health, and any interim leg-
11 islative committee specifically related to the regulation of the medical
12 use of marijuana, on the recommendations developed by the work
13 group. The report shall be made in the manner provided by ORS 192.245
14 and may include recommendations for legislation.

15
16 **“REPORTS**

17 **“(By the Oregon Liquor Control Commission)**

18
19 **“SECTION 73. On or before January 1, 2017, the Oregon Liquor**
20 **Control Commission shall report to the interim legislative committees**
21 **related to business, and any interim legislative committee specifically**
22 **related to businesses that produce marijuana, on rules adopted by the**
23 **commission under ORS 475B.070 (3)(d) related to assisting the viability**
24 **of marijuana producers that are independently owned and operated**
25 **and are limited in size and revenue with respect to other marijuana**
26 **producers. The report shall be made in the manner provided by ORS**
27 **192.245.**

28
29 **“(By the Oregon Health Authority)**

1 **“SECTION 74. On or before January 1, 2017, the Oregon Health**
2 **Authority shall report to the interim legislative committees related to**
3 **the environment, and any interim legislative committee specifically**
4 **related to businesses that sell marijuana or marijuana-derived pro-**
5 **ducts, on rules adopted by the authority or steps otherwise taken by**
6 **the authority related to recalling marijuana or marijuana-derived**
7 **products that are contaminated and unfit for human consumption.**
8 **The report shall be made in the manner provided by ORS 192.245 and**
9 **may include recommendations for legislation.**

10
11 **“SUNSET FOR SECTIONS 71, 73, 74 AND 75**

12
13 **“SECTION 75. Sections 71, 72, 73 and 74 of this 2016 Act are repealed**
14 **on January 2, 2018.**

15
16 **“REPEALS**

17
18 **“SECTION 76. ORS 475B.120, 475B.285 and 811.481 are repealed.**

19 **“SECTION 77. Sections 173 and 175b, chapter 614, Oregon Laws 2015,**
20 **are repealed.**

21
22 **“APPLICABILITY**

23
24 **“SECTION 78. The amendments to ORS 475.856, 475.858, 475.860,**
25 **475.862, 475.864 and 475B.185 by sections 39 and 42 to 46 of this 2016 Act**
26 **apply to conduct occurring on or after the operative date specified in**
27 **section 79 of this 2016 Act.**

28
29 **“OPERATIVE DATES**

1 **“SECTION 79. (1) Sections 14 to 18, 21, 22, 24, 25, 30, 33 to 35, 40, 41,**
2 **47 to 53f, 69 and 71 to 75 of this 2016 Act, the amendments to statutes**
3 **and session law by sections 1 to 13, 19, 20, 23, 26, 27, 31, 32, 36 to 39, 42**
4 **to 46 and 54 to 68 of this 2016 Act and the repeal of statutes and session**
5 **law by sections 76 and 77 of this 2016 Act become operative on March**
6 **1, 2016.**

7 **“(2) The Oregon Liquor Control Commission, Oregon Health Au-**
8 **thority and Department of Revenue may take any action before the**
9 **operative date specified in subsection (1) of this section that is neces-**
10 **sary to enable the commission, authority or department to exercise,**
11 **on and after the operative date specified in subsection (1) of this sec-**
12 **tion, all the duties, powers and functions conferred on the commis-**
13 **sion, authority or department by sections 14 to 18, 21, 22, 24, 25, 30, 33**
14 **to 35, 40, 41, 47 to 53f, 69 and 71 to 75 of this 2016 Act, the amendments**
15 **to statutes and session law by sections 1 to 13, 19, 20, 23, 26, 27, 31, 32,**
16 **36 to 39, 42 to 46 and 54 to 68 of this 2016 Act and the repeal of statutes**
17 **and session law by sections 76 and 77 of this 2016 Act.**

18 **“SECTION 80. The amendments to ORS 475B.760 by section 70 of**
19 **this 2016 Act become operative on January 1, 2017.**

20
21 **“UNIT CAPTIONS**

22
23 **“SECTION 81. The unit captions used in this 2016 Act are provided**
24 **only for the convenience of the reader and do not become part of the**
25 **statutory law of this state or express any legislative intent in the**
26 **enactment of this 2016 Act.**

27
28 **“EMERGENCY CLAUSE**

29
30 **“SECTION 82. This 2016 Act being necessary for the immediate**

1 **preservation of the public peace, health and safety, an emergency is**
2 **declared to exist, and this 2016 Act takes effect on its passage.”.**

3
