

# House Bill 2200

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

## SUMMARY

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

Changes name of Oregon Liquor Control Commission to Oregon Liquor and Cannabis Commission. Changes composition of Oregon Liquor and Cannabis Commission by adding commissioners from cannabis retail industry. Directs commission to coordinate with State Department of Agriculture for purpose of regulating marijuana producers. Makes other technical changes to laws regulating cannabis.

Specifies that Oregon Health Authority may not register marijuana grow sites, marijuana processing sites and medical marijuana dispensaries. Repeals provisions regulating marijuana grow sites, marijuana processing sites and medical marijuana dispensaries on June 30, 2018. Updates and creates provisions providing for licensing of marijuana grow sites, marijuana processing sites and medical marijuana dispensaries by Oregon Liquor and Cannabis Commission.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to cannabis; creating new provisions; amending ORS 25.750, 25.756, 25.780, 165.117, 165.805,  
3 167.402, 181A.010, 181A.265, 181A.275, 181A.355, 181A.550, 181A.840, 181A.845, 221.770, 221.785,  
4 238.005, 244.045, 244.050, 279A.025, 297.210, 431A.183, 459.992, 459A.700, 459A.702, 459A.705,  
5 459A.715, 459A.717, 459A.718, 459A.725, 459A.730, 459A.735, 459A.737, 459A.738, 459A.739,  
6 461.217, 471.001, 471.038, 471.039, 471.040, 471.105, 471.115, 471.130, 471.155, 471.157, 471.159,  
7 471.162, 471.166, 471.168, 471.175, 471.180, 471.182, 471.184, 471.186, 471.190, 471.200, 471.223,  
8 471.227, 471.230, 471.235, 471.242, 471.244, 471.251, 471.268, 471.274, 471.282, 471.292, 471.294,  
9 471.297, 471.302, 471.305, 471.311, 471.313, 471.315, 471.316, 471.322, 471.326, 471.327, 471.329,  
10 471.331, 471.333, 471.341, 471.342, 471.344, 471.346, 471.351, 471.360, 471.380, 471.385, 471.390,  
11 471.396, 471.400, 471.403, 471.404, 471.405, 471.410, 471.412, 471.425, 471.430, 471.442, 471.446,  
12 471.473, 471.475, 471.478, 471.480, 471.482, 471.495, 471.500, 471.510, 471.541, 471.542, 471.547,  
13 471.549, 471.551, 471.553, 471.557, 471.559, 471.561, 471.565, 471.567, 471.605, 471.610, 471.615,  
14 471.630, 471.645, 471.666, 471.695, 471.700, 471.703, 471.705, 471.710, 471.715, 471.720, 471.725,  
15 471.730, 471.732, 471.735, 471.740, 471.745, 471.747, 471.750, 471.752, 471.754, 471.757, 471.760,  
16 471.765, 471.770, 471.775, 471.790, 471.795, 471.800, 471.805, 471.810, 471.817, 473.020, 473.030,  
17 473.045, 473.047, 473.050, 473.060, 473.065, 473.070, 473.080, 473.100, 473.110, 473.120, 473.130,  
18 473.140, 473.150, 473.160, 473.170, 474.115, 475B.015, 475B.025, 475B.030, 475B.033, 475B.035,  
19 475B.040, 475B.045, 475B.050, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068, 475B.070,  
20 475B.075, 475B.090, 475B.100, 475B.110, 475B.115, 475B.125, 475B.130, 475B.135, 475B.140,  
21 475B.145, 475B.150, 475B.160, 475B.170, 475B.180, 475B.185, 475B.190, 475B.195, 475B.200,  
22 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235, 475B.240, 475B.245,  
23 475B.255, 475B.260, 475B.290, 475B.295, 475B.300, 475B.305, 475B.310, 475B.325, 475B.340,  
24 475B.345, 475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.370, 475B.375, 475B.399,  
25 475B.410, 475B.415, 475B.428, 475B.430, 475B.433, 475B.445, 475B.460, 475B.475, 475B.478,

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

1 475B.480, 475B.490, 475B.505, 475B.507, 475B.510, 475B.555, 475B.560, 475B.570, 475B.575,  
 2 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.630, 475B.635, 475B.645, 475B.705,  
 3 475B.730, 475B.750, 475B.800, 565.515, 576.768, 576.771, 659A.320 and 802.250 and section 4,  
 4 chapter 106, Oregon Laws 2013, section 1, chapter 221, Oregon Laws 2015, sections 9, 10 and  
 5 11, chapter 23, Oregon Laws 2016, sections 15, 22, 25, 30, 33 and 47, chapter 24, Oregon Laws  
 6 2016, sections 9 and 9a, chapter 71, Oregon Laws 2016, sections 2, 3, 4, 5 and 29b, chapter 83,  
 7 Oregon Laws 2016, and sections 2, 3 and 6, chapter 97, Oregon Laws 2016; repealing ORS  
 8 475B.420, 475B.423, 475B.425, 475B.435, 475B.438, 475B.440, 475B.443, 475B.450, 475B.453,  
 9 475B.455, 475B.458, 475B.462, 475B.464, 475B.468, 475B.469, 475B.470, 475B.495, 475B.500,  
 10 475B.505, 475B.580, 475B.640 and 475B.650 and sections 2, 13, 14, 20 and 22, chapter 23, Oregon  
 11 Laws 2016, section 25, chapter 24, Oregon Laws 2016, section 29, chapter 83, Oregon Laws 2016,  
 12 and section 4, chapter 97, Oregon Laws 2016; and prescribing an effective date.

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

14  
 15 **NAME OF COMMISSION AND ACCOUNT**  
 16 **EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**  
 17

18 **SECTION 1. (1)(a) The amendments to ORS 471.705 by section 2 of this 2017 Act are in-**  
 19 **tended to change the name of the “Oregon Liquor Control Commission” to the “Oregon Li-**  
 20 **quor and Cannabis Commission.”**

21 **(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**  
 22 **may substitute for words designating the “Oregon Liquor Control Commission,” wherever**  
 23 **they occur in statutory law, other words designating the “Oregon Liquor and Cannabis**  
 24 **Commission.”**

25 **(2)(a) The amendments to ORS 471.805 by section 277 of this 2017 Act are intended to**  
 26 **change the name of the “Oregon Liquor Control Commission Account” to the “Oregon Liquor**  
 27 **and Cannabis Commission Account.”**

28 **(b) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel**  
 29 **may substitute for words designating the “Oregon Liquor Control Commission Account,”**  
 30 **wherever they occur in statutory law, other words designating the “Oregon Liquor and**  
 31 **Cannabis Commission Account.”**

32  
 33 **COMPOSITION OF COMMISSION**  
 34 **EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**  
 35

36 **SECTION 2. ORS 471.705 is amended to read:**

37 471.705. (1) There is created the Oregon Liquor [*Control*] **and Cannabis** Commission, consisting  
 38 of [*five persons*] **nine commissioners** appointed by the Governor. [*One member shall be from among*  
 39 *the bona fide residents of each congressional district of the state. One member shall be from the food*  
 40 *and alcoholic beverage retail industry. Not more than three commissioners shall be of the same political*  
 41 *party and one shall be designated by the Governor to be chairperson of the commission. The commis-*  
 42 *sioners are entitled to compensation and expenses as provided in ORS 292.495.] **The Governor’s ap-***

43 **pointments must include at least one resident from each congressional district of this state.**  
 44 **One commissioner must be from the food and alcoholic beverage retail industry. Four com-**  
 45 **missioners must be from the cannabis retail industry.**

1 (2) The Governor may not appoint more than five commissioners from the same political  
2 party.

3 (3) The Governor shall appoint one commissioner to be the chairperson of the commis-  
4 sion.

5 (4) Each commissioner at the time of appointment [and qualification shall] must be a resident  
6 of this state and [shall] must have resided in this state for at least five years next preceding ap-  
7 pointment and qualification. [The] Each commissioner [shall] must be an elector [therein] in this  
8 state and must be not less than 30 years of age. [A commissioner shall cease to hold office] The  
9 term of office of a commissioner terminates if the commissioner ceases to possess the residency  
10 or industry qualification for appointment [and]. If the term of office of a commissioner termi-  
11 nates under this subsection, the Governor shall appoint a qualified individual to complete the  
12 unexpired term of the commissioner.

13 [(2)] (5) The term of office of a commissioner [shall be] is four years from the time of appoint-  
14 ment and qualification and until a successor qualifies for appointment. The terms of the commis-  
15 sioners [shall] commence April 1. [In case any] If a commissioner is allowed to hold [over] office  
16 after the expiration of [the] a term, the [successor shall be appointed] Governor shall appoint the  
17 successor for the [balance] remainder of the unexpired term. [Vacancies in the commission shall  
18 be filled by the Governor for the unexpired term.] If a vacancy occurs in the commission, the  
19 Governor shall appoint the successor for the remainder of the unexpired term. Each commis-  
20 sioner is eligible for reappointment, but [no person shall be] an individual is not eligible to serve  
21 for more than two full terms.

22 (6) The commissioners are entitled to compensation and expenses as provided in ORS  
23 292.495.

24 [(3)] (7) [All] Appointments of commissioners by the Governor under this section are subject  
25 to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution.

26 THE OREGON MEDICAL MARIJUANA ACT

27 (Transitional Provisions)

28 (Effective 91st Day After Adjournment Sine Die)

29 SECTION 3. Notwithstanding ORS 475B.415, 475B.420, 475B.435 and 475B.450, on and after  
30 the effective date of this 2017 Act, the Oregon Health Authority may not register a  
31 marijuana grow site under ORS 475B.420, a marijuana processing site under ORS 475B.435  
32 or a medical marijuana dispensary under ORS 475B.450.

33 SECTION 4. On the operative date specified in section 315 of this 2017 Act, the exemption  
34 from criminal liability for possession, delivery or manufacture of marijuana, aiding and  
35 abetting another in the possession, delivery or manufacture of marijuana, or any other  
36 criminal offense in which possession, delivery or manufacture of marijuana is an element  
37 ceases for:  
38

39 (1) A person who is responsible for or is employed by a marijuana grow site registered  
40 under ORS 475B.420.

41 (2) A person who owns, is responsible for or is employed by a marijuana processing site  
42 registered under ORS 475B.435.

43 (3) A person who owns, is responsible for or is employed by a medical marijuana  
44

1 **dispensary registered under ORS 475B.450.**

2 **SECTION 5.** Section 25, chapter 24, Oregon Laws 2016, is amended to read:

3 **Sec. 25.** (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall adopt by rule proce-  
4 dures by which:

5 (a) A person responsible for a marijuana grow site registered under ORS 475B.420, or, if multiple  
6 persons responsible for a marijuana grow site registered under ORS 475B.420 are located at the  
7 same address, each person responsible for a marijuana grow site located at the address, may apply  
8 for a license **to be issued** under ORS 475B.070 to transition, **before the operative date specified**  
9 **in section 315 of this 2017 Act**, from being registered by the Oregon Health Authority to being  
10 licensed by the commission;

11 (b) A marijuana processing site registered under ORS 475B.435 may apply for a license **to be**  
12 **issued** under ORS 475B.090 to transition, **before the operative date specified in section 315 of**  
13 **this 2017 Act**, from being registered by the authority to being licensed by the commission; and

14 (c) A medical marijuana dispensary registered under ORS 475B.450 may apply for a license **to**  
15 **be issued** under ORS 475B.110 to transition, **before the operative date specified in section 315**  
16 **of this 2017 Act**, from being registered by the authority to being licensed by the commission.

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

22 (A) May be delivered [*to a premises for which a license has been issued under ORS 475B.090,*  
23 *475B.100 or 475B.110*] **as allowed under ORS 475B.160**; or

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

26 (b) Procedures adopted under this subsection must require a person responsible for a marijuana  
27 grow site registered under ORS 475B.420, or, if multiple persons responsible for a marijuana grow  
28 site registered under ORS 475B.420 are located at the same address, each person responsible for a  
29 marijuana grow site located at the address, to return to an individual to whom a registry identifi-  
30 cation card has been issued under ORS 475B.415, and for whom the person or persons are producing  
31 marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise al-  
32 lowed under a personal agreement entered into under ORS 475B.425[.];

33 (A) At the time that the person or the persons receive a license under ORS 475B.070; **or**

34 (B) **Before the operative date specified in section 315 of this 2017 Act.**

35 **SECTION 6.** A premises for which an application is submitted under ORS 475B.040, and  
36 where a marijuana grow site registered under ORS 475B.420, a marijuana processing site  
37 registered under ORS 475B.435 or medical marijuana dispensary registered under ORS  
38 475B.450 is located on the date immediately preceding the date on which the applicant sub-  
39 mits the application, is not subject to any state law or rule or local ordinance or regulation  
40 that prohibits the premises from occupying that location if the law, rule, ordinance or reg-  
41 ulation does not apply to the marijuana grow site, marijuana processing site or medical  
42 marijuana dispensary on the date immediately preceding the date on which the applicant  
43 submits the application.

44  
45 (Amendments)

(Effective 91st Day After Adjournment Sine Die)

**SECTION 7.** ORS 475B.410 is amended to read:

475B.410. As used in ORS 475B.400 to 475B.525:

(1) “Attending physician” means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

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

(3) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

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

(d) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor [*Control*] **and Cannabis** Commission, by rule.

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

(5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from marijuana by:

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

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

(c) Any other process identified by the [*Oregon Health*] authority, in consultation with the [*Oregon Liquor Control*] commission, by rule.

(6) “Debilitating medical condition” means:

(a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of those medical conditions;

(b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(A) Cachexia;

(B) Severe pain;

(C) Severe nausea;

(D) Seizures, including seizures caused by epilepsy; or

(E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

(c) Post-traumatic stress disorder; or

(d) Any other medical condition or side effect related to the treatment of a medical condition adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition filed under ORS 475B.517.

(7)(a) “Delivery” has the meaning given that term in ORS 475.005.

(b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to another registry identification cardholder if no consideration is paid for the transfer.

- 1 (8)(a) “Designated primary caregiver” means an individual:  
2 (A) Who is 18 years of age or older;  
3 (B) Who has significant responsibility for managing the well-being of a person who has been  
4 diagnosed with a debilitating medical condition; and  
5 (C) Who is designated as the person responsible for managing the well-being of a person who  
6 has been diagnosed with a debilitating medical condition on that person’s application for a registry  
7 identification card or in other written notification submitted to the authority.  
8 (b) “Designated primary caregiver” does not include a person’s attending physician.  
9 (9) “High heat” means a temperature exceeding 180 degrees.  
10 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.  
11 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant  
12 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.  
13 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.  
14 (12) “Marijuana grow site” means a location registered under ORS 475B.420 where marijuana  
15 is produced for use by a registry identification cardholder.  
16 (13) “Marijuana processing site” means a marijuana processing site registered under ORS  
17 475B.435 or a site for which an applicant has submitted an application for registration under ORS  
18 475B.435.  
19 (14) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana  
20 plant.  
21 (15)(a) “Medical cannabinoid product” means a cannabinoid edible and any other product in-  
22 tended for human consumption or use, including a product intended to be applied to a person’s skin  
23 or hair, that contains cannabinoids or dried leaves or flowers of marijuana.  
24 (b) “Medical cannabinoid product” does not include:  
25 (A) Usable marijuana by itself;  
26 (B) A cannabinoid concentrate by itself;  
27 (C) A cannabinoid extract by itself; or  
28 (D) Industrial hemp, as defined in ORS 571.300.  
29 (16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under  
30 ORS 475B.450 or a site for which an applicant has submitted an application for registration under  
31 ORS 475B.450.  
32 (17) “Medical use of marijuana” means the production, processing, possession, delivery or ad-  
33 ministration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the  
34 symptoms or effects of a debilitating medical condition.  
35 (18) “Person designated to produce marijuana by a registry identification cardholder” means a  
36 person designated to produce marijuana by a registry identification cardholder under ORS 475B.420  
37 who produces marijuana for a registry identification cardholder at an address other than the address  
38 where the registry identification cardholder resides or at an address where more than 12 mature  
39 marijuana plants are produced.  
40 (19) “Process” means the compounding or conversion of marijuana into medical cannabinoid  
41 products, cannabinoid concentrates or cannabinoid extracts.  
42 (20) “Production” means:  
43 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or  
44 (b) Drying marijuana leaves or flowers.  
45 (21) “Registry identification card” means a document issued by the Oregon Health Authority

1 under ORS 475B.415 that identifies a person authorized to engage in the medical use of marijuana  
2 and, if the person has a designated primary caregiver under ORS 475B.418, the person's designated  
3 primary caregiver.

4 (22) "Registry identification cardholder" means a person to whom a registry identification card  
5 has been issued under ORS 475B.415.

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

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

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

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

10 (24) "Written documentation" means a statement signed by the attending physician of a person  
11 diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

12 **SECTION 8.** ORS 475B.505 is amended to read:

13 475B.505. Upon request the State Department of Agriculture and the Oregon Liquor [*Control*]  
14 **and Cannabis** Commission, pursuant to an agreement or otherwise, shall assist the Oregon Health  
15 Authority in implementing and enforcing the provisions of ORS 475B.400 to 475B.525 and rules  
16 adopted under the provisions of ORS 475B.400 to 475B.525.

17 **SECTION 9.** ORS 475B.507 is amended to read:

18 475B.507. The Oregon Health Authority, the State Department of Agriculture and the Oregon  
19 Liquor [*Control*] **and Cannabis** Commission, and the officers, employees and agents of the authority,  
20 department and commission, are immune from any cause of action for the performance of, or the  
21 failure to perform, duties required by ORS 475B.400 to 475B.525.

22 **SECTION 10.** ORS 475B.510 is amended to read:

23 475B.510. The Oregon Health Authority, the State Department of Agriculture and the Oregon  
24 Liquor [*Control*] **and Cannabis** Commission may possess, seize or dispose of marijuana, usable  
25 marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts as is  
26 necessary for the authority to ensure compliance with and enforce the provisions of ORS 475B.400  
27 to 475B.525 and any rule adopted under ORS 475B.400 to 475B.525.

28  
29 **(Amendments)**

30 **(Operative June 30, 2018)**

31  
32 **SECTION 11.** ORS 475B.410, as amended by section 7 of this 2017 Act, is amended to read:

33 475B.410. As used in ORS 475B.400 to 475B.525:

34 (1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary  
35 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

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

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

40 (a) A mechanical extraction process;

41 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-  
42 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

43 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-  
44 involve the use of high heat or pressure; or

45 (d) Any other process identified by the Oregon Health Authority, in consultation with the

1 Oregon Liquor and Cannabis Commission, by rule.

2 (4) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,  
3 cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.

4 (5) “Cannabinoid extract” means a substance obtained by separating cannabinoids from  
5 marijuana by:

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

8 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-  
9 sure; or

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

11 (6) “Debilitating medical condition” means:

12 (a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for  
13 human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to  
14 the treatment of those medical conditions;

15 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-  
16 tient, one or more of the following:

17 (A) Cachexia;

18 (B) Severe pain;

19 (C) Severe nausea;

20 (D) Seizures, including seizures caused by epilepsy; or

21 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

22 (c) Post-traumatic stress disorder; or

23 (d) Any other medical condition or side effect related to the treatment of a medical condition  
24 adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition  
25 filed under ORS 475B.517.

26 (7)(a) “Delivery” has the meaning given that term in ORS 475.005.

27 (b) “Delivery” does not include transfer of marijuana by a registry identification cardholder to  
28 another registry identification cardholder if no consideration is paid for the transfer.

29 (8)(a) “Designated primary caregiver” means an individual:

30 (A) Who is 18 years of age or older;

31 (B) Who has significant responsibility for managing the well-being of a person who has been  
32 diagnosed with a debilitating medical condition; and

33 (C) Who is designated as the person responsible for managing the well-being of a person who  
34 has been diagnosed with a debilitating medical condition on that person’s application for a registry  
35 identification card or in other written notification submitted to the authority.

36 (b) “Designated primary caregiver” does not include a person’s attending physician.

37 (9) “High heat” means a temperature exceeding 180 degrees.

38 (10) “Immature marijuana plant” means a marijuana plant that is not flowering.

39 (11)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant  
40 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

41 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.

42 [(12) “*Marijuana grow site*” means a location registered under ORS 475B.420 where marijuana is  
43 produced for use by a registry identification cardholder.]

44 [(13) “*Marijuana processing site*” means a marijuana processing site registered under ORS  
45 475B.435 or a site for which an applicant has submitted an application for registration under ORS



1 475B.435.]

2 [(14)] (12) “Mature marijuana plant” means a marijuana plant that is not an immature marijuana  
3 plant.

4 [(15)(a)] (13)(a) “Medical cannabinoid product” means a cannabinoid edible and any other prod-  
5 uct intended for human consumption or use, including a product intended to be applied to a person’s  
6 skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

7 (b) “Medical cannabinoid product” does not include:

8 (A) Usable marijuana by itself;

9 (B) A cannabinoid concentrate by itself;

10 (C) A cannabinoid extract by itself; or

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

12 [(16) “Medical marijuana dispensary” means a medical marijuana dispensary registered under  
13 ORS 475B.450 or a site for which an applicant has submitted an application for registration under  
14 ORS 475B.450.]

15 [(17)] (14) “Medical use of marijuana” means the production, processing, possession, delivery or  
16 administration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the  
17 symptoms or effects of a debilitating medical condition.

18 [(18) “Person designated to produce marijuana by a registry identification cardholder” means a  
19 person designated to produce marijuana by a registry identification cardholder under ORS 475B.420  
20 who produces marijuana for a registry identification cardholder at an address other than the address  
21 where the registry identification cardholder resides or at an address where more than 12 mature  
22 marijuana plants are produced.]

23 [(19)] (15) “Process” means the compounding or conversion of marijuana into medical  
24 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

25 [(20)] (16) “Production” means:

26 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

27 (b) Drying marijuana leaves or flowers.

28 [(21)] (17) “Registry identification card” means a document issued by the Oregon Health Au-  
29 thority under ORS 475B.415 that identifies a person authorized to engage in the medical use of  
30 marijuana and, if the person has a designated primary caregiver under ORS 475B.418, the person’s  
31 designated primary caregiver.

32 [(22)] (18) “Registry identification cardholder” means a person to whom a registry identification  
33 card has been issued under ORS 475B.415.

34 [(23)(a)] (19)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

35 (b) “Usable marijuana” does not include:

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

37 (B) Waste material that is a by-product of producing marijuana.

38 [(24)] (20) “Written documentation” means a statement signed by the attending physician of a  
39 person diagnosed with a debilitating medical condition or copies of the person’s relevant medical  
40 records.

41 **SECTION 12.** ORS 475B.415, as amended by section 9, chapter 24, Oregon Laws 2016, and sec-  
42 tion 1, chapter 107, Oregon Laws 2016, is amended to read:

43 475B.415. (1) The Oregon Health Authority shall establish a program for the issuance of registry  
44 identification cards to applicants who meet the requirements of this section.

45 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age

1 or older if the applicant pays a fee in an amount established by the authority by rule and submits  
 2 to the authority an application containing the following information:

3 (a) Written documentation from the applicant’s attending physician stating that the attending  
 4 physician has diagnosed the applicant as having a debilitating medical condition and that the med-  
 5 ical use of marijuana may mitigate the symptoms or effects of the applicant’s debilitating medical  
 6 condition;

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

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

9 (d) Proof of residency, submitted in a form required by the authority by rule;

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

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

14 **(f) The address where the applicant will produce marijuana, if the applicant will produce**  
 15 **marijuana for personal use under ORS 475B.400 to 475B.525.**

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

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

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

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

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

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

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

30 (b) An applicant who is under 18 years of age may not *[apply to]* produce marijuana **for per-**  
 31 **sonal use** under *[subsection (2)(f) of this section]* **ORS 475B.400 to 475B.525.**

32 (4) The authority shall:

33 (a) On the date on which the authority receives an application described in subsection (2) **or**  
 34 **(3)** of this section, issue a receipt to the applicant verifying that the authority received an applica-  
 35 tion under subsection (2) or (3) of this section; and

36 (b) Approve or deny an application received under subsection (2) or (3) of this section within  
 37 30 days after receiving the application.

38 (5)(a) If the authority approves an application **received under subsection (2) or (3) of this**  
 39 **section**, the authority shall issue a serially numbered registry identification card to the applicant  
 40 within five days after approving the application. The registry identification card must include the  
 41 following information:

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

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

44 (C) If the registry identification cardholder **has a** designated *[a]* primary caregiver under ORS  
 45 475B.418, the name and address of the registry identification cardholder’s designated primary

1 caregiver; and

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

3 (b) If *[the]* a registry identification cardholder **has a** designated *[a]* primary caregiver under ORS  
4 475B.418, the authority shall issue an identification card to the designated primary caregiver. The  
5 identification card must contain the information *[required by]* **described in** paragraph (a) of this  
6 subsection.

7 (6) A registry identification cardholder shall:

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

10 (A) Name, address or attending physician; **or**

11 (B) Designated primary caregiver, including the designation of a primary caregiver made at a  
12 time other than at the time of applying for or renewing a registry identification card~~;~~ *or*].

13 *[(C) Person responsible for a marijuana grow site, including the designation of a person responsi-*  
14 *ble for a marijuana grow site made at a time other than at the time of applying for or renewing a*  
15 *registry identification card.]*

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

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

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

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

27 (7) The authority shall:

28 (a) On the date on which the authority receives an application described in subsection (2) of this  
29 section, issue a receipt to the applicant verifying that the authority received an application under  
30 subsection (6)(b) of this section; and

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

33 (8)(a) If the registry identification cardholder's attending physician determines that the registry  
34 identification cardholder no longer has a debilitating medical condition, or determines that the  
35 medical use of marijuana is contraindicated for the registry identification cardholder's debilitating  
36 medical condition, the registry identification cardholder shall return the registry identification card  
37 to the authority within 30 calendar days after receiving notice of the determination.

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

43 (9)(a) The authority may deny an application for a registry identification card or an application  
44 to renew a registry identification card, or may suspend or revoke a registry identification card, if:

45 (A) The applicant or registry identification cardholder does not provide the information required

1 by this section;

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

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

6 (b) If a registry identification card is revoked, any associated identification card issued under  
7 subsection (5)(b) of this section[, or *marijuana grow site registration card issued under ORS 475B.420*  
8 (6), *shall*] also **must** be revoked.

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

12 (10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.418,  
13 or suspend or revoke an associated identification card issued under subsection (5)(b) of this section,  
14 if the authority determines that the designee or the registry identification cardholder violated a  
15 provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400 to 475B.525.

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

19 (11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry  
20 identification card, or a registry identification cardholder applying for renewal of a registry iden-  
21 tification card, submits to the authority proof of having served in the Armed Forces of the United  
22 States, the authority may not impose a fee that is greater than \$20 for the issuance or renewal of  
23 the registry identification card.

24 (b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identifi-  
25 cation cardholder include in the application to renew a registry identification card updated written  
26 documentation from the cardholder's attending physician regarding the cardholder's continuing de-  
27 bilitating medical condition does not apply to a service-disabled veteran who:

28 (A) Has been assigned a total and permanent disability rating for compensation that rates the  
29 veteran as unable to secure or follow a substantially gainful occupation as a result of service-  
30 connected disabilities as described in 38 C.F.R. 4.16; or

31 (B) Has a United States Department of Veterans Affairs total disability rating of 100 percent  
32 as a result of an injury or illness that the veteran incurred, or that was aggravated, during active  
33 military service and who received a discharge or release under other than dishonorable conditions.

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

39 **SECTION 13.** ORS 475B.428, as amended by section 23, chapter 24, Oregon Laws 2016, is  
40 amended to read:

41 475B.428. (1) [*Subject to subsection (2) of this section,*] A registry identification cardholder and  
42 the designated primary caregiver of the registry identification cardholder may jointly possess six  
43 or fewer mature marijuana plants.

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

1       ***[(b) A person who is designated to produce marijuana by a registry identification cardholder may***  
2 ***produce no more than six mature marijuana plants for a registry identification cardholder who desig-***  
3 ***nates the person to produce marijuana.]***

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

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

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

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

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

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

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

24       ***[(a) No more than 12 mature marijuana plants may be subsequently produced at any address de-***  
25 ***scribed in subsection (3) of this section at which the person responsible for that marijuana grow site***  
26 ***produces marijuana.]***

27       ***[(b) No more than 48 mature marijuana plants may be subsequently produced at any address de-***  
28 ***scribed in subsection (4) of this section at which the person responsible for that marijuana grow site***  
29 ***produces marijuana.]***

30       ***[(6) If a registry identification cardholder who designated a person to produce marijuana for the***  
31 ***registry identification cardholder pursuant to ORS 475B.420 terminates the designation, the person re-***  
32 ***sponsible for the marijuana grow site whose designation has been terminated may not be designated***  
33 ***to produce marijuana by another registry identification cardholder, except that the person may be des-***  
34 ***ignated by another registry identification cardholder if no more than 48 mature marijuana plants are***  
35 ***produced at the address for the marijuana grow site at which the person produces marijuana.]***

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

41       ***[(8)] (2) If a law enforcement officer determines that a registry identification cardholder[,]***  
42 ***and the designated primary caregiver of [a] the registry identification cardholder[, or a person respon-***  
43 ***sible for a marijuana grow site under ORS 475B.420 who grows marijuana for a registry identification***  
44 ***cardholder, possesses] jointly possess*** a number of mature marijuana plants in excess of the [*quan-*  
45 ***tities*] **quantity** specified in **subsection (1) of** this section, the law enforcement officer may confis-**

1 cate only the excess number of mature marijuana plants.

2 **SECTION 14.** ORS 475B.430 is amended to read:

3 475B.430. (1) *[Except as provided in subsection (2) of this section,]* A registry identification  
4 cardholder and the designated primary caregiver of the registry identification cardholder may jointly  
5 possess no more than 24 ounces of usable marijuana.

6 *[(2) Subject to subsection (3) of this section, a person designated to produce marijuana by a registry  
7 identification cardholder may possess the amount of usable marijuana that the person harvests from the  
8 person's mature marijuana plants, provided that the person may not possess usable marijuana in excess  
9 of the amount of usable marijuana in the person's possession as reported to the Oregon Health Au-  
10 thority under ORS 475B.423.]*

11 *[(3) A person designated to produce marijuana by a registry identification cardholder may not  
12 possess usable marijuana in excess of:]*

13 *[(a) For a marijuana growsite located outdoors, 12 pounds of usable marijuana per mature  
14 marijuana plant; or]*

15 *[(b) For a marijuana growsite located indoors, six pounds of usable marijuana per mature  
16 marijuana plant.]*

17 **(2) If a law enforcement officer determines that a registry identification cardholder and  
18 the designated primary caregiver of the registry identification cardholder jointly possess an  
19 amount of usable marijuana in excess of the quantity specified in subsection (1) of this sec-  
20 tion, the law enforcement officer may confiscate only the excess amount of usable  
21 marijuana.**

22 **SECTION 15.** ORS 475B.433 is amended to read:

23 475B.433. A person to whom a registry identification card has been issued under ORS 475B.415  
24 (5)(a)[ **or** an identification card has been issued under ORS 475B.415 (5)(b)[, *or a marijuana grow  
25 site registration card has been issued under ORS 475B.420,*] may not possess marijuana, usable  
26 marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts in a  
27 location other than *[the]* **an** address on file with the Oregon Health Authority unless the person is  
28 carrying the card.

29 **SECTION 16.** ORS 475B.445 is amended to read:

30 475B.445. (1) *[ORS 475B.435 does not apply to a registry identification cardholder or a person who  
31 has been designated as a primary caregiver under ORS 475B.418 who processes a medical cannabinoid  
32 product or a cannabinoid concentrate for a registry identification cardholder.]* **A registry identifica-  
33 tion cardholder may process for the registry identification cardholder's personal use, or a  
34 person who is the designated primary caregiver under ORS 475B.418 of the registry identifi-  
35 cation cardholder may process for the registry identification cardholder's personal use, usa-  
36 ble marijuana belonging to the registry identification cardholder into a medical cannabinoid  
37 product or cannabinoid concentrate.**

38 **(2) A registry identification cardholder may not process for the registry identification  
39 cardholder's personal use, and a person who is the designated primary caregiver under ORS  
40 475B.418 of the registry identification cardholder may not process for the registry identifi-  
41 cation cardholder's personal use, usable marijuana belonging to the registry identification  
42 cardholder into a cannabinoid extract.**

43 **SECTION 17.** ORS 475B.460 is amended to read:

44 475B.460. (1)(a) The Oregon Health Authority shall establish and maintain a list of:

45 (A) The names of persons to whom a registry identification card has been issued under ORS

1 475B.415; **and**

2 (B) The names of persons **who are** designated [as] primary caregivers under ORS 475B.418;  
3 and].

4 [(C) *The addresses of marijuana grow sites registered under ORS 475B.420.*]

5 (b) Except as provided in subsection (2) of this section, the list is confidential and not subject  
6 to public disclosure under ORS 192.410 to 192.505.

7 (c) The authority shall develop a system by which authorized employees of state and local law  
8 enforcement agencies may verify that:

9 (A) A person lawfully possesses a registry identification card; **or**

10 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-  
11 tion card[; or].

12 [(C) *A location is a registered marijuana grow site.*]

13 (2) Names, addresses and other identifying information from the list established and maintained  
14 pursuant to subsection (1) of this section may be released to:

15 (a) Authorized employees of the authority as necessary to perform official duties of the author-  
16 ity.

17 (b) Authorized employees of state or local law enforcement agencies who provide to the au-  
18 thority adequate identification, but only as necessary to verify that:

19 (A) A person lawfully possesses a registry identification card; **or**

20 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-  
21 tion card[; or].

22 [(C) *A location is a registered marijuana grow site.*]

23 (3) Authorized employees of state or local law enforcement agencies who obtain identifying in-  
24 formation as authorized by this section may not release or use the information for any purpose other  
25 than to verify that:

26 (a) A person lawfully possesses a registry identification card; **or**

27 (b) A person is the designated primary caregiver of a lawful possessor of a registry identification  
28 card[; or].

29 [(c) *A location is a registered marijuana grow site.*]

30 (4) In addition to releasing information to authorized employees of state or local law enforce-  
31 ment agencies for purposes of verifying information under subsection (2)(b) of this section, the au-  
32 thority may release to authorized employees of state or local law enforcement agencies the minimum  
33 amount of information necessary to enable an employee to determine whether an individual or lo-  
34 cation is in compliance with a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS  
35 475B.400 to 475B.525.

36 (5) If the authority determines, after conducting an investigation or receiving a complaint of an  
37 alleged violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted under ORS 475B.400  
38 to 475B.525, that a violation of a provision of ORS 475B.400 to 475B.525 or a rule adopted under  
39 ORS 475B.400 to 475B.525 has occurred, the authority may provide information obtained by the au-  
40 thority, except for information related to a registry identification cardholder's debilitating condition,  
41 to authorized employees of state or local law enforcement agencies, or to another state or local  
42 government agency with jurisdiction over the matter.

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

44 475B.475. Except as provided in ORS 475B.478, a person engaged in or assisting in the medical  
45 use of marijuana is exempt from the criminal laws of this state for possession, delivery or manu-

1 facture of marijuana, aiding and abetting another in the possession, delivery or manufacture of  
 2 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana  
 3 is an element if:

4 (1) The person holds a registry identification card.

5 (2) The person has applied for a registry identification card under ORS 475B.415 and the person  
 6 has proof of written documentation described in ORS 475B.415 (2)(a) and proof of the date on which  
 7 the person submitted the application to the Oregon Health Authority. An exemption under this  
 8 subsection applies only until the authority approves or denies the application.

9 (3) The person is a designated [as a] primary caregiver under ORS 475B.418.

10 [(4) *The person is responsible for or is employed by a marijuana grow site registered under ORS*  
 11 *475B.420.*]

12 [(5) *The person owns, is responsible for, or is employed by, a marijuana processing site.*]

13 [(6) *The person owns, is responsible for, or is employed by, a medical marijuana dispensary.*]

14 **SECTION 19.** ORS 475B.478 is amended to read:

15 475B.478. A person is not exempt from the criminal laws of this state for possession, delivery  
 16 or manufacture of marijuana, aiding and abetting another in the possession, delivery or manufacture  
 17 of marijuana, or any other criminal offense in which possession, delivery or manufacture of  
 18 marijuana is an element, and the person may not assert the affirmative defense established in ORS  
 19 475B.480, if the person, in connection with conduct constituting an element of the offense:

20 (1) Drives under the influence of marijuana as provided in ORS 813.010;

21 (2) Engages in the medical use of marijuana in a public place, as defined in ORS 161.015, in  
 22 public view or in a correctional facility, as defined in ORS 162.135 (2), or a youth correction facility,  
 23 as defined in ORS 162.135 (6); or

24 (3) Delivers marijuana to any individual who the person knows is not in possession of a registry  
 25 identification card [*or to any individual or entity that the person knows has not been designated to*  
 26 *receive marijuana or assigned a possessory interest in marijuana by an individual in possession of a*  
 27 *registry identification card*].

28 **SECTION 20.** ORS 475B.480 is amended to read:

29 475B.480. (1) Except as provided in ORS 475B.478, a person has an affirmative defense to a  
 30 criminal charge of possession, delivery or manufacture of marijuana, or any other criminal offense  
 31 in which possession, delivery or manufacture of marijuana is an element, if the person charged with  
 32 the offense:

33 (a) Was diagnosed with a debilitating medical condition within 12 months of the date on which  
 34 the person was arrested and was advised by the person's attending physician that the medical use  
 35 of marijuana may mitigate the symptoms or effects of that debilitating medical condition;

36 (b) Is engaged in the medical use of marijuana; and

37 (c) Possesses, delivers or manufactures marijuana only in quantities permitted under ORS  
 38 475B.428 **and 475B.430.**

39 (2) A person does not need to lawfully possess a registry identification card to assert the affir-  
 40 mative defense established in this section.

41 (3) A person engaged in the medical use of marijuana who claims that marijuana provides med-  
 42 ically necessary benefits and who is charged with a crime pertaining to the use of marijuana is not  
 43 precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from pre-  
 44 senting evidence supporting the necessity of marijuana for treatment of a specific disease or medical  
 45 condition, provided that:



1 (a) The person possesses, delivers or manufactures marijuana only as permitted under ORS  
2 475B.428 [(1)] **and 475B.430**; and

3 (b) The person has taken a substantial step toward complying with the provisions of ORS  
4 475B.400 to 475B.525.

5 (4) A defendant proposing to use the affirmative defense established in this section in a criminal  
6 action shall, not less than five days before the trial [of the cause,] **for the criminal action**, file and  
7 serve upon the district attorney a written notice of the intention to assert the affirmative defense.  
8 The notice must specifically state the reasons why the defendant is entitled to assert the affirmative  
9 defense and the factual basis for the affirmative defense. If the defendant fails to file and serve the  
10 notice, the defendant is not permitted to assert the affirmative defense at the trial [of the cause] **for**  
11 **the criminal action** unless the court orders, for good cause, otherwise.

12 **SECTION 21.** ORS 475B.490, as amended by section 20a, chapter 23, Oregon Laws 2016, is  
13 amended to read:

14 475B.490. (1) Registration under ORS 475B.400 to 475B.525 or possession of proof of registration  
15 under ORS 475B.400 to 475B.525 does not constitute probable cause to search the person or property  
16 of the registrant or otherwise subject the person or property of the registrant to inspection by a  
17 government agency. [*However, the Oregon Health Authority may inspect the marijuana grow site of*  
18 *a person designated to produce marijuana by a registry identification cardholder, a marijuana pro-*  
19 *cessing site registered under ORS 475B.435, or a medical marijuana dispensary registered under ORS*  
20 *475B.450, at any reasonable time to determine whether the person responsible for the marijuana grow*  
21 *site, the person responsible for the marijuana processing site, or the person responsible for the medical*  
22 *marijuana dispensary, is in compliance with ORS 475B.400 to 475B.525 and rules adopted under ORS*  
23 *475B.400 to 475B.525.*]

24 (2) Any property interest possessed, owned or used in connection with the medical use of  
25 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local  
26 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession  
27 of a law enforcement agency, except that a law enforcement agency has no responsibility to main-  
28 tain live marijuana plants lawfully seized. Such property interest may not be forfeited under any  
29 provision of law providing for the forfeiture of property, except pursuant to a sentence imposed after  
30 conviction of a criminal offense. Marijuana and equipment or paraphernalia used to produce, process  
31 or administer marijuana that was seized by a law enforcement officer shall be returned immediately  
32 if the district attorney in whose county the property was seized, or the district attorney's designee,  
33 determines that the person from whom the marijuana, equipment or paraphernalia was seized is  
34 entitled to the protections provided by ORS 475B.400 to 475B.525. The determination may be evi-  
35 denced by a decision not to prosecute, the dismissal of charges or acquittal.

36 **SECTION 22.** ORS 475B.507, as amended by section 9 of this 2017 Act, is amended to read:

37 475B.507. The Oregon Health Authority[, *the State Department of Agriculture and the Oregon*  
38 *Liquor and Cannabis Commission,*] and the officers, employees and agents of the authority[, *depart-*  
39 *ment and commission,*] are immune from any cause of action for the performance of, or the failure  
40 to perform, duties required by ORS 475B.400 to 475B.525.

41 **SECTION 23.** ORS 475B.510, as amended by section 10 of this 2017 Act, is amended to read:

42 475B.510. The Oregon Health Authority[, *the State Department of Agriculture and the Oregon*  
43 *Liquor and Cannabis Commission*] may possess, seize or dispose of marijuana, usable marijuana,  
44 medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts as is necessary  
45 for the authority to ensure compliance with and enforce the provisions of ORS 475B.400 to 475B.525

1 and any rule adopted under ORS 475B.400 to 475B.525.

2  
3 **(Repeals)**  
4 **(Operative June 30, 2018)**

5  
6 **SECTION 24.** ORS 475B.420, 475B.423, 475B.425, 475B.435, 475B.438, 475B.440, 475B.443,  
7 475B.450, 475B.453, 475B.455, 475B.458, 475B.462, 475B.464, 475B.468, 475B.469, 475B.470,  
8 475B.495, 475B.500 and 475B.505, sections 13, 14, 20 and 22, chapter 23, Oregon Laws 2016,  
9 section 25, chapter 24, Oregon Laws 2016, and section 29, chapter 83, Oregon Laws 2016, are  
10 repealed.

11  
12 **CONTROL AND REGULATION OF MARIJUANA ACT**

13  
14 **(Amendments)**  
15 **(Effective 91st Day After Adjournment Sine Die)**

16  
17 **SECTION 25.** ORS 475B.015, as amended by section 63, chapter 24, Oregon Laws 2016, and  
18 section 11, chapter 83, Oregon Laws 2016, is amended to read:

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

20 (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of  
21 marijuana.

22 (2) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from  
23 marijuana by:

24 (a) A mechanical extraction process;

25 (b) A chemical extraction process using a nonhydrocarbon-based [*or other*] solvent, such as wa-  
26 ter, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

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

29 (d) Any other process identified by the Oregon Liquor [*Control*] **and Cannabis** Commission, in  
30 consultation with the Oregon Health Authority, by rule.

31 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,  
32 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

33 (4) “Cannabinoid extract” means a substance obtained by separating cannabinoids from  
34 marijuana by:

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

37 (b) A chemical extraction process using [*the hydrocarbon-based solvent*] carbon dioxide, if the  
38 process uses high heat or pressure; or

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

40 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for  
41 human consumption or use, including a product intended to be applied to the skin or hair, that  
42 contains cannabinoids or dried marijuana leaves or flowers.

43 (b) “Cannabinoid product” does not include:

44 (A) Usable marijuana by itself;

45 (B) A cannabinoid concentrate by itself;

- 1 (C) A cannabinoid extract by itself; or  
 2 (D) Industrial hemp, as defined in ORS 571.300.
- 3 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items  
 4 other than for the purpose of resale.
- 5 (7)(a) “Financial consideration” means value that is given or received either directly or indi-  
 6 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- 7 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid  
 8 concentrates that are delivered within the scope of and in compliance with ORS 475B.245.
- 9 (8) “Homegrown” means grown by a person 21 years of age or older for noncommercial purposes.
- 10 (9) “Household” means a housing unit and any place in or around a housing unit at which the  
 11 occupants of the housing unit are producing, processing, possessing or storing homegrown  
 12 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.
- 13 (10) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a  
 14 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-  
 15 rately from any other persons in the building and that has direct access from the outside of the  
 16 building or through a common hall.
- 17 (11) “Immature marijuana plant” means a marijuana plant that is not flowering.
- 18 (12) “Licensee” means a person [*who*] **that** holds a license issued under ORS 475B.070, 475B.090,  
 19 475B.100 or 475B.110.
- 20 (13) “Licensee representative” means an owner, director, officer, manager, employee, agent or  
 21 other representative of a licensee, to the extent that the person acts in a representative capacity.
- 22 (14)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant  
 23 Cannabis family Cannabaceae and [*the seeds of the plant Cannabis family Cannabaceae*] **marijuana**  
 24 **seeds**.
- 25 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
- 26 (15) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family  
 27 Cannabaceae.
- 28 (16) “Marijuana items” means marijuana, cannabinoid products, cannabinoid concentrates and  
 29 cannabinoid extracts.
- 30 (17) “Marijuana leaves” means the leaves of the plant genus Cannabis within the plant family  
 31 Cannabaceae.
- 32 (18) “Marijuana processor” means a person who processes marijuana items in this state.
- 33 (19) “Marijuana producer” means a person who produces marijuana in this state.
- 34 (20) “Marijuana retailer” means a person who sells marijuana items to a consumer in this state.
- 35 **(21)(a) “Marijuana seeds” means the seeds of the plant Cannabis family Cannabaceae.**
- 36 **(b) “Marijuana seeds” does not include the seeds of industrial hemp, as defined in ORS**  
 37 **571.300.**
- 38 [(21)] **(22)** “Marijuana wholesaler” means a person who purchases marijuana items in this state  
 39 for resale to a person other than a consumer.
- 40 [(22)] **(23)** “Mature marijuana plant” means a marijuana plant that is not an immature marijuana  
 41 plant.
- 42 [(23)] **(24)** “Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid  
 43 extract” means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a  
 44 concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of  
 45 the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold

1 a valid registry identification card issued under ORS 475B.415.

2 [(24)] (25) “Medical purpose” means a purpose related to using usable marijuana, cannabinoid  
3 products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of  
4 a debilitating medical condition, as defined in ORS 475B.410.

5 [(25)] (26) “Noncommercial” means not dependent or conditioned upon the provision or receipt  
6 of financial consideration.

7 [(26)(a)] (27)(a) “Premises” [or “*licensed premises*”] includes the following areas of a location li-  
8 censed under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to 475B.395:**

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

11 (B) All areas outside a building that the commission has specifically licensed for the processing,  
12 wholesale sale or retail sale of marijuana items; and

13 (C) For a location that the commission has specifically licensed for the production of marijuana  
14 outside a building, that portion of the location used to produce marijuana.

15 (b) “Premises” [or “*licensed premises*”] does not include a primary residence.

16 [(27)(a)] (28)(a) “Processes” means the processing, compounding or conversion of marijuana into  
17 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

18 (b) “Processes” does not include packaging or labeling.

19 [(28)(a)] (29)(a) “Produces” means the manufacture, planting, cultivation, growing or harvesting  
20 of marijuana.

21 (b) “Produces” does not include:

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

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

27 [(29)] (30) “Propagate” means to grow immature marijuana plants or to breed or produce [*the*  
28 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds.**

29 [(30)] (31) “Public place” means a place to which the general public has access and includes,  
30 but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not consti-  
31 tuting rooms or apartments designed for actual residence, and highways, streets, schools, places of  
32 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

33 [(31)(a)] (32)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

34 (b) “Usable marijuana” does not include:

35 **(A) Marijuana seeds;**

36 [(A)] **(B)** The [*seeds,*] stalks and roots of marijuana; or

37 [(B)] **(C)** Waste material that is a by-product of producing or processing marijuana.

38 **SECTION 26.** ORS 475B.025 is amended to read:

39 475B.025. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission has the [*powers and*] du-  
40 ties, **functions and powers** specified in ORS 475B.010 to 475B.395 and the powers necessary or  
41 proper to enable the commission to carry out the commission’s duties, functions and powers under  
42 ORS 475B.010 to 475B.395. The jurisdiction, supervision, duties, functions and powers of the com-  
43 mission extend to any person who [*buys, sells,*] produces, processes, transports [*or delivers any*  
44 *marijuana items within*], **delivers, sells or purchases a marijuana item** in this state. The com-  
45 mission may sue and be sued.

1 (2) The duties, functions and powers of the commission **specified** in ORS 475B.010 to 475B.395  
 2 include the following:

3 (a) To regulate the [*purchase, sale,*] production, processing, transportation [*and*], delivery, **sale**  
 4 **and purchase** of marijuana items in accordance with the provisions of ORS 475B.010 to 475B.395.

5 (b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke or refuse to issue or**  
 6 **renew** licenses for the [*sale, processing or*] production, **processing or sale** of marijuana items, or  
 7 other licenses [*in regard to*] **related to the consumption of** marijuana items, and to permit, in the  
 8 commission’s discretion, the transfer of a license between persons.

9 (c) To investigate and aid in the prosecution of every violation of the statutory laws of this state  
 10 relating to marijuana items and to cooperate in the prosecution of offenders before any state court  
 11 of competent jurisdiction.

12 (d) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS  
 13 475B.010 to 475B.395, including rules that the commission considers necessary to protect the public  
 14 health and safety.

15 (e) To exercise all powers incidental, convenient or necessary to enable the commission to ad-  
 16 minister or carry out the provisions of ORS 475B.010 to 475B.395 or any other law of this state that  
 17 charges the commission with a duty, function or power related to marijuana. Powers described in  
 18 this paragraph include, but are not limited to:

19 (A) Issuing subpoenas;

20 (B) Compelling the attendance of witnesses;

21 (C) Administering oaths;

22 (D) Certifying official acts;

23 (E) Taking depositions as provided by law;

24 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-  
 25 timony; and

26 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS  
 27 475B.070, 475B.090, 475B.100 and 475B.110, provided that any fee established by the commission is  
 28 reasonably calculated not to exceed the cost of the activity for which the fee is charged.

29 (f) To adopt rules regulating and prohibiting [*marijuana producers, marijuana processors,*  
 30 *marijuana wholesalers and marijuana retailers from*] advertising marijuana items in a manner:

31 (A) That is appealing to minors;

32 (B) That promotes excessive use;

33 (C) That promotes illegal activity; or

34 (D) That otherwise presents a significant risk to public health and safety.

35 (g) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, me-  
 36 chanical, industrial and other purposes.

37 (3) Fees collected pursuant to subsection (2)(e)(G) of this section shall be deposited in the  
 38 Marijuana Control and Regulation Fund established under ORS 475B.240.

39 **SECTION 27.** ORS 475B.030 is amended to read:

40 475B.030. The Oregon Liquor [*Control*] **and Cannabis** Commission may purchase, possess, seize  
 41 or dispose of marijuana items as is necessary for the commission to ensure compliance with and  
 42 enforce the provisions of ORS 475B.010 to 475B.395 and any rule adopted under ORS 475B.010 to  
 43 475B.395.

44 **SECTION 28.** ORS 475B.033 is amended to read:

45 475B.033. The Oregon Liquor [*Control*] **and Cannabis** Commission may, by **rule or order**, pro-

1 vide for the manner and conditions under which:

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

4 (2) The business of a deceased, insolvent or bankrupt licensee may be operated for a reasonable  
5 period following the death, insolvency or bankruptcy.

6 (3) A secured party, as defined in ORS 79.0102, may continue to operate a *[business]* **premises**  
7 for which a license has been issued under ORS *[475B.070, 475B.090, 475B.100 or 475B.110]* **475B.010**  
8 **to 475B.395** for a reasonable period after default on the indebtedness by the debtor.

9 **SECTION 29.** ORS 475B.035 is amended to read:

10 475B.035. The Oregon Liquor *[Control]* **and Cannabis** Commission may limit the quantity of  
11 marijuana items purchased at any one time by a consumer *[so as effectually to]* **if the commission**  
12 **determines that the limitation is necessary to** prevent the resale of marijuana items.

13 **SECTION 30.** ORS 475B.040 is amended to read:

14 475B.040. (1) An applicant for a license or renewal of a license under ORS 475B.010 to 475B.395  
15 shall apply to the Oregon Liquor *[Control]* **and Cannabis** Commission in the form required by the  
16 commission **by rule**, showing the name and address of the applicant, location of the *[place of busi-*  
17 *ness]* **premises** that is to be operated under the license and other pertinent information required  
18 by the commission. The commission may not *[grant]* **issue** or renew a license until the applicant has  
19 complied with the provisions of ORS 475B.010 to 475B.395 and *[the rules of the commission]* **rules**  
20 **adopted under ORS 475B.010 to 475B.395.**

21 (2) The commission may reject any application that is not submitted in the form required **by the**  
22 **commission** by rule. The commission shall give applicants an opportunity to be heard if an appli-  
23 cation is rejected. A hearing under this subsection is not subject to the requirements for contested  
24 case proceedings under ORS chapter 183.

25 (3) Except as provided in subsection (2) of this section, a revocation of, or a refusal to issue or  
26 renew, a license under ORS 475B.010 to 475B.395 is subject to the requirements for contested case  
27 proceedings under ORS chapter 183.

28 **SECTION 31.** ORS 475B.045 is amended to read:

29 475B.045. (1) The Oregon Liquor *[Control]* **and Cannabis** Commission may not license an appli-  
30 cant under the provisions of ORS 475B.010 to 475B.395 if the applicant is under 21 years of age.

31 (2) The commission may refuse to license an applicant under the provisions of ORS 475B.010 to  
32 475B.395 if the commission *[has reasonable ground to believe]* **makes a finding** that the applicant:

33 (a) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana or controlled  
34 substances to excess.

35 (b) Has made false statements to the commission.

36 (c) Is incompetent or physically unable to carry on the management of the establishment pro-  
37 posed to be licensed.

38 (d) Has been convicted of violating a *[general or local law of this state or another state, or of*  
39 *violating a federal law,]* **federal law, state law or local ordinance** if the conviction is substantially  
40 related to the fitness and ability of the applicant to lawfully carry out activities under the license.

41 (e) Is not of good repute and moral character.

42 (f) Does not have a good record of compliance with ORS 475B.010 to 475B.395 or any rule *[of*  
43 *the commission]* adopted under ORS 475B.010 to 475B.395.

44 (g) Is not the legitimate owner of the *[business]* **premises** proposed to be licensed, or **has not**  
45 **disclosed that** other persons have ownership interests in the *[business that have not been*

1 *disclosed.*] **premises proposed to be licensed.**

2 (h) [*Is not possessed of or*] Has not demonstrated financial responsibility sufficient to adequately  
 3 meet the requirements of the [*business*] **premises** proposed to be licensed.

4 (i) Is unable to understand the laws of this state relating to marijuana **items** or the rules of the  
 5 commission relating to marijuana **items**.

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

10 (a) The manufacture of marijuana, if:

11 (A) The date of the conviction is two or more years before the date of the application; and

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

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

15 (A) The date of the conviction is two or more years before the date of the application; and

16 (B) The person has not been convicted more than once for the manufacture or delivery of  
 17 marijuana; or

18 (c) The possession of marijuana.

19 **SECTION 32.** ORS 475B.050, as amended by section 8, chapter 23, Oregon Laws 2016, is  
 20 amended to read:

21 475B.050. For the purpose of requesting a state or nationwide criminal records check under ORS  
 22 181A.195, the Oregon Liquor [*Control*] **and Cannabis** Commission may require the fingerprints of  
 23 any individual listed on an application submitted under ORS 475B.040. The powers conferred on the  
 24 commission under this section include the power to require the fingerprints of:

25 (1) If the applicant is a limited partnership, each partner of the limited partnership;

26 (2) If the applicant is a limited liability company, each member of the limited liability company;

27 (3) If the applicant is a corporation, each director and officer of the corporation;

28 (4) Any individual who holds a financial interest of 10 percent or more in the person applying  
 29 for the license; and

30 (5) Any individual who is a partner, member, director or officer of a legal entity with a financial  
 31 interest in the person applying for the license.

32 **SECTION 33.** ORS 475B.055 is amended to read:

33 475B.055. A license [*granted*] **issued** under ORS 475B.010 to 475B.395:

34 (1) Is a [*purely*] personal privilege.

35 [(2) *Is valid for the period stated in the license.*]

36 [(3)] (2) Is renewable in the manner provided in ORS 475B.040, except for a cause that would  
 37 be grounds for refusal to issue the license under ORS 475B.045.

38 [(4)] (3) Is revocable or suspendible as provided in ORS 475B.210.

39 [(5)] (4) Is transferable from the premises for which the license was originally issued to another  
 40 premises subject to the provisions of ORS 475B.010 to 475B.395, applicable rules [*of the Oregon Li-*  
 41 *quor Control Commission*] **adopted under ORS 475B.010 to 475B.395** and applicable local ordi-  
 42 nances.

43 [(6) *Expires upon the death of the licensee, except as provided in ORS 475B.033.*]

44 [(7)] (5) Does not constitute property.

45 [(8)] (6) Is not alienable.

1 [(9)] (7) Is not subject to attachment or execution.

2 [(10)] (8) Does not descend by the laws of testate or intestate devolution.

3 **SECTION 34.** ORS 475B.060 is amended to read:

4 475B.060. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall approve or deny an  
5 application to [*produce, process and sell marijuana under ORS 475B.070, 475B.090, 475B.100 and*  
6 *475B.110*] **be licensed under ORS 475B.010 to 475B.395.** Upon receiving an application **under ORS**  
7 **475B.040**, the commission may not unreasonably delay processing, approving or denying the appli-  
8 cation or, if the application is approved, issuing the license.

9 (2) The licenses described in ORS [*475B.070, 475B.090, 475B.100 and 475B.110*] **475B.010 to**  
10 **475B.395** must be issued by the commission, subject to the provisions of ORS 475B.010 to 475B.395  
11 and [*the*] rules adopted under ORS 475B.010 to 475B.395.

12 (3) The commission may not license a premises that does not have defined boundaries. A [*li-*  
13 *icensed*] premises does not need to be enclosed by a wall, fence or other structure, but the commis-  
14 sion may require [*that*] a [*licensed*] premises **to** be enclosed as a condition of issuing or renewing a  
15 license. The commission may not license **a** mobile premises.

16 **SECTION 35.** ORS 475B.063, as amended by section 11, chapter 24, Oregon Laws 2016, is  
17 amended to read:

18 475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110,  
19 an applicant shall request a land use compatibility statement from the city or county that authorizes  
20 the land use. The land use compatibility statement must demonstrate that the requested license is  
21 for a land use that is allowable as a permitted or conditional use within the given zoning designation  
22 where the land is located. The Oregon Liquor [*Control*] **and Cannabis** Commission may not issue a  
23 license if the land use compatibility statement shows that the proposed land use is prohibited in the  
24 applicable zone.

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

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

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

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

33 (4) A city or county action concerning a land use compatibility statement under this section is  
34 not a land use decision for purposes of ORS chapter 195, 196, 197, 215 or 227.

35 **SECTION 36.** ORS 475B.065 is amended to read:

36 475B.065. Licensees and licensee representatives may produce, deliver and possess marijuana  
37 items subject to the provisions of ORS 475B.010 to 475B.395 **and rules adopted under ORS**  
38 **475B.010 to 475B.395.** The production, delivery [*and*] **or** possession of marijuana items by a licensee  
39 or a licensee representative in compliance with ORS 475B.010 to 475B.395 **and rules adopted under**  
40 **ORS 475B.010 to 475B.395** does not constitute a criminal or civil offense under the laws of this  
41 state.

42 **SECTION 37.** ORS 475B.068 is amended to read:

43 475B.068. [*The same person may hold one or more production licenses, one or more processor li-*  
44 *licenses, one or more wholesale licenses and one or more retail licenses.*] **A person may hold:**

45 (1) **Multiple licenses to conduct at different premises the same activity for which a li-**



1 **cense is required under ORS 475B.010 to 475B.395; and**

2 **(2) Multiple types of licenses to conduct at the same or different premises different ac-**  
 3 **tivities for which a license is required under ORS 475B.010 to 475B.395.**

4 **SECTION 38.** ORS 475B.070, as amended by section 1, chapter 24, Oregon Laws 2016, and sec-  
 5 tion 7, chapter 83, Oregon Laws 2016, is amended to read:

6 475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor  
 7 [*Control*] **and Cannabis** Commission.

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

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

12 (b) Must provide proof that the applicant is 21 years of age or older; and

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

15 (3) The commission shall adopt rules that:

16 (a) Require a marijuana producer to annually renew a license issued under this section;

17 (b) Establish application, licensure and renewal of licensure fees for marijuana producers;

18 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS  
 19 475B.555;

20 (d) Assist the viability of marijuana producers that are independently owned and operated and  
 21 that are limited in size and revenue with respect to other marijuana producers, by minimizing bar-  
 22 riers to entry into the regulated system and by expanding, to the extent practicable, transportation  
 23 options that will support their access to the retail market;

24 (e) Allow a marijuana producer registered under section 2, chapter 83, Oregon Laws 2016, to  
 25 produce marijuana for medical purposes in the same manner that rules adopted under ORS 475B.010  
 26 to 475B.395 allow a marijuana producer to produce marijuana for nonmedical purposes, excepting  
 27 those circumstances where differentiating between the production of marijuana for medical purposes  
 28 and the production of marijuana for nonmedical purposes is necessary to protect the public health  
 29 and safety;

30 (f) Require marijuana producers to submit, at the time of applying for or renewing a license  
 31 under ORS 475B.040, a report describing the applicant's or licensee's electrical or water usage; and

32 (g)(A) Require a marijuana producer to meet any public health and safety standards and industry  
 33 best practices established by the commission by rule related to:

34 (i) The production of marijuana; or

35 (ii) The propagation of immature marijuana plants and [*the seeds of the plant Cannabis family*  
 36 *Cannabaceae*] **marijuana seeds.**

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

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

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

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

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

1 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost  
2 of administering ORS 475B.010 to 475B.395;

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

5 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS  
6 475B.240.

7 **SECTION 39.** ORS 475B.075, as amended by section 10, chapter 24, Oregon Laws 2016, is  
8 amended to read:

9 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor [*Control*] **and Cannabis**  
10 Commission shall adopt rules restricting the size of mature marijuana plant grow canopies at  
11 premises for which a license has been issued under ORS 475B.070. In adopting rules under this  
12 subsection, the commission shall:

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

17 (b) Adopt a tiered system under which the permitted size of a marijuana producer's mature  
18 marijuana plant grow canopy increases at the time of licensure renewal under ORS 475B.070, except  
19 that the permitted size of a marijuana producer's mature marijuana plant grow canopy may not in-  
20 crease following any year during which the commission disciplined the marijuana producer for vio-  
21 lating a provision of ORS 475B.010 to 475B.395 or a rule adopted under [*a provision of*] ORS 475B.010  
22 to 475B.395.

23 (c) Take into consideration the market demand for marijuana items in this state, the number of  
24 [*persons*] **marijuana producers** applying for a license under ORS 475B.070, [*and to whom a license*  
25 *has been issued*] **the number of marijuana producers that hold a license issued** under ORS  
26 475B.070[,] and whether the availability of marijuana items in this state is commensurate with the  
27 market demand.

28 (2) This section:

29 (a) Applies only to that portion of a premises for which a license has been issued under ORS  
30 475B.070 that is used to produce mature marijuana plants; and

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

33 **SECTION 40.** ORS 475B.090, as amended by section 2, chapter 24, Oregon Laws 2016, and sec-  
34 tion 8, chapter 83, Oregon Laws 2016, is amended to read:

35 475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor  
36 [*Control*] **and Cannabis** Commission.

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

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

41 (b) Must provide proof that the applicant is 21 years of age or older;

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Allow a marijuana processor registered under section 3, chapter 83, Oregon Laws 2016, to process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana processor to process marijuana and usable marijuana into general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where differentiating between the processing of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

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

(A) Cannabinoid edibles;

(B) Cannabinoid concentrates;

(C) Cannabinoid extracts; and

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

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

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

**SECTION 41.** ORS 475B.100, as amended by section 3, chapter 24, Oregon Laws 2016, and section 9, chapter 83, Oregon Laws 2016, is amended to read:

475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor *[Control]* **and Cannabis** Commission.

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

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

(b) Must provide proof that the applicant is 21 years of age or older;

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Allow a marijuana wholesaler registered under section 4, chapter 83, Oregon Laws 2016, to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale in the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana

1 wholesaler to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
 2 tracts at wholesale, excepting those circumstances where differentiating between the sale of medical  
 3 grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of  
 4 general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary  
 5 to protect the public health and safety; and

6 (e) Require a marijuana wholesaler to meet any public health and safety standards and industry  
 7 best practices established by the commission by rule.

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

9 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost  
 10 of administering ORS 475B.010 to 475B.395; and

11 (b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS  
 12 475B.240.

13 **SECTION 42.** ORS 475B.110, as amended by section 4, chapter 24, Oregon Laws 2016, and sec-  
 14 tion 10, chapter 83, Oregon Laws 2016, is amended to read:

15 475B.110. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor  
 16 [Control] and Cannabis Commission.

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

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

20 (b) Must provide proof that the applicant is 21 years of age or older;

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

22 (d) Except as provided in section 29b, chapter 83, Oregon Laws 2016, may not be located within  
 23 1,000 feet of:

24 (A) A public elementary or secondary school for which attendance is compulsory under ORS  
 25 339.020; or

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

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

30 (3) The commission shall adopt rules that:

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

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

33 (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS  
 34 475B.555;

35 (d) Subject to the limitations and privileges described in section 5 (4), chapter 83, Oregon Laws  
 36 2016, allow a marijuana retailer registered under section 5, chapter 83, Oregon Laws 2016, to sell  
 37 medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail in  
 38 the same manner that rules adopted under ORS 475B.010 to 475B.395 allow a marijuana retailer to  
 39 sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail,  
 40 excepting those circumstances where differentiating between the sale of medical grade cannabinoid  
 41 products, cannabinoid concentrates and cannabinoid extracts and the sale of general use  
 42 cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the  
 43 public health and safety; and

44 (e) Require a marijuana retailer to meet any public health and safety standards and industry  
 45 best practices established by the commission by rule.

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

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

**SECTION 43.** ORS 475B.115 is amended to read:

475B.115. If a school described in ORS 475B.110 (2)(d) that has not previously been attended by children is established within 1,000 feet of a premises for which a license has been issued under ORS 475B.110, the marijuana retailer located at that premises may remain at that location unless the Oregon Liquor [*Control*] **and Cannabis** Commission revokes the license of the marijuana retailer under ORS 475B.210.

**SECTION 44.** ORS 475B.125 is amended to read:

475B.125. The Oregon Liquor [*Control*] **and Cannabis** Commission may adopt rules establishing the circumstances under which the commission may require a marijuana retailer that holds a license issued under ORS 475B.110 to use an age verification scanner or any other equipment used to verify a person's age for the purpose of ensuring that the marijuana retailer does not sell marijuana items to a person under 21 years of age. [*The marijuana retailer may not retain any*] Information obtained under this section **may not be retained** after verifying a person's age. [*The marijuana retailer may not use any*] Information obtained under this section **may not be used** for any purpose other than verifying a person's age.

**SECTION 45.** ORS 475B.130 is amended to read:

475B.130. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission [*has the right after 72 hours' notice to the owner or the agent of the owner to*] **may after 72 hours' notice** make an examination of the books [*and*] **of a licensee for the purpose of determining compliance with ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to 475B.395.**

(2) **The commission** may at any time make an examination of [*the*] **a premises** [*of any person licensed*] **for which a license has been issued** under ORS 475B.010 to 475B.395 for the purpose of determining compliance with **the provisions of** ORS 475B.010 to 475B.395 and [*the rules of the commission*] **rules adopted under ORS 475B.010 to 475B.395.**

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

[(3)] (4) This section does not authorize the commission to make an examination of [*the*] **a premises of a person registered under ORS 475B.400 to 475B.525.**

**SECTION 46.** ORS 475B.135 is amended to read:

475B.135. As is necessary to protect the public health and safety, the Oregon Liquor [*Control*] **and Cannabis** Commission may require a premises licensed under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** to be segregated into separate areas:

(1) For conducting the activities permitted under each license, if the licensee holds more than one license issued under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395 for the same premises;** or

(2) For conducting activities related to processing marijuana into different types of cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor **that holds a license issued under ORS 475B.090 and** that processes marijuana into any combination of different types of products, concentrates and extracts.

**SECTION 47.** ORS 475B.140 is amended to read:

1 475B.140. As is necessary to protect the public health and safety, the Oregon Liquor [*Control*]  
 2 **and Cannabis** Commission may require a [*person that holds a license under ORS 475B.070, 475B.090,*  
 3 *475B.100 or 475B.110*] **licensee** to maintain general liability insurance in an amount that the com-  
 4 mission determines is reasonably affordable and available for the purpose of protecting the [*person*]  
 5 **licensee** against damages resulting from a cause of action related to activities undertaken pursuant  
 6 to the license **held by the licensee**.

7 **SECTION 48.** ORS 475B.145 is amended to read:

8 475B.145. In adopting rules related to industry best practices under ORS 475B.070, 475B.090,  
 9 475B.100 and 475B.110, the Oregon Liquor [*Control*] **and Cannabis** Commission may establish  
 10 merit-based criteria for licensure or renewal of licensure, including, but not limited to, possession  
 11 of a developed business plan, access to sufficient capital, offering living wages and benefits to em-  
 12 ployees, provision of training and apprenticeship, provision of community benefits, implementation  
 13 of best environmental practices and implementation of consumer safety practices.

14 **SECTION 49.** ORS 475B.150, as amended by section 64, chapter 24, Oregon Laws 2016, is  
 15 amended to read:

16 475B.150. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall develop and maintain  
 17 a system for tracking the transfer of marijuana items between premises **for which licenses have**  
 18 **been issued under ORS 475B.010 to 475B.395**.

19 (2) The purposes of the system developed and maintained under this section include, but are not  
 20 limited to:

21 (a) Preventing the diversion of marijuana items to criminal enterprises, gangs, cartels and other  
 22 states;

23 (b) Preventing persons from substituting or tampering with marijuana items;

24 (c) Ensuring an accurate accounting of the production, processing and sale of marijuana items;

25 (d) Ensuring that laboratory testing results are accurately reported; and

26 (e) Ensuring compliance with [*the provisions of*] ORS 475B.010 to 475B.395, rules adopted under  
 27 [*the provisions of*] ORS 475B.010 to 475B.395 and any other law of this state that charges the com-  
 28 mission with a duty, function or power related to marijuana.

29 (3) The system developed and maintained under this section must be capable of tracking, at a  
 30 minimum:

31 (a) The propagation of immature marijuana plants and the production of marijuana by a  
 32 marijuana producer;

33 (b) The processing of marijuana by a marijuana processor;

34 (c) The receiving, storing and delivering of marijuana items by a marijuana wholesaler;

35 (d) The sale of marijuana items by a marijuana retailer to a consumer;

36 (e) The **sale and** purchase [*and sale*] of marijuana items between licensees, as permitted by ORS  
 37 475B.010 to 475B.395;

38 (f) The transfer of marijuana items between premises **for which licenses have been issued**  
 39 **under ORS 475B.010 to 475B.395**; and

40 (g) Any other information that the commission determines is reasonably necessary to accomplish  
 41 the duties, functions and powers of the commission under ORS 475B.010 to 475B.395.

42 **SECTION 50.** ORS 475B.160, as amended by section 23, chapter 23, Oregon Laws 2016, section  
 43 65, chapter 24, Oregon Laws 2016, and section 12, chapter 83, Oregon Laws 2016, is amended to  
 44 read:

45 475B.160. (1) Except as provided in section 22, chapter 23, Oregon Laws 2016, and section 2,

1 chapter 83, Oregon Laws 2016, a marijuana producer **that holds a license issued under ORS**  
 2 **475B.070**, marijuana processor **that holds a license issued under ORS 475B.090** or marijuana  
 3 wholesaler **that holds a license issued under ORS 475B.100** may deliver marijuana items only to  
 4 or on a premises **for which a license has been issued under ORS 475B.070, 475B.090, 475B.100**  
 5 **or 475B.110.**

6 (2) [A *premises*] **A licensee to whom marijuana items may be delivered under subsection**  
 7 **(1) of this section** may receive marijuana items only from:

8 [(a) *A marijuana producer, marijuana processor or marijuana wholesaler for whom a premises has*  
 9 *been licensed by the Oregon Liquor Control Commission;*]

10 (a) **A marijuana producer that holds a license issued under ORS 475B.070, marijuana**  
 11 **processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds**  
 12 **a license issued under ORS 475B.100;**

13 (b) A researcher of cannabis [*certified*] **that holds a certificate issued** under ORS 475B.235  
 14 [*who*] **and that** transfers limited amounts of marijuana, usable marijuana, cannabinoid products,  
 15 cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted under  
 16 ORS 475B.235 (3)(d) and (e); or

17 (c) A marijuana grow site registered under ORS 475B.420, marijuana processing site registered  
 18 under ORS 475B.435, or a medical marijuana dispensary registered under ORS 475B.450, acting in  
 19 accordance with procedures adopted by the commission under section 25, chapter 24, Oregon Laws  
 20 2016.

21 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS  
 22 475B.110 must be restricted to the premises [*described in the license*] **for which the license has**  
 23 **been issued**, but deliveries may be made by [*the*] a marijuana retailer to consumers pursuant to a  
 24 bona fide order received at the premises prior to delivery.

25 **SECTION 51.** ORS 475B.170 is amended to read:

26 475B.170. (1) Subject to subsection (2) of this section, a licensee or licensee representative, be-  
 27 fore selling or providing a marijuana item to another person, must require the person to produce  
 28 one of the following pieces of identification:

29 (a) The person's passport.

30 (b) The person's driver license, whether issued in this state or by [*any other state, as long as the*  
 31 *license has a picture of the person*] **another state.**

32 (c) An identification card issued under ORS 807.400.

33 (d) A United States military identification card.

34 (e) Any other identification card issued by a state that bears a picture of the person, the name  
 35 of the person, the person's date of birth and a physical description of the person.

36 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may adopt rules exempting a  
 37 licensee or licensee representative from this section.

38 **SECTION 52.** ORS 475B.180 is amended to read:

39 475B.180. (1) A licensee may not employ [*any*] a person under 21 years of age [*in any part of any*  
 40 *licensed premises*] **at a premises for which a license has been issued under ORS 475B.010 to**  
 41 **475B.395.**

42 (2) During [*any*] **an** inspection of a [*licensed*] premises **for which a license has been issued**  
 43 **under ORS 475B.010 to 475B.395**, the Oregon Liquor [*Control*] **and Cannabis** Commission may re-  
 44 quire proof that a person performing work at the premises is 21 years of age or older. If the person  
 45 does not provide the commission with acceptable proof of age upon request, the commission may

1 require the person to immediately cease any activity and leave the premises until the commission  
2 receives acceptable proof of age. This subsection does not apply to a person temporarily at the  
3 premises to make a service, maintenance or repair call or for other purposes independent of the  
4 premises operations.

5 (3) If a person performing work has not provided proof of age requested by the commission under  
6 subsection (2) of this section, the commission may request that the licensee provide proof that the  
7 person is 21 years of age or older. Failure of the licensee to respond to a request made under this  
8 subsection by providing acceptable proof of age for a person is prima facie evidence that the  
9 licensee has allowed the person to perform work at the [*licensed*] premises **for which a license has**  
10 **been issued under ORS 475B.010 to 475B.395** in violation of the minimum age requirement.

11 **SECTION 53.** ORS 475B.185, as amended by section 39, chapter 24, Oregon Laws 2016, is  
12 amended to read:

13 475B.185. (1) A person may not import marijuana items into this state or export marijuana items  
14 from this state.

15 (2) Except as provided in subsection (3) of this section, a violation of this section is a Class B  
16 violation.

17 (3) A violation of this section is a:

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

19 (A) Is for consideration and the person [*holds a license under ORS 475B.070, 475B.090, 475B.100*  
20 *or 475B.110*] **is a licensee**; or

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

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

24 (A) Is not for consideration and the person [*holds a license under ORS 475B.070, 475B.090,*  
25 *475B.100 or 475B.110*] **is a licensee**; or

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

28 **SECTION 54.** ORS 475B.190 is amended to read:

29 475B.190. (1) A licensee may not use or allow the use of a mark or label on the container of a  
30 marijuana item that is kept for sale if the [*container*] **mark or label** does not precisely and clearly  
31 indicate the nature of the container's contents or **if the mark or label** in any way might deceive  
32 a customer [*as to*] **about** the nature, composition, quantity, age or quality of the [*marijuana item.*]  
33 **container's contents.**

34 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may prohibit a licensee from selling  
35 any brand of marijuana item that in the commission's judgment is deceptively **branded or** labeled  
36 [*or branded as to content*] or contains injurious or adulterated ingredients.

37 **SECTION 55.** ORS 475B.195 is amended to read:

38 475B.195. (1) A marijuana item may not be sold or offered for sale within this state unless the  
39 marijuana item complies with the minimum standards prescribed by the statutory laws of this state.

40 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may prohibit the sale of a marijuana  
41 item by a marijuana retailer for a reasonable period of time for the purpose of determining whether  
42 the marijuana item complies with the minimum standards prescribed by the statutory laws of this  
43 state.

44 **SECTION 56.** ORS 475B.200 is amended to read:

45 475B.200. (1) Except for a [*licensed marijuana producer and the producer's licensee*



1 *representative*] **marijuana producer that holds a license issued under ORS 475B.070 or licensee**  
 2 **representative of a marijuana producer that holds a license issued under ORS 475B.070, a**  
 3 **licensee or licensee representative** may not possess a mature marijuana plant.

4 (2) A licensee **or licensee representative** may not sell a mature marijuana plant.

5 **SECTION 57.** ORS 475B.205 is amended to read:

6 475B.205. (1) A person may not make false representations or statements to the Oregon Liquor  
 7 [*Control*] **and Cannabis** Commission in order to induce or prevent action by the commission.

8 (2) A licensee [*of the commission*] may not maintain a noisy, lewd, disorderly or insanitary es-  
 9 tablishment or supply impure or otherwise deleterious marijuana items.

10 (3) A licensee [*of the commission*] may not misrepresent to a customer or to the public any  
 11 marijuana items.

12 **SECTION 58.** ORS 475B.210 is amended to read:

13 475B.210. The Oregon Liquor [*Control*] **and Cannabis** Commission may revoke or suspend a li-  
 14 cense issued under ORS 475B.010 to 475B.395 if the commission finds or has reasonable ground to  
 15 believe any of the following to be true:

16 (1) That the licensee:

17 (a) Has violated a provision of ORS 475B.010 to 475B.395 or a rule [*of the commission*] adopted  
 18 under ORS 475B.010 to 475B.395.

19 (b) Has made any false representation or statement to the commission in order to induce or  
 20 prevent action by the commission.

21 (c) Is insolvent or incompetent or physically unable to carry on the management of the estab-  
 22 lishment of the licensee.

23 (d) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled sub-  
 24 stances to excess.

25 (e) Has misrepresented to a customer or the public any marijuana items sold by the licensee.

26 (f) Since the [*granting*] **issuance** of the license, has been convicted of a felony, of violating any  
 27 of the marijuana laws of this state, general or local, or of any misdemeanor or violation of any  
 28 municipal ordinance committed on the [*licensed*] premises **for which the license has been issued.**

29 (2) That there is any other reason that, in the opinion of the commission, based on public con-  
 30 venience or necessity, warrants [*canceling*] **revoking** or suspending the license.

31 **SECTION 59.** ORS 475B.215, as amended by section 16, chapter 23, Oregon Laws 2016, is  
 32 amended to read:

33 475B.215. (1) An individual who performs work for or on behalf of a [*person who holds a license*  
 34 *under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee** must have a valid permit issued by  
 35 the Oregon Liquor [*Control*] **and Cannabis** Commission under ORS 475B.218 if the individual par-  
 36 ticipates in:

37 (a) The possession, production, propagation, processing, securing or selling of marijuana items  
 38 at the premises for which the license has been issued;

39 (b) The recording of the possession, production, propagation, processing, securing or selling of  
 40 marijuana items at the premises for which the license has been issued; or

41 (c) The verification of any document described in ORS 475B.170.

42 (2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**  
 43 must verify that an individual has a valid permit issued under ORS 475B.218 before allowing the  
 44 individual to perform any work described in subsection (1) of this section at the premises for which  
 45 the license has been issued.

1        **SECTION 60.** ORS 475B.218, as amended by section 13, chapter 24, Oregon Laws 2016, is  
 2 amended to read:

3        475B.218. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall issue permits to  
 4 qualified applicants to perform work described in ORS 475B.215. The commission shall adopt rules  
 5 establishing:

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

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

- 13        (A) Checking identification;
- 14        (B) Detecting intoxication;
- 15        (C) Handling marijuana items;
- 16        **(D) Best practices for producing and propagating marijuana;**
- 17        **(E) Best practices for processing marijuana;**

18        [(D)] **(F)** The content of ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to  
 19 475B.395; [*and*] **or**

20        [(E)] **(G)** Any matter deemed necessary by the commission to protect the public health and  
 21 safety.

22        (b) The commission or other provider of [*the*] **a** course may charge a reasonable fee for the  
 23 course.

24        (c) The commission may not require an individual to successfully complete [*the*] **a** course more  
 25 than once, except that:

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

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

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

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

35        (a) Is convicted of a felony or is convicted of an offense under ORS 475.856, 475.858, 475.860,  
 36 475.862 or 475B.010 to 475B.395, except that the commission may not consider a conviction for an  
 37 offense under ORS 475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395 if the date of the con-  
 38 viction is two or more years before the date of the application or renewal;

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

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

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

44        **SECTION 61.** ORS 475B.230 is amended to read:

45        475B.230. (1) An employee of a [*person licensed under ORS 475B.070, 475B.090, 475B.100 or*

1 *475B.110*] **licensee** has the right to form, join and participate in the activities of a labor organization  
 2 of the employee's own choosing for the purpose of securing representation and collective bargaining  
 3 for matters concerning employment relations with the [*person licensed under ORS 475B.070,*  
 4 *475B.090, 475B.100 or 475B.110*] **licensee**.

5 (2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to relations  
 6 between employees of [*persons licensed under ORS 475B.070, 475B.090, 475B.100 and 475B.110*]  
 7 **licensees** and employers that are [*licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110*]  
 8 **licensees** in the same manner that those provisions apply to other employment relations.

9 **SECTION 62.** ORS 475B.233 is amended to read:

10 475B.233. (1) It is an unlawful employment practice for a [*person that holds a license under ORS*  
 11 *475B.070, 475B.090, 475B.100 or 475B.110*] **licensee** to discharge, demote, suspend or in any manner  
 12 discriminate or retaliate against an employee of the [*person*] **licensee** with regard to promotion,  
 13 compensation or other terms, conditions or privileges of employment on the basis that the employee  
 14 has in good faith reported information to the Oregon Liquor [*Control*] **and Cannabis** Commission  
 15 that the employee believes is evidence of a violation of a provision of ORS 475B.010 to 475B.395 or  
 16 a rule adopted under [*a provision of*] ORS 475B.010 to 475B.395.

17 (2) This section is subject to enforcement under ORS chapter 659A.

18 **SECTION 63.** ORS 475B.235, as amended by section 24, chapter 23, Oregon Laws 2016, and  
 19 section 12, chapter 24, Oregon Laws 2016, is amended to read:

20 475B.235. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission, in consultation with the  
 21 Oregon Health Authority and the State Department of Agriculture, shall establish a program for the  
 22 purpose of identifying and certifying private and public researchers of cannabis.

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

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

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

28 (a) Qualifications for certification under this section;

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

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

31 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid  
 32 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a  
 33 person [*certified*] **that holds a certificate issued** under this section; and

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

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

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

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

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

43 (5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making  
 44 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and  
 45 cannabinoid extracts, the commission shall also adopt procedures by which a person [*certified*] **that**

1 **holds a certificate issued** under this section may transfer limited amounts of marijuana, usable  
 2 marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another  
 3 person [*certified*] **that holds a certificate issued** under this section or to a premises for which a  
 4 license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

5 (6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making  
 6 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and  
 7 cannabinoid extracts, the commission shall also adopt procedures by which a person certified under  
 8 this section may give, devise or bequest usable marijuana, immature marijuana plants, **marijuana**  
 9 seeds, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to a medical  
 10 marijuana dispensary registered with the authority under ORS 475B.450 and owned by a nonprofit  
 11 corporation organized under ORS chapter 65 for purposes described in section 22, chapter 23,  
 12 Oregon Laws 2016.

13 (7) A person [*certified*] **that holds a certificate issued** under this section:

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

16 (b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products,  
 17 cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in this  
 18 section and rules adopted by the commission under this section.

19 (8) Except as otherwise provided by the commission by rule, rules adopted by the commission  
 20 for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to licensees  
 21 and licensee representatives apply to persons [*certified*] **that hold a certificate issued** under this  
 22 section and persons employed by or who otherwise perform work for persons [*certified*] **that hold**  
 23 **a certificate issued** under this section.

24 (9) A person [*who is certified*] **that holds a certificate issued** under this section, and an em-  
 25 ployee of or other person who performs work for a person [*certified*] **that holds a certificate issued**  
 26 under this section, is exempt from the criminal laws of this state for possession, delivery or manu-  
 27 facture of marijuana, aiding and abetting another in the possession, delivery and manufacture of  
 28 marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana  
 29 is an element, while performing activities related to conducting research as described in this section.

30 **SECTION 64.** ORS 475B.240 is amended to read:

31 475B.240. The Marijuana Control and Regulation Fund is established in the State Treasury,  
 32 separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regu-  
 33 lation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the  
 34 Oregon Liquor [*Control*] **and Cannabis** Commission to administer and enforce ORS 475B.010 to  
 35 475B.395.

36 **SECTION 65.** ORS 475B.255, as amended by section 38, chapter 24, Oregon Laws 2016, is  
 37 amended to read:

38 475B.255. A person other than a [*person*] **marijuana processor** that holds a license **issued** un-  
 39 der ORS 475B.090 may not process cannabinoid extracts into a cannabinoid product.

40 **SECTION 66.** ORS 475B.260 is amended to read:

41 475B.260. (1)(a) A person under 21 years of age may not attempt to purchase, purchase or ac-  
 42 quire a marijuana item.

43 (b) For purposes of this subsection, purchasing a marijuana item includes accepting a marijuana  
 44 item, and acquiring a marijuana item includes consuming a marijuana item, provided that the con-  
 45 sumption of the marijuana item occurred no more than 24 hours before the determination that the

1 person consumed the marijuana item.

2 (2) Except as authorized by the Oregon Liquor [*Control*] and Cannabis Commission by rule, or  
 3 as necessary in an emergency, a person under 21 years of age may not enter or attempt to enter  
 4 any portion of a [*licensed*] premises that is posted or otherwise identified as being prohibited to the  
 5 use of persons under 21 years of age.

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

7 (4) In addition to and not in lieu of any other penalty established by law, a court may require  
 8 a person under 21 years of age who violates subsection (1) of this section through misrepresentation  
 9 of age to perform community service, and the court may order that the person's driving privileges  
 10 and right to apply for driving privileges be suspended for a period not to exceed one year. If a court  
 11 has issued an order suspending driving privileges under this section, the court, upon petition of the  
 12 person, may withdraw the order at any time the court deems appropriate. The court notification to  
 13 the Department of Transportation under this subsection may include a recommendation that the  
 14 person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the  
 15 permit.

16 (5) If a person cited under this section is at least 13 years of age but less than 21 years of age  
 17 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in  
 18 addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to  
 19 the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

20 (6) In addition to and not in lieu of any penalty established by law, the court may order a person  
 21 to undergo assessment and treatment if the person has previously been found to have violated this  
 22 section.

23 (7) The prohibitions of this section do not apply to a person under 21 years of age who is acting  
 24 under the direction of the commission or under the direction of state or local law enforcement  
 25 agencies for the purpose of investigating possible violations of laws prohibiting sales of marijuana  
 26 items to persons who are under 21 years of age.

27 (8) The prohibitions of this section do not apply to a person under 21 years of age who is acting  
 28 under the direction of a licensee for the purpose of investigating possible violations by employees  
 29 of the licensee of laws prohibiting sales of marijuana items to persons who are under 21 years of  
 30 age.

31 (9)(a) A person under 21 years of age is not in violation of, and is immune from prosecution  
 32 under, this section if:

33 (A) The person contacted emergency medical services or a law enforcement agency in order to  
 34 obtain medical assistance for another person who was in need of medical assistance because that  
 35 person consumed a marijuana item and the evidence of the violation of this section was obtained  
 36 as a result of the person's having contacted emergency medical services or a law enforcement  
 37 agency; or

38 (B) The person was in need of medical assistance because the person consumed a marijuana item  
 39 and the evidence of the violation of this section was obtained as a result of the person's having  
 40 sought or obtained the medical assistance.

41 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result  
 42 of a person's having sought medical assistance in proceedings for crimes or offenses other than a  
 43 violation of this section.

44 **SECTION 67.** ORS 475B.290 is amended to read:

45 475B.290. For purposes of ORS 475B.010 to 475B.395, the provisions of ORS 183.440 apply to

1 subpoenas issued by the Oregon Liquor *[Control]* **and Cannabis** Commission and *[any]* **to subpoenas**  
 2 **issued by an** authorized agent of the commission.

3 **SECTION 68.** ORS 475B.295 is amended to read:

4 475B.295. In addition to any other liability or penalty provided by law, the Oregon Liquor  
 5 *[Control]* **and Cannabis** Commission may impose for each violation of a provision of ORS 475B.010  
 6 to 475B.395 or a rule adopted under *[a provision of]* ORS 475B.010 to 475B.395 a civil penalty that  
 7 does not exceed \$5,000 for each violation. The commission shall impose civil penalties under this  
 8 section in the manner provided by ORS 183.745. Moneys collected under this section shall be de-  
 9 posited in the Marijuana Control and Regulation Fund established under ORS 475B.240.

10 **SECTION 69.** ORS 475B.300 is amended to read:

11 475B.300. The *[state police, sheriffs and police]* **law enforcement** officers of this state may en-  
 12 force ORS 475B.010 to 475B.395 and assist the Oregon Liquor *[Control]* **and Cannabis** Commission  
 13 in detecting violations of ORS 475B.010 to 475B.395 and apprehending offenders. *[An enforcing]* **A**  
 14 **law enforcement** officer who has notice, knowledge or reasonable ground of suspicion of a violation  
 15 of ORS 475B.010 to 475B.395 shall immediately notify the district attorney **who has jurisdiction**  
 16 **over the violation** and furnish the district attorney **who has jurisdiction over the violation** with  
 17 names and addresses of any witnesses[,] **to the violation** or other information *[within the officer's*  
 18 *knowledge, of]* **related to** the violation.

19 **SECTION 70.** ORS 475B.305 is amended to read:

20 475B.305. (1) When *[an]* **a law enforcement** officer arrests a person for *[violation of]* **violating**  
 21 ORS 475B.010 to 475B.395, the **law enforcement** officer may take into possession all marijuana  
 22 items and other property that the **arrested** person *[so arrested]* has in possession, or that is on the  
 23 premises, that *[is]* apparently **is** being used in violation of ORS 475B.010 to 475B.395.

24 (2) If a person arrested as described in this section is convicted, and the court finds that the  
 25 marijuana items and other property have been used in violation of *[the laws of this state]* **ORS**  
 26 **475B.010 to 475B.395:**

27 (a) The marijuana items must be forfeited to an appropriate state or local law enforcement  
 28 agency and must be delivered by the court or **law enforcement** officer, at the direction of the court,  
 29 to the law enforcement agency; and

30 (b) Subject to **any** other applicable law, the other property must be forfeited to the Oregon Li-  
 31 quor *[Control]* **and Cannabis** Commission, and must be delivered by the court or **law enforcement**  
 32 officer, **at the direction of the court,** to the commission.

33 (3) The commission is authorized to destroy or *[make such other disposition]* **otherwise dispose**  
 34 of any property *[it]* **the commission** receives under subsection (2)(b) of this section *[as it considers*  
 35 *to be in the public interest. In any such case, all such],* **provided that if the commission elects to**  
 36 **sell the** property, including furniture, furnishings, **and** equipment and facilities for the storing,  
 37 serving or using of marijuana items *[must be confiscated and forfeited to the state, and],* the clear  
 38 proceeds **of the sale** must be *[deposited with]* **credited to** the State Treasury **and deposited** in the  
 39 Common School Fund.

40 **SECTION 71.** ORS 475B.310 is amended to read:

41 475B.310. The county courts, district attorneys and municipal authorities, immediately upon the  
 42 conviction of *[any]* **a licensee** *[of the Oregon Liquor Control Commission]* of a violation of *[any]* **a**  
 43 provision of ORS 475B.010 to 475B.395, or *[the]* **of a** violation of any other law of this state or or-  
 44 dinance of *[any municipality]* **a city or county located** in this state[, *in which violation marijuana*  
 45 *had any part,]* **an element of which is the possession, delivery or manufacture of a marijuana**

1 **item**, shall notify the **Oregon Liquor and Cannabis** Commission of the conviction. [*The county*  
 2 *courts, district attorneys and municipal authorities shall notify the commission of any acts, practices*  
 3 *or other conduct of a licensee convicted as described in this section that may be subversive of the*  
 4 *general welfare or contrary to the spirit of ORS 475B.010 to 475B.395 and shall recommend such action*  
 5 *on the part of the commission as will remove the evil.*]

6 **SECTION 72.** ORS 475B.325 is amended to read:

7 475B.325. (1) The governing body of a city or a county, when a petition is filed as provided in  
 8 this section, shall order an election on the question **as to** whether the operation of [*licensed*] prem-  
 9 ises **for which a license has been issued under ORS 475B.010 to 475B.395** should be prohibited  
 10 in the city or county.

11 (2) Except as otherwise provided in this section, the requirements for preparing, circulating and  
 12 filing a petition under this section:

13 (a) In the case of a city, must be as provided for an initiative petition under ORS 250.265 to  
 14 250.346.

15 (b) In the case of a county, must be as provided for an initiative petition under ORS 250.165 to  
 16 250.235.

17 (3) A petition under this section:

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

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

20 (4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county or if ORS 250.255  
 21 makes ORS 250.265 to 250.346 inapplicable to a city, the requirements for preparing, circulating and  
 22 filing a petition under this section must be as provided for an initiative petition under the county  
 23 or city charter or an ordinance adopted under the county or city charter.

24 (5) A signature is not valid unless signed within 180 days before the petition is filed.

25 (6) An election under this section must be held at the time of the next statewide general  
 26 election.

27 (7) An election under this section must be conducted under ORS chapters 246 to 260.

28 **SECTION 73.** ORS 475B.340, as amended by section 4, chapter 23, Oregon Laws 2016, and sec-  
 29 tion 66, chapter 24, Oregon Laws 2016, is amended to read:

30 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

31 (a) Reasonable conditions on the manner in which a marijuana producer [*licensed*] **that holds**  
 32 **a license issued** under ORS 475B.070 may produce marijuana or in which a [*person who*] **re-**  
 33 **searcher of cannabis that** holds a certificate issued under ORS 475B.235 may produce marijuana  
 34 or propagate immature marijuana plants;

35 (b) Reasonable conditions on the manner in which a marijuana processor [*licensed*] **that holds**  
 36 **a license issued** under ORS 475B.090 may process marijuana or in which a [*person who*] **researcher**  
 37 **of cannabis that** holds a certificate issued under ORS 475B.235 may process marijuana;

38 (c) Reasonable conditions on the manner in which a marijuana wholesaler [*licensed*] **that holds**  
 39 **a license issued** under ORS 475B.100 may sell marijuana at wholesale;

40 (d) Reasonable conditions on the manner in which a marijuana retailer [*licensed*] **that holds a**  
 41 **license issued** under ORS 475B.110 may sell marijuana items;

42 (e) Reasonable limitations on the hours during which a premises for which a license has been  
 43 issued under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** may operate;

44 (f) Reasonable requirements related to the public’s access to a premises for which a license or  
 45 certificate has been issued under ORS [*475B.070, 475B.090, 475B.100, 475B.110 or 475B.235*] **475B.010**

1 **to 475B.395**; and

2 (g) Reasonable limitations on where a premises for which a license or certificate may be issued  
 3 under ORS [475B.070, 475B.090, 475B.100, 475B.110 or 475B.235] **475B.010 to 475B.395** may be lo-  
 4 cated.

5 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county  
 6 may adopt ordinances that impose reasonable regulations on the operation of businesses located at  
 7 premises for which a license **or certificate** has been issued under ORS [475B.070, 475B.090,  
 8 475B.100 or 475B.110, or for which a certificate has been issued under ORS 475B.235,] **475B.010 to**  
 9 **475B.395** if the premises are located in the area subject to the jurisdiction of the city or county,  
 10 except that the governing body of a city or county may not:

11 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS  
 12 475B.110 from being located within a distance that is greater than 1,000 feet of another premises for  
 13 which a license has been issued under ORS 475B.110.

14 (b) Adopt an ordinance [*after January 1, 2015,*] that imposes a setback requirement for an agri-  
 15 cultural building used to produce marijuana located on a premises for which a license has been is-  
 16 sued under ORS 475B.070 if the agricultural building:

17 (A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and  
 18 building code requirements at the time of construction;

19 (B) Is located at an address where a marijuana grow site first registered with the Oregon Health  
 20 Authority under ORS 475B.420 on or before January 1, 2015;

21 (C) Was used to produce marijuana pursuant to the provisions of ORS 475B.400 to 475B.525 on  
 22 or before January 1, 2015; and

23 (D) Has four opaque walls and a roof.

24 **SECTION 74.** ORS 475B.345, as amended by section 3, chapter 91, Oregon Laws 2016, is  
 25 amended to read:

26 475B.345. (1) As used in this section, “designated primary caregiver” and “registry identification  
 27 cardholder” have the meanings given those terms in ORS 475B.410.

28 (2)(a) Except as expressly authorized by this section, the authority to impose a tax or fee on the  
 29 production, processing or sale of marijuana items in this state is vested solely in the Legislative  
 30 Assembly.

31 (b) Except as expressly authorized by this section, a county, city or other municipal corporation  
 32 or district may not adopt or enact ordinances imposing a tax or fee on the production, processing  
 33 or sale of marijuana items in this state.

34 (3) Subject to subsection (5) of this section, the governing body of a city or county may adopt  
 35 an ordinance to be referred to the electors of the city or county as described in subsection (4) of  
 36 this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area  
 37 subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a  
 38 county by a [*person*] **marijuana retailer** that holds a license **issued** under ORS 475B.110.

39 (4) If the governing body of a city or county adopts an ordinance under this section, the gov-  
 40 erning body shall refer the measure of the ordinance to the electors of the city or county for ap-  
 41 proval at the next statewide general election.

42 (5) An ordinance adopted under this section may not impose a tax or fee:

43 (a) In excess of three percent; or

44 (b) On a registry identification cardholder or on a designated primary caregiver who is pur-  
 45 chasing a marijuana item for a registry identification cardholder.



1        **SECTION 75.** ORS 475B.350 is amended to read:

2        475B.350. The Oregon Health Authority shall assist and cooperate with the Oregon Liquor  
3 [Control] **and Cannabis** Commission and the State Department of Agriculture to the extent neces-  
4 sary for the commission and the department to carry out the duties of the commission and the de-  
5 partment under ORS 475B.010 to 475B.395.

6        **SECTION 76.** ORS 475B.353 is amended to read:

7        475B.353. The State Department of Agriculture shall assist and cooperate with the Oregon Li-  
8 quor [Control] **and Cannabis** Commission and the Oregon Health Authority to the extent necessary  
9 for the commission and the authority to carry out the duties of the commission and the authority  
10 under ORS 475B.010 to 475B.395.

11       **SECTION 77.** ORS 475B.355 is amended to read:

12       475B.355. (1) The Oregon Liquor [Control] **and Cannabis** Commission, the State Department of  
13 Agriculture and the Oregon Health Authority may not refuse to perform any duty under ORS  
14 475B.010 to 475B.395 on the basis that manufacturing, distributing, dispensing, possessing or using  
15 marijuana is prohibited by federal law.

16       (2) The commission may not revoke or refuse to issue or renew a license, **certificate or permit**  
17 under ORS 475B.010 to 475B.395 on the basis that manufacturing, distributing, dispensing, possessing  
18 or using marijuana is prohibited by federal law.

19       **SECTION 78.** ORS 475B.358 is amended to read:

20       475B.358. A person may not sue the Oregon Liquor [Control] **and Cannabis** Commission or a  
21 member of the commission, the State Department of Agriculture or the Oregon Health Authority,  
22 or any employee of the commission, department or authority, for performing or omitting to perform  
23 any duty, function or power of the commission, department or authority set forth in ORS 475B.010  
24 to 475B.395 or in any other law of this state requiring the commission, department or authority to  
25 perform a duty, function or power related to marijuana **items**.

26       **SECTION 79.** ORS 475B.365 is amended to read:

27       475B.365. In case of invasion, disaster, insurrection or riot, or imminent danger of invasion,  
28 disaster, insurrection or riot, the Governor may, for the duration of the invasion, disaster,  
29 insurrection or riot, or imminent danger, immediately **and without notice** suspend [*without notice*  
30 *any license*] in the area involved [*granted*] **any license, certificate or permit issued** under ORS  
31 475B.010 to 475B.395.

32       **SECTION 80.** ORS 475B.370, as amended by section 3, chapter 23, Oregon Laws 2016, is  
33 amended to read:

34       475B.370. (1) Marijuana is:

- 35       (a) A crop for the purposes of “farm use” as defined in ORS 215.203;
- 36       (b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;
- 37       (c) A product of farm use as described in ORS 308A.062; and
- 38       (d) The product of an agricultural activity for purposes of ORS 568.909.

39       (2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the following are not permitted  
40 uses on land designated for exclusive farm use:

- 41       (a) A new dwelling used in conjunction with a marijuana crop;
- 42       (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with  
43 a marijuana crop; and
- 44       (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in  
45 conjunction with a marijuana crop.

1 (3) A county may allow the production of marijuana as a farm use on land zoned for farm or  
 2 forest use in the same manner as the production of marijuana is allowed in exclusive farm use zones  
 3 under this section and ORS 215.213, 215.283 and 475B.063.

4 (4) This section applies to:

5 (a) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;

6 (b) Persons registered under ORS 475B.420 and designated to produce marijuana by one or more  
 7 persons who hold valid registry identification cards issued under ORS 475B.415; and

8 (c) For the purpose of producing marijuana or propagating immature marijuana plants, [*persons*  
 9 *who hold certificates*] **researchers of cannabis that hold a certificate issued** under ORS 475B.235.

10 **SECTION 81.** ORS 475B.399 is amended to read:

11 475B.399. (1) As used in this section, “marijuana” and “marijuana item” have the meanings given  
 12 those terms in ORS 475B.015.

13 (2) On or before February 1 of each odd-numbered year, the Oregon Liquor [*Control*] **and**  
 14 **Cannabis** Commission shall report to the Legislative Assembly in the manner required by ORS  
 15 192.245, the approximate amount of marijuana produced by [*persons who hold a license*] **marijuana**  
 16 **producers that hold a license issued** under ORS 475B.070 and the approximate amount of  
 17 marijuana items sold by [*persons who hold a license*] **marijuana retailers that hold a license is-**  
 18 **sued** under ORS 475B.110, and whether the supply of marijuana in this state is commensurate with  
 19 the demand for marijuana items in this state.

20 **SECTION 82.** Section 9, chapter 23, Oregon Laws 2016, is amended to read:

21 **Sec. 9.** For the purpose of requesting a state or nationwide criminal records check under ORS  
 22 181A.195, the Oregon Liquor [*Control*] **and Cannabis** Commission may require the fingerprints of  
 23 any individual listed on an application submitted under ORS 475B.218.

24 **SECTION 83.** Section 10, chapter 23, Oregon Laws 2016, is amended to read:

25 **Sec. 10.** For the purpose of requesting a state or nationwide criminal records check under ORS  
 26 181A.195, the Oregon Liquor [*Control*] **and Cannabis** Commission may require the fingerprints of  
 27 any individual listed on an application submitted under ORS 475B.235. The powers conferred on the  
 28 commission under this section include the power to require the fingerprints of:

29 (1) If the applicant is a limited partnership, each partner of the limited partnership;

30 (2) If the applicant is a limited liability company, each member of the limited liability company;

31 (3) If the applicant is a corporation, each director and officer of the corporation;

32 (4) Any individual who holds a financial interest of 10 percent or more in the person applying  
 33 for the certificate; and

34 (5) Any individual who is a partner, member, director or officer of a legal entity with a financial  
 35 interest in the person applying for the certificate.

36 **SECTION 84.** Section 15, chapter 24, Oregon Laws 2016, is amended to read:

37 **Sec. 15.** Except for the power to adopt rules, the Oregon Liquor [*Control*] **and Cannabis** Com-  
 38 mission may delegate to the administrator appointed under ORS 471.720 any of the commission’s  
 39 functions, duties and powers as prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525,  
 40 475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law of the state related to the  
 41 regulation of marijuana items.

42 **SECTION 85.** Section 22, chapter 24, Oregon Laws 2016, is amended to read:

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

45 (a) The address of a premises for which a license has been issued or for which an applicant has

1 proposed [*to be licensed*] **licensure** under ORS 475B.070, 475B.090 or 485B.100;

2 (b) Is related to the security plan or the operational plan for a premises for which a license has  
3 been issued or for which an applicant has proposed [*to be licensed*] **licensure** under ORS [475B.070,  
4 475B.090, 485B.100 or 475B.110] **475B.010 to 475B.395**; or

5 (c) Is related to any record that the Oregon Liquor [*Control*] **and Cannabis** Commission deter-  
6 mines contains proprietary information of a [*person who holds a license under ORS 475B.070,*  
7 475B.090, 485B.100 or 475B.110] **licensee**.

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

10 **SECTION 86.** Section 2, chapter 83, Oregon Laws 2016, is amended to read:

11 **Sec 2.** (1) As used in this section, “designated primary caregiver,” “marijuana processing site,”  
12 “medical marijuana dispensary” and “registry identification cardholder” have the meanings given  
13 those terms in ORS 475B.410.

14 (2) To produce marijuana for medical purposes, a marijuana producer that holds a license **issued**  
15 under ORS 475B.070 must register with the Oregon Liquor [*Control*] **and Cannabis** Commission un-  
16 der this section.

17 (3) The commission shall register a marijuana producer for the purpose of producing marijuana  
18 for medical purposes if the marijuana producer:

19 (a) Holds a license **issued** under ORS 475B.070;

20 (b) Meets any qualifications adopted by the commission by rule;

21 (c) Applies to the commission in a form and manner prescribed by the commission; and

22 (d) Pays any fee adopted by the commission by rule.

23 (4)(a) A marijuana producer registered under this section may produce marijuana for a registry  
24 identification cardholder, and provide usable marijuana to the registry identification cardholder or  
25 to the designated primary caregiver of the registry identification cardholder, if the marijuana pro-  
26 ducer enters into an agreement with the registry identification cardholder for whom the marijuana  
27 producer is producing the marijuana. An agreement entered into under this subsection:

28 (A) Must be submitted to the commission in a manner prescribed by the commission;

29 (B) Except as provided in subparagraph (C) of this paragraph, may not allow the marijuana  
30 producer to be compensated for producing the marijuana or providing the usable marijuana;

31 (C) May require a registry identification cardholder, or a designated primary caregiver on behalf  
32 of a registry identification cardholder, to reimburse a marijuana producer for all costs associated  
33 with producing marijuana for the registry identification cardholder or providing usable marijuana  
34 to the registry identification cardholder or designated primary caregiver;

35 (D) May not allow the marijuana producer to produce for the registry identification cardholder  
36 an amount of mature marijuana plants that exceeds the amount that a registry identification  
37 cardholder and a designated primary caregiver may jointly possess under ORS 475B.428;

38 (E) May not allow the marijuana producer to provide to the registry identification cardholder  
39 an amount of usable marijuana that exceeds the amount that a registry identification cardholder and  
40 a designated primary caregiver may jointly possess under ORS 475B.430; and

41 (F) May allow the marijuana producer to keep a portion of the usable marijuana harvested from  
42 the marijuana produced for the registry identification cardholder for the purposes of:

43 (i) Providing usable marijuana to additional registry identification cardholders or designated  
44 primary caregivers; and

45 (ii) Transferring or selling usable marijuana to marijuana processing sites or medical marijuana

1 dispensaries.

2 (c) Marijuana produced for a registry identification cardholder, and usable marijuana trans-  
 3 ferred or sold to a marijuana processing site or medical marijuana dispensary, pursuant to an  
 4 agreement entered into under this subsection must be tracked by the system developed and main-  
 5 tained under ORS 475B.150.

6 (d)(A) Upon request by the commission, the Oregon Health Authority shall provide the commis-  
 7 sion, notwithstanding any laws relating to the confidentiality of information under ORS 475B.460 and  
 8 475B.462, with the registration information of:

9 (i) A registry identification cardholder who enters into an agreement under this subsection; or

10 (ii) A registry identification cardholder, designated primary caregiver, marijuana processing site  
 11 or medical marijuana dispensary that receives usable marijuana pursuant to an agreement entered  
 12 into under this subsection.

13 (B) Registration information received by the commission under this paragraph that is confiden-  
 14 tial and not subject to public disclosure under ORS 475B.460 and 475B.462 remains confidential and  
 15 not subject to public disclosure after being provided to the commission.

16 (e) Marijuana produced pursuant to an agreement entered into under this subsection is not  
 17 subject to rules restricting the size of mature marijuana plant grow canopies adopted by the com-  
 18 mission under ORS 475B.075.

19 (5)(a) The commission shall adopt rules necessary to administer this section, including rules:

20 (A) For the equitable conversion of a number of mature marijuana plants to a size of mature  
 21 marijuana plant grow canopy;

22 (B) Limiting the amount of marijuana that may be produced under section (4) of this section;

23 (C) Limiting the amount of usable marijuana that may be provided, transferred or sold under  
 24 subsection (4)(a)(F) of this section;

25 (D) Limiting the number of registry identification cardholders for whom a marijuana producer  
 26 registered under this section may produce marijuana; and

27 (E) Prohibiting a registry identification cardholder from entering into more than one agreement  
 28 with a marijuana producer registered under this section.

29 (b) The rules must provide that any fee adopted by the commission under subsection (3)(d) of this  
 30 section be in an amount reasonably calculated to not exceed, together with other fees collected  
 31 under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

32 **SECTION 87.** Section 3, chapter 83, Oregon Laws 2016, is amended to read:

33 **Sec. 3.** (1) To process marijuana for medical purposes, a marijuana processor that holds a li-  
 34 cense under ORS 475B.090 must register with the Oregon Liquor [*Control*] **and Cannabis** Commis-  
 35 sion under this section.

36 (2) The commission shall register a marijuana processor for the purpose of processing marijuana  
 37 for medical purposes if the marijuana processor:

38 (a) Holds a license under ORS 475B.090;

39 (b) Meets any qualifications adopted by the commission by rule;

40 (c) Applies to the commission in a form and manner prescribed by the commission; and

41 (d) Pays any fee adopted by the commission by rule.

42 (3) A marijuana processor registered under this section may process marijuana and usable  
 43 marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-  
 44 tracts.

45 (4) The commission shall adopt rules necessary to administer this section. The rules must pro-

1 vide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount  
 2 reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to  
 3 475B.395, the cost of administering ORS 475B.010 to 475B.395.

4 **SECTION 88.** Section 4, chapter 83, Oregon Laws 2016, is amended to read:

5 **Sec. 4.** (1) To sell marijuana **items** at wholesale for medical purposes, a marijuana wholesaler  
 6 that holds a license under ORS 475B.100 must register with the Oregon Liquor [*Control*] **and**  
 7 **Cannabis** Commission under this section.

8 (2) The commission shall register a marijuana wholesaler for the purpose of selling marijuana  
 9 **items** at wholesale for medical purposes if the marijuana wholesaler:

- 10 (a) Holds a license under ORS 475B.100;
- 11 (b) Meets any qualifications adopted by the commission by rule;
- 12 (c) Applies to the commission in a form and manner prescribed by the commission; and
- 13 (d) Pays any fee adopted by the commission by rule.

14 (3) A marijuana wholesaler registered under this section may sell medical grade cannabinoid  
 15 products, cannabinoid concentrates and cannabinoid extracts at wholesale.

16 (4) The commission shall adopt rules necessary to administer this section. The rules must pro-  
 17 vide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount  
 18 reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to  
 19 475B.395, the cost of administering ORS 475B.010 to 475B.395.

20 **SECTION 89.** Section 5, chapter 83, Oregon Laws 2016, is amended to read:

21 **Sec. 5.** (1) As used in this section, “designated primary caregiver” and “registry identification  
 22 cardholder” have the meanings given those terms in ORS 475B.410.

23 (2) To sell marijuana **items** at retail for medical purposes, a marijuana retailer that holds a li-  
 24 cense under ORS 475B.110 must register with the Oregon Liquor [*Control*] **and Cannabis** Commis-  
 25 sion under this section.

26 (3) The commission shall register a marijuana retailer for the purpose of selling marijuana **items**  
 27 at retail for medical purposes if the marijuana retailer:

- 28 (a) Holds a license under ORS 475B.110;
- 29 (b) Meets any qualifications adopted by the commission by rule;
- 30 (c) Applies to the commission in a form and manner prescribed by the commission; and
- 31 (d) Pays any fee adopted by the commission by rule.

32 (4) A marijuana retailer registered under this section:

33 (a) May sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid  
 34 extracts to registry identification cardholders and designated primary caregivers;

35 (b) May not sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid  
 36 extracts to individuals other than registry identification cardholders and designated primary  
 37 caregivers;

38 (c) May sell usable marijuana and medical grade cannabinoid products, cannabinoid concen-  
 39 trates and cannabinoid extracts to registry identification cardholders and designated primary  
 40 caregivers at a discounted price; and

41 (d) May provide usable marijuana and medical grade cannabinoid products, cannabinoid con-  
 42 centrates and cannabinoid extracts to registry identification cardholders and designated primary  
 43 caregivers free of charge.

44 (5) The commission shall adopt rules necessary to administer this section. The rules must pro-  
 45 vide that any fee adopted by the commission under subsection (3)(d) of this section be in an amount

1 reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to  
 2 475B.395, the cost of administering ORS 475B.010 to 475B.395.

3 **SECTION 90.** Section 29b, chapter 83, Oregon Laws 2016, is amended to read:

4 **Sec. 29b.** (1) Notwithstanding ORS 475B.110 (2)(d), a city or county may [*adopt an ordinance*  
 5 *allowing*] **allow** a premises for which a license has been issued under ORS 475B.110 to be located  
 6 within [500] **1,000** feet of a public elementary or secondary school for which attendance is compul-  
 7 sory under ORS 339.020, or a private or parochial elementary or secondary school teaching children  
 8 as described in ORS 339.030 (1)(a), if the county or city determines that a physical or geographic  
 9 barrier capable of preventing children from traversing to the [*school*] **premises** separates the  
 10 premises from the school.

11 (2) A city or county that [*adopts an ordinance*] **makes an allowance** under this section must  
 12 inform the Oregon Liquor [*Control*] **and Cannabis** Commission, in a form and manner prescribed by  
 13 the commission, of the [*content and effective date of the ordinance*] **allowance**.

14  
 15 **(Amendments)**  
 16 **(Operative June 30, 2018)**  
 17

18 **SECTION 91.** ORS 475B.160, as amended by section 23, chapter 23, Oregon Laws 2016, section  
 19 65, chapter 24, Oregon Laws 2016, section 12, chapter 83, Oregon Laws 2016, and section 50 of this  
 20 2017 Act, is amended to read:

21 475B.160. (1) [*Except as provided in section 22, chapter 23, Oregon Laws 2016, and section 2,*  
 22 *chapter 83, Oregon Laws 2016,*] A marijuana producer that holds a license issued under ORS  
 23 475B.070, marijuana processor that holds a license issued under ORS 475B.090 or marijuana whole-  
 24 saler that holds a license issued under ORS 475B.100 may deliver marijuana items only to or on a  
 25 premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

26 (2) A licensee to whom marijuana items may be delivered under subsection (1) of this section  
 27 may receive marijuana items only from:

28 (a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor  
 29 that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued  
 30 under ORS 475B.100; **or**

31 (b) A researcher of cannabis that holds a certificate issued under ORS 475B.235 and that  
 32 transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid con-  
 33 centrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.235  
 34 (3)(d) and (e); *or*].

35 [*(c) A marijuana grow site registered under ORS 475B.420, marijuana processing site registered*  
 36 *under ORS 475B.435, or a medical marijuana dispensary registered under ORS 475B.450, acting in*  
 37 *accordance with procedures adopted by the commission under section 25, chapter 24, Oregon Laws*  
 38 *2016.*]

39 (3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS  
 40 475B.110 must be restricted to the premises for which the license has been issued, but deliveries  
 41 may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the  
 42 premises prior to delivery.

43 **SECTION 92.** ORS 475B.235, as amended by section 24, chapter 23, Oregon Laws 2016, section  
 44 12, chapter 24, Oregon Laws 2016, and section 63 of this 2017 Act, is amended to read:

45 475B.235. (1) The Oregon Liquor and Cannabis Commission, in consultation with the Oregon

1 Health Authority and the State Department of Agriculture, shall establish a program for the purpose  
2 of identifying and certifying private and public researchers of cannabis.

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

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

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

8 (a) Qualifications for certification under this section;

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

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

11 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid  
12 concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a  
13 person that holds a certificate issued under this section; and

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

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

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

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

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

23 (5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making  
24 use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and  
25 cannabinoid extracts, the commission shall also adopt procedures by which a person that holds a  
26 certificate issued under this section may transfer limited amounts of marijuana, usable marijuana,  
27 cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another person that  
28 holds a certificate issued under this section or to a premises for which a license has been issued  
29 under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

30 *[(6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making*  
31 *use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid*  
32 *extracts, the commission shall also adopt procedures by which a person certified under this section may*  
33 *give, devise or bequest usable marijuana, immature marijuana plants, marijuana seeds, cannabinoid*  
34 *products, cannabinoid concentrates and cannabinoid extracts to a medical marijuana dispensary regis-*  
35 *tered with the authority under ORS 475B.450 and owned by a nonprofit corporation organized under*  
36 *ORS chapter 65 for purposes described in section 22, chapter 23, Oregon Laws 2016.]*

37 [(7)] (6) A person that holds a certificate issued under this section:

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

40 (b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products,  
41 cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in this  
42 section and rules adopted by the commission under this section.

43 [(8)] (7) Except as otherwise provided by the commission by rule, rules adopted by the commis-  
44 sion for the purpose of administering and enforcing ORS 475B.010 to 475B.395 with respect to  
45 licensees and licensee representatives apply to persons that hold a certificate issued under this

1 section and persons employed by or who otherwise perform work for persons that hold a certificate  
 2 issued under this section.

3 [(9)] (8) A person that holds a certificate issued under this section, and an employee of or other  
 4 person who performs work for a person that holds a certificate issued under this section, is exempt  
 5 from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and  
 6 abetting another in the possession, delivery and manufacture of marijuana, or any other criminal  
 7 offense in which possession, delivery or manufacture of marijuana is an element, while performing  
 8 activities related to conducting research as described in this section.

9 **SECTION 93.** ORS 475B.245, as amended by section 27, chapter 23, Oregon Laws 2016, section  
 10 36, chapter 24, Oregon Laws 2016, and section 13, chapter 83, Oregon Laws 2016, is amended to  
 11 read:

12 475B.245. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,  
 13 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.075, 475B.090, 475B.100, 475B.110, 475B.115,  
 14 475B.125, 475B.130, 475B.135, 475B.140, 475B.145, 475B.150, 475B.160, 475B.165, 475B.170, 475B.180,  
 15 475B.190, 475B.195, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218, 475B.230, 475B.233, 475B.235,  
 16 475B.240, 475B.325, 475B.330, 475B.335, 475B.340, 475B.345, 475B.350, 475B.353, 475B.355, 475B.358,  
 17 475B.360, 475B.365, 475B.370 and 475B.373 and sections 2, 3, 4 and 5, chapter 83, Oregon Laws 2016,  
 18 do not apply:

19 (1) To the production or storage of homegrown marijuana at a household by one or more persons  
 20 21 years of age and older, if the total amount of homegrown marijuana at the household does not  
 21 exceed four marijuana plants at any time.

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

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

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

31 (5) To the making, processing, possession or storage of cannabinoid concentrates at a household  
 32 by one or more persons 21 years of age or older, if the total amount of cannabinoid concentrates  
 33 at the household does not exceed 16 ounces at any time.

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

39 (7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21  
 40 years of age or older to another person 21 years of age or older for noncommercial purposes.

41 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time  
 42 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
 43 purposes.

44 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time  
 45 by a person 21 years of age or older to another person 21 years of age or older for noncommercial



1 purposes.

2 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a  
3 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-  
4 poses.

5 **SECTION 94.** ORS 475B.340, as amended by section 4, chapter 23, Oregon Laws 2016, and sec-  
6 tion 66, chapter 24, Oregon Laws 2016, and section 73 of this 2017 Act, is amended to read:

7 475B.340. (1) For purposes of this section, “reasonable regulations” includes:

8 (a) Reasonable conditions on the manner in which a marijuana producer that holds a license  
9 issued under ORS 475B.070 may produce marijuana or in which a researcher of cannabis that holds  
10 a certificate issued under ORS 475B.235 may produce marijuana or propagate immature marijuana  
11 plants;

12 (b) Reasonable conditions on the manner in which a marijuana processor that holds a license  
13 issued under ORS 475B.090 may process marijuana or in which a researcher of cannabis that holds  
14 a certificate issued under ORS 475B.235 may process marijuana;

15 (c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license  
16 issued under ORS 475B.100 may sell marijuana at wholesale;

17 (d) Reasonable conditions on the manner in which a marijuana retailer that holds a license is-  
18 sued under ORS 475B.110 may sell marijuana items;

19 (e) Reasonable limitations on the hours during which a premises for which a license has been  
20 issued under ORS 475B.010 to 475B.395 may operate;

21 (f) Reasonable requirements related to the public’s access to a premises for which a license or  
22 certificate has been issued under ORS 475B.010 to 475B.395; *[and]*

23 (g) Reasonable limitations on where a premises for which a license or certificate may be issued  
24 under ORS 475B.010 to 475B.395 may be located; **and**

25 **(h) Whether marijuana may be produced, processed or sold for medical purposes only.**

26 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county  
27 may adopt ordinances that impose reasonable regulations on the operation of businesses located at  
28 premises for which a license or certificate has been issued under ORS 475B.010 to 475B.395 if the  
29 premises are located in the area subject to the jurisdiction of the city or county, except that the  
30 governing body of a city or county may not:

31 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS  
32 475B.110 from being located within a distance that is greater than 1,000 feet of another premises for  
33 which a license has been issued under ORS 475B.110.

34 (b) Adopt an ordinance that imposes a setback requirement for an agricultural building used to  
35 produce marijuana located on a premises for which a license has been issued under ORS 475B.070  
36 if the agricultural building:

37 (A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and  
38 building code requirements at the time of construction;

39 *[(B) Is located at an address where a marijuana grow site first registered with the Oregon Health  
40 Authority under ORS 475B.420 on or before January 1, 2015;]*

41 *[(C)]* (B) Was used to produce marijuana pursuant to the provisions of ORS 475B.400 to 475B.525  
42 on or before January 1, 2015; and

43 *[(D)]* (C) Has four opaque walls and a roof.

44 **SECTION 95.** ORS 475B.370, as amended by section 3, chapter 23, Oregon Laws 2016, and sec-  
45 tion 80 of this 2017 Act, is amended to read:

1 475B.370. (1) Marijuana is:

2 (a) A crop for the purposes of “farm use” as defined in ORS 215.203;

3 (b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;

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

5 (d) The product of an agricultural activity for purposes of ORS 568.909.

6 (2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the following are not permitted  
7 uses on land designated for exclusive farm use:

8 (a) A new dwelling used in conjunction with a marijuana crop;

9 (b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with  
10 a marijuana crop; and

11 (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in  
12 conjunction with a marijuana crop.

13 (3) A county may allow the production of marijuana as a farm use on land zoned for farm or  
14 forest use in the same manner as the production of marijuana is allowed in exclusive farm use zones  
15 under this section and ORS 215.213, 215.283 and 475B.063.

16 (4) This section applies to:

17 (a) Marijuana producers that hold a license issued under ORS 475B.070; **and**

18 *[(b) Persons registered under ORS 475B.420 and designated to produce marijuana by one or more*  
19 *persons who hold valid registry identification cards issued under ORS 475B.415; and]*

20 *[(c) (b) For the purpose of producing marijuana or propagating immature marijuana plants, re-*  
21 *searchers of cannabis that hold a certificate issued under ORS 475B.235.*

22 **SECTION 96.** ORS 475B.375, as amended by section 6, chapter 23, Oregon Laws 2016, and sec-  
23 tion 14, chapter 83, Oregon Laws 2016, is amended to read:

24 475B.375. *[Except for ORS 475B.370 and 475B.373,]* ORS 475B.010 to 475B.395:

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

27 (2) Do not amend or affect duties, functions and powers of the Oregon Health Authority under  
28 the Oregon Medical Marijuana Act.

29  
30 (Repeals)

31 (Operative June 30, 2018)

32  
33 **SECTION 97. Section 2, chapter 23, Oregon Laws 2016, is repealed.**

34  
35 **TESTING, PACKAGING, LABELING AND**  
36 **OTHER LAWS REGULATING CANNABIS**

37  
38 (Amendments)

39 (Effective 91st Day After Adjournment Sine Die)

40  
41 **SECTION 98.** ORS 475B.555 is amended to read:

42 475B.555. (1) As is necessary to protect the public health and safety, and in consultation with  
43 the Oregon Liquor *[Control]* **and Cannabis** Commission and the State Department of Agriculture,  
44 the Oregon Health Authority shall adopt rules:

45 (a) Establishing standards for testing marijuana items.

1 (b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item  
 2 and the manner in which the marijuana item was produced or processed, that are necessary to  
 3 protect the public health and safety, including, but not limited to, tests for:

- 4 (A) Microbiological contaminants;
- 5 (B) Pesticides;
- 6 (C) Other contaminants;
- 7 (D) Solvents or residual solvents; and
- 8 (E) Tetrahydrocannabinol and cannabidiol concentration.

9 (c) Establishing procedures for determining batch sizes and for sampling usable marijuana,  
 10 cannabinoid products and cannabinoid concentrates or extracts.

11 (d) Establishing different minimum standards for different varieties of usable marijuana and dif-  
 12 ferent types of cannabinoid products and cannabinoid concentrates and extracts.

13 (2) In addition to the testing requirements established under subsection (1) of this section, the  
 14 authority or the commission may require cannabinoid edibles to be tested in accordance with any  
 15 applicable law of this state, or any applicable rule adopted under a law of this state, related to the  
 16 production and processing of food products or commodities.

17 (3) In adopting rules under ORS 475B.400 to 475B.525, the authority may require:

18 (a) A person responsible for a marijuana grow site under ORS 475B.420 to test usable marijuana  
 19 before transferring the usable marijuana to a registrant other than an individual who holds a reg-  
 20 istry identification card under ORS 475B.415; and

21 (b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or  
 22 extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a  
 23 registrant other than an individual who holds a registry identification card under ORS 475B.415.

24 (4) In adopting rules under ORS 475B.010 to 475B.395, the commission may require:

25 (a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler  
 26 that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the  
 27 usable marijuana; and

28 (b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler  
 29 that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates  
 30 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or  
 31 extracts.

32 (5) The authority and the commission may conduct random testing of marijuana items for the  
 33 purpose of determining whether a person subject to testing under subsection (3) of this section or  
 34 a licensee subject to testing under subsection (4) of this section is in compliance with this section.

35 (6) In adopting rules to implement this section, the authority and commission may not require  
 36 a marijuana item to undergo the same test more than once unless the marijuana item is processed  
 37 into a different type of marijuana item or the condition of the marijuana item has fundamentally  
 38 changed.

39 (7) The testing of marijuana items as required by this section must be conducted by a laboratory  
 40 licensed by the commission under ORS 475B.560 and accredited by the authority under ORS  
 41 475B.565.

42 (8) In adopting rules under subsection (1) of this section, the authority:

43 (a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost  
 44 to the ultimate consumer of the marijuana item; and

45 (b) May not adopt rules that are more restrictive than is reasonably necessary to protect the

1 public health and safety.

2 **SECTION 99.** ORS 475B.560 is amended to read:

3 475B.560. (1) A laboratory that conducts testing of marijuana items as required by ORS 475B.555  
4 must have a license to operate at the premises at which the marijuana items are tested.

5 (2) For purposes of this section, the Oregon Liquor [*Control*] **and Cannabis** Commission shall  
6 adopt rules establishing:

7 (a) Qualifications to be licensed under this section, including that an applicant for licensure  
8 under this section must be accredited by the Oregon Health Authority as described in ORS 475B.565;

9 (b) Processes for applying for and renewing a license under this section;

10 (c) Fees for applying for, receiving and renewing a license under this section; and

11 (d) Procedures for:

12 (A) Tracking usable marijuana, cannabinoid products and cannabinoid concentrates or extracts  
13 to be tested;

14 (B) Documenting and reporting test results; and

15 (C) Disposing of samples of usable marijuana, cannabinoid products and cannabinoid concen-  
16 trates or extracts that have been tested.

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

18 (4) The commission may inspect premises licensed under this section to ensure compliance with  
19 ORS 475B.550 to 475B.590 and rules adopted under ORS 475B.550 to 475B.590.

20 (5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue  
21 or renew, or may suspend or revoke, a license issued under this section for violation of:

22 (a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS  
23 475B.550 to 475B.590; or

24 (b) A provision of ORS 475B.010 to 475B.395 or a rule adopted under a provision of ORS  
25 475B.010 to 475B.395.

26 (6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the  
27 expenses incurred by the commission under ORS 475B.550 to 475B.590.

28 (7) Fee moneys collected under this section shall be deposited in the Marijuana Control and  
29 Regulation Fund established under ORS 475B.240 and are continuously appropriated to the commis-  
30 sion for the purpose of carrying out the duties, functions and powers of the commission under ORS  
31 475B.550 to 475B.590.

32 **SECTION 100.** ORS 475B.575 is amended to read:

33 475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee  
34 violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS  
35 475B.550 to 475B.590, the Oregon Liquor [*Control*] **and Cannabis** Commission may refuse to issue  
36 or renew, or may suspend or revoke, a license issued under ORS [*475B.070, 475B.090, 475B.100 or*  
37 *475B.110*] **475B.010 to 475B.395.**

38 **SECTION 101.** ORS 475B.605 is amended to read:

39 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with  
40 the Oregon Liquor [*Control*] **and Cannabis** Commission and the State Department of Agriculture,  
41 the Oregon Health Authority shall adopt rules establishing standards for the labeling of marijuana  
42 items, including but not limited to:

43 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
44 and other cannabinoid products have labeling that communicates:

45 (A) Health and safety warnings;

1 (B) Activation time;

2 (C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

3 (D) Potency;

4 (E) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the  
5 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-  
6 age; and

7 (F) Content of the marijuana item; and

8 (b) Labeling that is in accordance with applicable state food labeling requirements for the same  
9 type of food product or potable liquid when the food product or potable liquid does not contain  
10 marijuana or cannabinoids.

11 (2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable  
12 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-  
13 ical marijuana dispensary registered under ORS 475B.450 to be labeled in accordance with sub-  
14 section (1) of this section and rules adopted under subsection (1) of this section.

15 (3) In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all usable  
16 marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by  
17 a marijuana retailer that holds a license **issued** under ORS 475B.110 to be labeled in accordance  
18 with subsection (1) of this section and rules adopted under subsection (1) of this section.

19 (4) In adopting rules under subsection (1) of this section, the authority:

20 (a) May establish different labeling standards for different varieties of usable marijuana and for  
21 different types of cannabinoid products and cannabinoid concentrates and extracts;

22 (b) May establish different minimum labeling standards for persons registered under ORS  
23 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

24 (c) Shall consider the cost of a potential requirement and how that cost will affect the cost to  
25 the ultimate consumer of the marijuana item; and

26 (d) May not adopt rules that are more restrictive than is reasonably necessary to protect the  
27 public health and safety.

28 **SECTION 102.** ORS 475B.610 is amended to read:

29 475B.610. (1) As used in this section:

30 (a) "Licensee" has the meaning given that term in ORS 475B.015.

31 (b) "Registrant" means a person registered under ORS 475B.400 to 475B.525.

32 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may by rule require a licensee, and  
33 the Oregon Health Authority may by rule require a registrant, to submit a label intended for use  
34 on a marijuana item for preapproval by the commission before the licensee or registrant may sell  
35 or transfer a marijuana item bearing the label. The commission shall determine whether a label  
36 submitted under this section complies with ORS 475B.605 and any rule adopted under ORS 475B.605.

37 (3) The commission may impose a fee for submitting a label for preapproval under this section  
38 that is reasonably calculated to not exceed the cost of administering this section.

39 **SECTION 103.** ORS 475B.615 is amended to read:

40 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with  
41 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor  
42 [*Control*] **and Cannabis** Commission shall adopt rules establishing standards for the packaging of  
43 marijuana items, including but not limited to:

44 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
45 and other cannabinoid products are:

1 (A) Packaged in child-resistant safety packaging; and

2 (B) Not marketed in a manner that:

3 (i) Is untruthful or misleading;

4 (ii) Is attractive to minors; or

5 (iii) Otherwise creates a significant risk of harm to public health and safety; and

6 (b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a  
7 manner that is attractive to minors.

8 (2) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable  
9 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-  
10 ical marijuana dispensary registered under ORS 475B.450 to be packaged in accordance with sub-  
11 section (1) of this section and rules adopted under subsection (1) of this section.

12 (3) In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all usable  
13 marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by  
14 a marijuana retailer that holds a license **issued** under ORS 475B.110 to be packaged in accordance  
15 with subsection (1) of this section and rules adopted under subsection (1) of this section.

16 (4) In adopting rules under subsection (1) of this section the commission:

17 (a) May establish different packaging standards for different varieties of usable marijuana and  
18 for different types of cannabinoid products and cannabinoid concentrates and extracts;

19 (b) May establish different minimum packaging standards for persons registered under ORS  
20 475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;

21 (c) May consider the effect on the environment of requiring certain packaging;

22 (d) Shall consider the cost of a potential requirement and how that cost will affect the cost to  
23 the ultimate consumer of the marijuana item; and

24 (e) May not adopt rules that are more restrictive than is reasonably necessary to protect the  
25 public health and safety.

26 **SECTION 104.** ORS 475B.620 is amended to read:

27 475B.620. (1) As used in this section:

28 (a) "Licensee" has the meaning given that term in ORS 475B.015.

29 (b) "Registrant" means a person registered under ORS 475B.400 to 475B.525.

30 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may by rule require a licensee, and  
31 the Oregon Health Authority may by rule require a registrant, to submit packaging intended for a  
32 marijuana item for preapproval by the commission before the licensee or registrant may sell or  
33 transfer a marijuana item packaged in the packaging. The commission shall determine whether  
34 packaging submitted under this section complies with ORS 475B.615 and any rule adopted under  
35 ORS 475B.615.

36 (3) The commission may impose a fee for submitting packaging for preapproval under this sec-  
37 tion that is reasonably calculated to not exceed the cost of administering this section.

38 **SECTION 105.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, is  
39 amended to read:

40 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

41 (a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving  
42 of a cannabinoid product or cannabinoid concentrate or extract; and

43 (b) The number of servings that are permitted in a cannabinoid product or cannabinoid concen-  
44 trate or extract package.

45 (2)(a) In adopting rules under subsection (1)(a) of this section, the authority shall prescribe the

1 different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a  
2 cannabinoid product or cannabinoid concentrate or extract for:

3 (A) Consumers who hold a valid registry identification card issued under ORS 475B.415; and

4 (B) Consumers who do not hold a valid registry identification card issued under ORS 475B.415.

5 (b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a  
6 single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who  
7 hold a valid registry identification card issued under ORS 475B.415, the authority shall consider the  
8 appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating  
9 medical condition, as defined in ORS 475B.410.

10 (3) In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable  
11 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a med-  
12 ical marijuana dispensary registered under ORS 475B.450 to meet the concentration standards and  
13 packaging standards adopted by rule pursuant to this section.

14 (4) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor [*Control*] **and**  
15 **Cannabis** Commission shall require all usable marijuana, cannabinoid products and cannabinoid  
16 concentrates and extracts sold or transferred by a marijuana retailer that holds a license **issued**  
17 under ORS 475B.110 to meet the concentration standards and packaging standards adopted by rule  
18 pursuant to this section.

19 **SECTION 106.** ORS 475B.635 is amended to read:

20 475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS  
21 475B.600 to 475B.655, the Oregon Liquor [*Control*] **and Cannabis** Commission may inspect the  
22 premises of a person that holds a license **issued** under ORS [*475B.070, 475B.090, 475B.100 or*  
23 *475B.110*] **475B.010 to 475B.395.**

24 **SECTION 107.** ORS 475B.645 is amended to read:

25 475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee  
26 violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS  
27 475B.600 to 475B.655, the Oregon Liquor [*Control*] **and Cannabis** Commission may refuse to issue  
28 or renew, or may suspend or revoke, a license issued under ORS [*475B.070, 475B.090, 475B.100 or*  
29 *475B.110*] **475B.010 to 475B.395.**

30 **SECTION 108.** ORS 475B.705, as amended by section 6, chapter 91, Oregon Laws 2016, is  
31 amended to read:

32 475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana items in this state. The  
33 tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is  
34 required. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer  
35 at the time at which the retail sale occurs.

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

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

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

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

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

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

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

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

45 (h) 17 percent of the retail sales price of cannabinoid products other than those described in

1 paragraph (g) of this subsection.

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

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

7 (5) A person may not knowingly sell, purchase, install, transfer or possess electronic devices or  
8 software programs for the purposes of:

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

10 (b) Falsifying records of retail sales of marijuana items.

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

13 (b) Paragraph (a) of this subsection does not affect any provision of ORS 475B.010 to 475B.395  
14 or any rule adopted by the Oregon Liquor [*Control*] and **Cannabis** Commission pursuant to ORS  
15 475B.010 to 475B.395 that is related to the retail sale of marijuana items.

16 **SECTION 109.** ORS 475B.730, as amended by section 4, chapter 91, Oregon Laws 2016, is  
17 amended to read:

18 475B.730. (1) Notwithstanding the confidentiality provisions of ORS 475B.755, the Department  
19 of Revenue may disclose information received under ORS 317.363 and 475B.700 to 475B.760 to:

20 (a) The Oregon Liquor [*Control*] and **Cannabis** Commission to carry out the provisions of ORS  
21 475B.010 to 475B.395 and 475B.700 to 475B.760; and

22 (b) The Oregon Health Authority to carry out the provisions of section 2, chapter 91, Oregon  
23 Laws 2016.

24 (2) The commission may disclose information obtained pursuant to ORS 475B.010 to 475B.395 and  
25 475B.700 to 475B.760 to the department for the purpose of carrying out the provisions of ORS  
26 475B.010 to 475B.395 and 475B.700 to 475B.760.

27 (3) The authority may disclose information obtained pursuant to ORS 475B.415 or 475B.418 to  
28 the department for the purpose of carrying out the provisions of section 2, chapter 91, Oregon Laws  
29 2016, provided that the authority does not disclose personally identifiable information.

30 **SECTION 110.** ORS 475B.750, as amended by section 5, chapter 91, Oregon Laws 2016, is  
31 amended to read:

32 475B.750. (1) The Department of Revenue shall administer and enforce ORS 475B.700 to  
33 475B.760. The department is authorized to establish rules and procedures for the implementation and  
34 enforcement of ORS 475B.700 to 475B.760 that are consistent with ORS 475B.700 to 475B.760 and  
35 that the department considers necessary and appropriate to administer and enforce ORS 475B.700  
36 to 475B.760.

37 (2) The Oregon Liquor [*Control*] and **Cannabis** Commission shall enter into an agreement with  
38 the department for the purpose of administering and enforcing those provisions of ORS 475B.700 to  
39 475B.760, and rules or procedures established for the purpose of implementing and enforcing ORS  
40 475B.700 to 475B.760, that the commission and the department determine are necessary for the ef-  
41 fective and efficient administration, implementation and enforcement of ORS 475B.700 to 475B.760.

42 (3) The Oregon Health Authority shall enter into an agreement with the department for the  
43 purpose of administering and enforcing the provisions of section 2, chapter 91, Oregon Laws 2016,  
44 and rules or procedures established for the purpose of implementing and enforcing section 2, chapter  
45 91, Oregon Laws 2016, that the authority and the department determine are necessary for the ef-



fective and efficient administration, implementation and enforcement of section 2, chapter 91, Oregon Laws 2016.

**SECTION 111.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, is amended to read:

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

- (a) Marijuana processing sites registered under ORS 475B.435;
- (b) Medical marijuana dispensaries registered under ORS 475B.450;
- (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;
- (d) Marijuana processors [*licensed*] **that hold a license issued** under ORS 475B.090;
- (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under ORS 475B.100;
- (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS 475B.110; or
- (g) Any combination of the entities described in this subsection.

(2) If the governing body of a city or county adopts an ordinance under this section, the governing body shall submit the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

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

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

(b) To the Oregon Liquor [*Control*] **and Cannabis** Commission, if the ordinance concerns a premises for which a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395.**

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

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

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

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

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

(7) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject

1 to an ordinance adopted under this section if the medical marijuana dispensary:

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

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

5 (8) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to  
6 an ordinance adopted under this section if the marijuana processing site:

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

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

10 **SECTION 112.** Section 11, chapter 23, Oregon Laws 2016, is amended to read:

11 **Sec. 11.** For the purpose of requesting a state or nationwide criminal records check under ORS  
12 181A.195, the Oregon Liquor [*Control*] **and Cannabis** Commission may require the fingerprints of  
13 any individual listed on an application submitted under ORS 475B.560. The powers conferred on the  
14 commission under this section include the power to require the fingerprints of:

15 (1) If the applicant is a limited partnership, each partner of the limited partnership;

16 (2) If the applicant is a limited liability company, each member of the limited liability company;

17 (3) If the applicant is a corporation, each director and officer of the corporation;

18 (4) Any individual who holds a financial interest of 10 percent or more in the person applying  
19 for the license; and

20 (5) Any individual who is a partner, member, director or officer of a legal entity with a financial  
21 interest in the person applying for the license.

22 **SECTION 113.** Section 30, chapter 24, Oregon Laws 2016, is amended to read:

23 **Sec. 30.** (1) The governing body of a city or county may repeal an ordinance that prohibits the  
24 establishment of any one or more of the following in the area subject to the jurisdiction of the city  
25 or in the unincorporated area subject to the jurisdiction of the county:

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

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

28 (c) Marijuana producers [*licensed*] **that hold a license issued** under ORS 475B.070;

29 (d) Marijuana processors [*licensed*] **that hold a license issued** under ORS 475B.090;

30 (e) Marijuana wholesalers [*licensed*] **that hold a license issued** under ORS 475B.100;

31 (f) Marijuana retailers [*licensed*] **that hold a license issued** under ORS 475B.110; or

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

33 (2) If the governing body of a city or county repeals an ordinance under this section, the gov-  
34 erning body must provide the text of the ordinance:

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

38 (b) to the Oregon Liquor [*Control*] **and Cannabis** Commission, in a form and manner prescribed  
39 by the commission, if the ordinance concerns a premises for which a license has been issued under  
40 ORS [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395**.

41 **SECTION 114.** Section 47, chapter 24, Oregon Laws 2016, is amended to read:

42 **Sec. 47.** (1) Except for licensees and licensee representatives acting in accordance with ORS  
43 475B.010 to 475B.395, and any rule adopted under ORS 475B.010 to 475B.395, it is unlawful for any  
44 person under 21 years of age to knowingly or intentionally possess:

45 (a) An amount of marijuana plants in excess of the amount of marijuana plants allowed under

1 ORS 475B.245 (1).

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

3 (c) More than eight ounces of usable marijuana.

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

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

6 (f) More than one ounce of cannabinoid extracts.

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

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

10 **SECTION 115.** Section 9, chapter 71, Oregon Laws 2016, is amended to read:

11 **Sec. 9.** (1) For purposes of this section, “consumption” means to ingest, inhale or topically apply  
12 to the skin or hair.

13 (2) A laboratory licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission under ORS  
14 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test in-  
15 dustrial hemp and industrial hemp commodities and products produced or processed by a grower,  
16 handler or agricultural hemp seed producer registered under ORS 571.305.

17 (3) A handler registered under ORS 571.305 may not sell an industrial hemp commodity or  
18 product that is intended for human consumption unless the commodity or product is tested by a  
19 laboratory described in subsection (2) of this section to ensure that the commodity or product meets  
20 the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) [*and*  
21 (2)] for testing marijuana items.

22 (4) For purposes of this section, the State Department of Agriculture shall adopt rules:

23 (a) Establishing protocols for the testing of industrial hemp commodities and products; and

24 (b) Establishing procedures for determining batch sizes and for sampling industrial hemp com-  
25 modities and products.

26 **SECTION 116.** Section 9a, chapter 71, Oregon Laws 2016, is amended to read:

27 **Sec. 9a.** (1) The State Department of Agriculture may enter into an agreement with the Oregon  
28 Health Authority for the purpose of developing standards for investigating and testing an industrial  
29 hemp crop to ensure that the crop contains an average tetrahydrocannabinol concentration that  
30 does not exceed 0.3 percent on a dry weight basis.

31 (2) In accordance with standards developed under subsection (1) of this section, a laboratory li-  
32 censed by the Oregon Liquor [*Control*] **and Cannabis** Commission under ORS 475B.560 and accred-  
33 ited by the authority pursuant to ORS 475B.565 may test an industrial hemp crop for the purpose  
34 of determining the average tetrahydrocannabinol concentration of the crop.

35 (3) A laboratory described in subsection (2) of this section must provide the test results to the  
36 department in a form and manner prescribed by the department.

37 **SECTION 117.** Section 2, chapter 97, Oregon Laws 2016, is amended to read:

38 **Sec. 2.** A financial institution that provides financial services customarily provided by financial  
39 institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank  
40 Act or by ORS chapter 723 to a marijuana processing site registered under ORS 475B.435, a medical  
41 marijuana dispensary registered under ORS 475B.450, a marijuana producer that holds a license **is-**  
42 **sued** under ORS 475B.070, a marijuana processor that holds a license **issued** under ORS 475B.090,  
43 a marijuana wholesaler that holds a license **issued** under ORS 475B.100, a marijuana retailer that  
44 holds a license **issued** under ORS 475B.110, a laboratory that holds a license **issued** under ORS  
45 475B.560 or a person to whom a permit has been issued under ORS 475B.218 is exempt from any

1 criminal law of this state an element of which may be proven by substantiating that a person pro-  
 2 vides financial services customarily provided by financial institutions pursuant to powers granted  
 3 by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person  
 4 [who] that possesses, delivers or manufactures marijuana or marijuana-derived products.

5 **SECTION 118.** Section 3, chapter 97, Oregon Laws 2016, is amended to read:

6 **Sec. 3.** (1) Notwithstanding any law relating to the exemption of information from public dis-  
 7 closure under ORS 475B.010 to 475B.395 or 475B.550 to 475B.590, upon the request of a financial  
 8 institution, the Oregon Liquor [Control] and Cannabis Commission shall provide to the financial  
 9 institution the following information:

10 (a) Whether a person with whom the financial institution is doing business holds a license **is-**  
 11 **sued** under ORS [475B.070, 475B.090, 475B.100, 475B.110] **475B.010 to 475B.395** or 475B.560 or a  
 12 permit **issued** under ORS 475B.218;

13 (b) The name of any other business or individual affiliated with the person;

14 (c) A copy of the application, and any supporting documentation submitted with the application,  
 15 for a license or a permit submitted by the person;

16 (d) If applicable, data relating to sales and the volume of product sold by the person;

17 (e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.395,  
 18 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.395,  
 19 475B.550 to 475B.590 and 475B.600 to 475B.655;

20 (f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.395,  
 21 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.395,  
 22 475B.550 to 475B.590 or 475B.600 to 475B.655; and

23 (g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.395,  
 24 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.395,  
 25 475B.550 to 475B.590 or 475B.600 to 475B.655.

26 (2) Upon receiving a request under subsection (1) of this section, the commission shall provide  
 27 the requesting financial institution with the requested information.

28 (3) The commission may charge a financial institution a reasonable fee to cover the adminis-  
 29 trative costs of providing information under this section.

30  
 31 **(Amendments)**

32 **(Operative June 30, 2018)**

33  
 34 **SECTION 119.** ORS 475B.063, as amended by section 11, chapter 24, Oregon Laws 2016, and  
 35 section 35 of this 2017 Act, is amended to read:

36 475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110,  
 37 an applicant shall request a land use compatibility statement from the city or county that authorizes  
 38 the land use. The land use compatibility statement must demonstrate that the requested license is  
 39 for a land use that is allowable as a permitted or conditional use within the given zoning designation  
 40 where the land is located. The Oregon Liquor and Cannabis Commission may not issue a license if  
 41 the land use compatibility statement shows that the proposed land use is prohibited in the applicable  
 42 zone.

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

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

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

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

6 (4) A city or county action concerning a land use compatibility statement under this section is  
 7 not a land use decision for purposes of ORS chapter 195, 196, 197, 215 or 227.

8 **SECTION 120.** ORS 475B.555, as amended by section 98 of this 2017 Act, is amended to read:

9 475B.555. (1) As is necessary to protect the public health and safety, and in consultation with  
 10 the Oregon Liquor and Cannabis Commission and the State Department of Agriculture, the Oregon  
 11 Health Authority shall adopt rules:

12 (a) Establishing standards for testing marijuana items.

13 (b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item  
 14 and the manner in which the marijuana item was produced or processed, that are necessary to  
 15 protect the public health and safety, including, but not limited to, tests for:

16 (A) Microbiological contaminants;

17 (B) Pesticides;

18 (C) Other contaminants;

19 (D) Solvents or residual solvents; and

20 (E) Tetrahydrocannabinol and cannabidiol concentration.

21 (c) Establishing procedures for determining batch sizes and for sampling usable marijuana,  
 22 cannabinoid products and cannabinoid concentrates or extracts.

23 (d) Establishing different minimum standards for different varieties of usable marijuana and dif-  
 24 ferent types of cannabinoid products and cannabinoid concentrates and extracts.

25 (2) In addition to the testing requirements established under subsection (1) of this section, [*the*  
 26 *authority or*] the commission may require cannabinoid edibles to be tested in accordance with any  
 27 applicable law of this state, or any applicable rule adopted under a law of this state, related to the  
 28 production and processing of food products or commodities.

29 [*(3) In adopting rules under ORS 475B.400 to 475B.525, the authority may require:*]

30 [*(a) A person responsible for a marijuana grow site under ORS 475B.420 to test usable marijuana*  
 31 *before transferring the usable marijuana to a registrant other than an individual who holds a registry*  
 32 *identification card under ORS 475B.415; and]*

33 [*(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or*  
 34 *extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a*  
 35 *registrant other than an individual who holds a registry identification card under ORS 475B.415.]*

36 [(4)] (3) In adopting rules under ORS 475B.010 to 475B.395, the commission may require:

37 (a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler  
 38 that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the  
 39 usable marijuana; and

40 (b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler  
 41 that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates  
 42 or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or  
 43 extracts.

44 [(5)] (4) [*The authority and*] The commission may conduct random testing of marijuana items for  
 45 the purpose of determining whether [*a person subject to testing under subsection (3) of this section*

1 or] a licensee subject to testing under subsection [(4)] (3) of this section is in compliance with this  
 2 section.

3 [(6)] (5) In adopting rules to implement **subsection (3) of** this section, the [authority and] com-  
 4 mission may not require a marijuana item to undergo the same test more than once unless the  
 5 marijuana item is processed into a different type of marijuana item or the condition of the marijuana  
 6 item has fundamentally changed.

7 [(7)] (6) The testing of marijuana items as required by this section must be conducted by a lab-  
 8 oratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS  
 9 475B.565.

10 [(8)] (7) In adopting rules under subsection (1) of this section, the authority:

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

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

15 **SECTION 121.** ORS 475B.570 is amended to read:

16 475B.570. [ORS 475B.550 to 475B.590 do not apply to:]

17 [(1) A person responsible for a marijuana grow site under ORS 475B.420 if the person is trans-  
 18 ferring usable marijuana or an immature marijuana plant, as defined in ORS 475B.015, to:]

19 [(a) A person who holds a registry identification card under ORS 475B.415 and who designated  
 20 the person responsible for the marijuana grow site to grow marijuana for the person who holds a  
 21 registry identification card; or]

22 [(b) A person who has been designated as the primary caregiver under ORS 475B.418 of a person  
 23 who holds a registry identification card under ORS 475B.415 and who designated the person respon-  
 24 sible for the marijuana grow site to grow marijuana for the person who holds a registry identifica-  
 25 tion card; or]

26 [(2)] **ORS 475B.550 to 475B.590 do not apply to** a person who [has been] **is the** designated [as  
 27 the] primary caregiver under ORS 475B.418 of a person who holds a registry identification card un-  
 28 der ORS 475B.415 if the person is transferring a marijuana item to the person who holds a registry  
 29 identification card.

30 **SECTION 122.** ORS 475B.605, as amended by section 101 of this 2017 Act, is amended to read:

31 475B.605. (1) As is necessary to protect the public health and safety, and in consultation with  
 32 the Oregon Liquor and Cannabis Commission and the State Department of Agriculture, the Oregon  
 33 Health Authority shall adopt rules establishing standards for the labeling of marijuana items, in-  
 34 cluding but not limited to:

35 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
 36 and other cannabinoid products have labeling that communicates:

37 (A) Health and safety warnings;

38 (B) Activation time;

39 (C) Results of tests conducted pursuant to ORS 475B.550 to 475B.590;

40 (D) Potency;

41 (E) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the  
 42 number of servings included in a cannabinoid product or cannabinoid concentrate or extract pack-  
 43 age; and

44 (F) Content of the marijuana item; and

45 (b) Labeling that is in accordance with applicable state food labeling requirements for the same

1 type of food product or potable liquid when the food product or potable liquid does not contain  
2 marijuana or cannabinoids.

3 [(2) *In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable*  
4 *marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical*  
5 *marijuana dispensary registered under ORS 475B.450 to be labeled in accordance with subsection (1)*  
6 *of this section and rules adopted under subsection (1) of this section.*]

7 [(3)] (2) In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all us-  
8 able marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred  
9 by a marijuana retailer that holds a license **issued** under ORS 475B.110 to be labeled in accordance  
10 with subsection (1) of this section and rules adopted under subsection (1) of this section.

11 [(4)] (3) In adopting rules under subsection (1) of this section, the authority:

12 (a) May establish different labeling standards for different varieties of usable marijuana and for  
13 different types of cannabinoid products and cannabinoid concentrates and extracts;

14 [(b) *May establish different minimum labeling standards for persons registered under ORS*  
15 *475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;*]

16 [(c)] (b) Shall consider the cost of a potential requirement and how that cost will affect the cost  
17 to the ultimate consumer of the marijuana item; and

18 [(d)] (c) May not adopt rules that are more restrictive than is reasonably necessary to protect  
19 the public health and safety.

20 **SECTION 123.** ORS 475B.610, as amended by section 102 of this 2017 Act, is amended to read:

21 475B.610. (1) As used in this section[:],

22 [(a)] “licensee” has the meaning given that term in ORS 475B.015.

23 [(b) “*Registrant*” means a person registered under ORS 475B.400 to 475B.525.]

24 (2) The Oregon Liquor and Cannabis Commission may by rule require a licensee[, *and the*  
25 *Oregon Health Authority may by rule require a registrant,*] to submit a label intended for use on a  
26 marijuana item for preapproval by the commission before the licensee [*or registrant*] may sell or  
27 transfer a marijuana item bearing the label. The commission shall determine whether a label sub-  
28 mitted under this section complies with ORS 475B.605 and any rule adopted under ORS 475B.605.

29 (3) The commission may impose a fee for submitting a label for preapproval under this section  
30 that is reasonably calculated to not exceed the cost of administering this section.

31 **SECTION 124.** ORS 475B.615, as amended by section 103 of this 2017 Act, is amended to read:

32 475B.615. (1) As is necessary to protect the public health and safety, and in consultation with  
33 the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor and  
34 Cannabis Commission shall adopt rules establishing standards for the packaging of marijuana items,  
35 including but not limited to:

36 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles  
37 and other cannabinoid products are:

38 (A) Packaged in child-resistant safety packaging; and

39 (B) Not marketed in a manner that:

40 (i) Is untruthful or misleading;

41 (ii) Is attractive to minors; or

42 (iii) Otherwise creates a significant risk of harm to public health and safety; and

43 (b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a  
44 manner that is attractive to minors.

45 [(2) *In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable*

1 *marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical*  
 2 *marijuana dispensary registered under ORS 475B.450 to be packaged in accordance with subsection*  
 3 *(1) of this section and rules adopted under subsection (1) of this section.]*

4 [(3)] (2) In adopting rules under ORS 475B.010 to 475B.395, the commission shall require all us-  
 5 able marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred  
 6 by a marijuana retailer that holds a license **issued** under ORS 475B.110 to be packaged in accord-  
 7 ance with subsection (1) of this section and rules adopted under subsection (1) of this section.

8 [(4)] (3) In adopting rules under subsection (1) of this section the commission:

9 (a) May establish different packaging standards for different varieties of usable marijuana and  
 10 for different types of cannabinoid products and cannabinoid concentrates and extracts;

11 [(b) *May establish different minimum packaging standards for persons registered under ORS*  
 12 *475B.400 to 475B.525 and persons licensed under ORS 475B.010 to 475B.395;]*

13 [(c)] (b) May consider the effect on the environment of requiring certain packaging;

14 [(d)] (c) Shall consider the cost of a potential requirement and how that cost will affect the cost  
 15 to the ultimate consumer of the marijuana item; and

16 [(e)] (d) May not adopt rules that are more restrictive than is reasonably necessary to protect  
 17 the public health and safety.

18 **SECTION 125.** ORS 475B.620, as amended by section 104 of this 2017 Act, is amended to read:

19 475B.620. (1) As used in this section[:],

20 [(a)] “licensee” has the meaning given that term in ORS 475B.015.

21 [(b) “Registrant” means a person registered under ORS 475B.400 to 475B.525.]

22 (2) The Oregon Liquor and Cannabis Commission may by rule require a licensee[, *and the*  
 23 *Oregon Health Authority may by rule require a registrant,]* to submit packaging intended for a  
 24 marijuana item for preapproval by the commission before the licensee [*or registrant*] may sell or  
 25 transfer a marijuana item packaged in the packaging. The commission shall determine whether  
 26 packaging submitted under this section complies with ORS 475B.615 and any rule adopted under  
 27 ORS 475B.615.

28 (3) The commission may impose a fee for submitting packaging for preapproval under this sec-  
 29 tion that is reasonably calculated to not exceed the cost of administering this section.

30 **SECTION 126.** ORS 475B.625, as amended by section 15, chapter 83, Oregon Laws 2016, and  
 31 section 105 of this 2017 Act, is amended to read:

32 475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

33 (a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving  
 34 of a cannabinoid product or cannabinoid concentrate or extract; and

35 (b) The number of servings that are permitted in a cannabinoid product or cannabinoid concen-  
 36 trate or extract package.

37 (2)(a) In adopting rules under subsection (1)(a) of this section, the authority shall prescribe the  
 38 different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a  
 39 cannabinoid product or cannabinoid concentrate or extract for:

40 (A) Consumers who hold a valid registry identification card issued under ORS 475B.415; and

41 (B) Consumers who do not hold a valid registry identification card issued under ORS 475B.415.

42 (b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a  
 43 single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who  
 44 hold a valid registry identification card issued under ORS 475B.415, the authority shall consider the  
 45 appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating



1 medical condition, as defined in ORS 475B.410.

2 [(3) *In adopting rules under ORS 475B.400 to 475B.525, the authority shall require all usable*  
3 *marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical*  
4 *marijuana dispensary registered under ORS 475B.450 to meet the concentration standards and pack-*  
5 *aging standards adopted by rule pursuant to this section.*]

6 [(4)] (3) In adopting rules under ORS 475B.010 to 475B.395, the Oregon Liquor and Cannabis  
7 Commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates  
8 and extracts sold or transferred by a marijuana retailer that holds a license **issued** under ORS  
9 475B.110 to meet the concentration standards and packaging standards adopted by rule pursuant to  
10 this section.

11 **SECTION 127.** ORS 475B.630 is amended to read:

12 475B.630. [ORS 475B.600 to 475B.655 do not apply to:]

13 [(1) *A person responsible for a marijuana grow site under ORS 475B.420 if the person is trans-*  
14 *ferring usable marijuana or an immature marijuana plant, as defined in ORS 475B.015, to:]*

15 [(a) *A person who holds a registry identification card under ORS 475B.415 and who designated*  
16 *the person responsible for the marijuana grow site to grow marijuana for the person who holds a*  
17 *registry identification card; or]*

18 [(b) *A person who has been designated as the primary caregiver under ORS 475B.418 of a person*  
19 *who holds a registry identification card under ORS 475B.415, and who designated the person respon-*  
20 *sible for the marijuana grow site to grow marijuana for the person who holds a registry identifica-*  
21 *tion card; or]*

22 [(2)] **ORS 475B.600 to 475B.655 do not apply to** a person who [*has been*] **is the** designated [*as*  
23 *the*] primary caregiver under ORS 475B.418 of a person who holds a registry identification card un-  
24 der ORS 475B.415 if the person is transferring a marijuana item to the person who holds a registry  
25 identification card.

26 **SECTION 128.** ORS 475B.800, as amended by section 31, chapter 24, Oregon Laws 2016, and  
27 section 111 of this 2017 Act, is amended to read:

28 475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the  
29 electors of the city or county as described in subsection (2) of this section that prohibit or allow the  
30 establishment of any one or more of the following in the area subject to the jurisdiction of the city  
31 or in the unincorporated area subject to the jurisdiction of the county:

32 [(a) *Marijuana processing sites registered under ORS 475B.435;*]

33 [(b) *Medical marijuana dispensaries registered under ORS 475B.450;*]

34 [(c)] (a) Marijuana producers that hold a license issued under ORS 475B.070;

35 [(d)] (b) Marijuana processors that hold a license issued under ORS 475B.090;

36 [(e)] (c) Marijuana wholesalers that hold a license issued under ORS 475B.100;

37 [(f)] (d) Marijuana retailers that hold a license issued under ORS 475B.110; or

38 [(g)] (e) Any combination of the entities described in this subsection.

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

42 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-  
43 erning body must provide the text of the ordinance[:] **to the Oregon Liquor and Cannabis Com-**  
44 **mission, in a form and manner prescribed by the commission.**

45 [(a) *To the Oregon Health Authority, in a form and manner prescribed by the authority, if the or-*

1 *dinance concerns a medical marijuana dispensary registered under ORS 475B.450 or a marijuana*  
 2 *processing site registered under ORS 475B.435; or]*

3 *[(b) To the Oregon Liquor and Cannabis Commission, if the ordinance concerns a premises for*  
 4 *which a license has been issued under ORS 475B.010 to 475B.395.]*

5 *[(4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority shall*  
 6 *discontinue registering those entities to which the prohibition applies until the date of the next state-*  
 7 *wide general election.]*

8 *[(b)] (4) Upon receiving notice of a prohibition under subsection (3) of this section, the commis-*  
 9 *sion shall discontinue licensing those premises to which the prohibition applies until the date of the*  
 10 *next statewide general election.*

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

15 *[(b)] (5) If an allowance is approved at the next statewide general election under subsection (2)*  
 16 *of this section, [and the allowance concerns an entity described in subsection (1)(c) to (f) of this*  
 17 *section,] the commission shall begin licensing the premises to which the allowance applies on the*  
 18 *first business day of the January immediately following the date of the next statewide general*  
 19 *election.*

20 (6) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under  
 21 this section that prohibits the establishment of an entity described in subsection (1) of this section  
 22 may not impose a tax or fee on the production, processing or sale of marijuana or any product into  
 23 which marijuana has been incorporated.

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

26 *[(a) Is registered under ORS 475B.450 on or before the date on which the governing body adopts*  
 27 *the ordinance; and]*

28 *[(b) Has successfully completed a city or county land use application process.]*

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

31 *[(a) Is registered under ORS 475B.435 on or before the date on which the governing body adopts*  
 32 *the ordinance; and]*

33 *[(b) Has successfully completed a city or county land use application process.]*

34 **SECTION 129.** Section 30, chapter 24, Oregon Laws 2016, as amended by section 113 of this  
 35 2017 Act, is amended to read:

36 **Sec. 30.** (1) The governing body of a city or county may repeal an ordinance that prohibits the  
 37 establishment of any one or more of the following in the area subject to the jurisdiction of the city  
 38 or in the unincorporated area subject to the jurisdiction of the county:

39 *[(a) Marijuana processing sites registered under ORS 475B.435;]*

40 *[(b) Medical marijuana dispensaries registered under ORS 475B.450;]*

41 *[(c)] (a) Marijuana producers that hold a license issued under ORS 475B.070;*

42 *[(d)] (b) Marijuana processors that hold a license issued under ORS 475B.090;*

43 *[(e)] (c) Marijuana wholesalers that hold a license issued under ORS 475B.100;*

44 *[(f)] (d) Marijuana retailers that hold a license issued under ORS 475B.110; or*

45 *[(g)] (e) Any combination of the entities described in this subsection.*

1 (2) If the governing body of a city or county repeals an ordinance under this section, the gov-  
 2 erning body must provide the text of the ordinance[:] **to the Oregon Liquor and Cannabis Com-**  
 3 **mission, in a form and manner prescribed by the commission.**

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

7 [(b) to the Oregon Liquor and Cannabis Commission, in a form and manner prescribed by the  
 8 commission, if the ordinance concerns a premises for which a license has been issued under ORS  
 9 475B.010 to 475B.395.]

10 **SECTION 130.** Section 33, chapter 24, Oregon Laws 2016, is amended to read:

11 **Sec. 33.** (1) As used in this section, “designated primary caregiver,” “immature marijuana  
 12 plant,” “marijuana,” “medical cannabinoid product” and “registry identification cardholder” have  
 13 the meanings given those terms in ORS 475B.410.

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

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

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

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

21 (B) Jointly possess [*up to six*] mature marijuana plants **in the quantity specified in** [*under*] ORS  
 22 475B.428 [*(1)*]; or

23 (C) Jointly possess [*up to 24 ounces of*] usable marijuana **in the quantity specified in** [*under*]  
 24 ORS 475B.430 [*(1)*].

25 **SECTION 131.** Section 2, chapter 83, Oregon Laws 2016, as amended by section 86 of this 2017  
 26 Act, is amended to read:

27 **Sec. 2.** (1) As used in this section, “designated primary caregiver[.]” [*“marijuana processing*  
 28 *site,” “medical marijuana dispensary”*] and “registry identification cardholder” have the meanings  
 29 given those terms in ORS 475B.410.

30 (2) To produce marijuana for medical purposes, a marijuana producer that holds a license issued  
 31 under ORS 475B.070 must register with the Oregon Liquor and Cannabis Commission under this  
 32 section.

33 (3) The commission shall register a marijuana producer for the purpose of producing marijuana  
 34 for medical purposes if the marijuana producer:

35 (a) Holds a license issued under ORS 475B.070;

36 (b) Meets any qualifications adopted by the commission by rule;

37 (c) Applies to the commission in a form and manner prescribed by the commission; and

38 (d) Pays any fee adopted by the commission by rule.

39 (4)(a) A marijuana producer registered under this section may produce marijuana for a registry  
 40 identification cardholder, and provide usable marijuana to the registry identification cardholder or  
 41 to the designated primary caregiver of the registry identification cardholder, if the marijuana pro-  
 42 ducer enters into an agreement with the registry identification cardholder for whom the marijuana  
 43 producer is producing the marijuana. An agreement entered into under this subsection:

44 (A) Must be submitted to the commission in a manner prescribed by the commission;

45 (B) Except as provided in subparagraph (C) of this paragraph, may not allow the marijuana

1 producer to be compensated for producing the marijuana or providing the usable marijuana;

2 (C) May require a registry identification cardholder, or a designated primary caregiver on behalf  
3 of a registry identification cardholder, to reimburse a marijuana producer for all costs associated  
4 with producing marijuana for the registry identification cardholder or providing usable marijuana  
5 to the registry identification cardholder or designated primary caregiver;

6 (D) May not allow the marijuana producer to produce for the registry identification cardholder  
7 an amount of mature marijuana plants that exceeds the amount that a registry identification  
8 cardholder and [a] **the designated primary caregiver of the registry identification cardholder** may  
9 jointly possess under ORS 475B.428;

10 (E) May not allow the marijuana producer to provide to the registry identification cardholder  
11 **or designated primary caregiver** an amount of usable marijuana that exceeds the amount that a  
12 registry identification cardholder and [a] **the designated primary caregiver of the registry iden-**  
13 **tification cardholder** may jointly possess under ORS 475B.430; and

14 (F) May allow the marijuana producer to keep a portion of the usable marijuana harvested from  
15 the marijuana produced for the registry identification cardholder for the purposes of:

16 (i) Providing usable marijuana to additional registry identification cardholders or designated  
17 primary caregivers; and

18 (ii) Transferring or selling usable marijuana to [*marijuana processing sites or medical marijuana*  
19 *dispensaries.*] **marijuana processors that hold a license issued under ORS 475B.090 and that**  
20 **are registered under section 3, chapter 83, Oregon Laws 2016, marijuana wholesalers that**  
21 **hold a license issued under ORS 475B.100 and that are registered under section 4, chapter**  
22 **83, Oregon Laws 2016 and marijuana retailers that hold a license issued under ORS 475B.110**  
23 **and that are registered under section 5, chapter 83, Oregon Laws 2016.**

24 (c) Marijuana produced [*for a registry identification cardholder,*] and usable marijuana trans-  
25 ferred or sold [*to a marijuana processing site or medical marijuana dispensary, pursuant to an*  
26 *agreement entered into*] under this subsection must be tracked by the system developed and main-  
27 tained under ORS 475B.150.

28 (d)(A) Upon request by the commission, the Oregon Health Authority shall provide the commis-  
29 sion, notwithstanding any laws relating to the confidentiality of information under ORS 475B.460  
30 [*and 475B.462*], with the registration information of:

31 (i) A registry identification cardholder who enters into an agreement under this subsection; or

32 (ii) A registry identification cardholder[,] **or** designated primary caregiver[, *marijuana processing*  
33 *site or medical marijuana dispensary that*] **who** receives usable marijuana pursuant to an agreement  
34 entered into under this subsection.

35 (B) Registration information received by the commission under this paragraph that is confiden-  
36 tial and not subject to public disclosure under ORS 475B.460 [*and 475B.462*] remains confidential and  
37 not subject to public disclosure after being provided to the commission.

38 (e) Marijuana produced pursuant to an agreement entered into under this subsection is not  
39 subject to rules restricting the size of mature marijuana plant grow canopies adopted by the com-  
40 mission under ORS 475B.075.

41 (5)(a) The commission shall adopt rules necessary to administer this section, including rules:

42 (A) For the equitable conversion of a number of mature marijuana plants to a size of mature  
43 marijuana plant grow canopy;

44 (B) Limiting the amount of marijuana that may be produced under [*section*] **subsection** (4) of  
45 this section;

1 (C) Limiting the amount of usable marijuana that may be provided, transferred or sold under  
2 subsection (4)(a)(F) of this section;

3 (D) Limiting the number of registry identification cardholders for whom a marijuana producer  
4 registered under this section may produce marijuana; and

5 (E) Prohibiting a registry identification cardholder from entering into more than one agreement  
6 with a marijuana producer registered under this section.

7 (b) The rules must provide that any fee adopted by the commission under subsection (3)(d) of this  
8 section be in an amount reasonably calculated to not exceed, together with other fees collected  
9 under ORS 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395.

10 **SECTION 132.** Section 2, chapter 97, Oregon Laws 2016, as amended by section 117 of this 2017  
11 Act, is amended to read:

12 **Sec. 2.** A financial institution that provides financial services customarily provided by financial  
13 institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank  
14 Act or by ORS chapter 723 to [*a marijuana processing site registered under ORS 475B.435, a medical*  
15 *marijuana dispensary registered under ORS 475B.450,*] a marijuana producer that holds a license is-  
16 sued under ORS 475B.070, a marijuana processor that holds a license issued under ORS 475B.090,  
17 a marijuana wholesaler that holds a license issued under ORS 475B.100, a marijuana retailer that  
18 holds a license issued under ORS 475B.110, a laboratory that holds a license issued under ORS  
19 475B.560 or a person to whom a permit has been issued under ORS 475B.218 is exempt from any  
20 criminal law of this state an element of which may be proven by substantiating that a person pro-  
21 vides financial services customarily provided by financial institutions pursuant to powers granted  
22 by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person that  
23 possesses, delivers or manufactures marijuana or marijuana-derived products.

24 **SECTION 133.** Section 6, chapter 97, Oregon Laws 2016, is amended to read:

25 **Sec. 6.** Information received by a financial institution under section 3[, 4] or 5 [*of this 2016*  
26 *Act*], **chapter 97, Oregon Laws 2016**, is confidential for purposes of ORS 717.200 to 717.320, 717.900  
27 and 717.905, the Bank Act and ORS chapter 723. Except as otherwise required or permitted by the  
28 provisions of ORS 192.583 to 192.607, 717.200 to 717.320, 717.900 and 717.905, or the Bank Act or  
29 ORS chapter 723, or by other state law or rule or federal law or regulation, a financial institution  
30 may not make the information available to any person other than:

31 (1) The customer to whom the information applies; and

32 (2) A trustee, conservator, guardian, personal representative or agent of the customer to whom  
33 the information applies.

34  
35 (Repeals)  
36 (Operative June 30, 2018)

37  
38 **SECTION 134.** ORS 475B.580, 475B.640 and 475B.650 and section 4, chapter 97, Oregon  
39 Laws 2016, are repealed.

40  
41 **AMENDMENTS CHANGING NAME OF COMMISSION**  
42 **EFFECTIVE 91ST DAY AFTER ADJOURNMENT SINE DIE**

43  
44 **SECTION 135.** ORS 25.750 is amended to read:

45 25.750. (1) All licenses, certificates, permits or registrations that a person is required by state

1 law to possess in order to engage in an occupation or profession or to use a particular occupational  
2 or professional title, all annual licenses issued to individuals by the Oregon Liquor [*Control*] **and**  
3 **Cannabis** Commission, all driver licenses or permits issued by the Department of Transportation and  
4 recreational hunting and fishing licenses, as defined by rule of the Department of Justice, are sub-  
5 ject to suspension by the respective issuing entities upon certification to the issuing entity by the  
6 administrator that a child support case record is being maintained by the Department of Justice,  
7 that the case is being enforced by the administrator under the provisions of ORS 25.080 and that  
8 one or both of the following conditions apply:

9 (a) That the party holding the license, certificate, permit or registration is in arrears under any  
10 child support judgment or order, in an amount equal to the greater of three months of support or  
11 \$2,500, and:

12 (A) Has not entered into an agreement with the administrator with respect to the child support  
13 obligation; or

14 (B) Is not in compliance with an agreement entered into with the administrator; or

15 (b) That the party holding the license, certificate, permit or registration has failed, after re-  
16 ceiving appropriate notice, to comply with a subpoena or other procedural order relating to a  
17 paternity or child support proceeding and:

18 (A) Has not entered into an agreement with the administrator with respect to compliance; or

19 (B) Is not in compliance with such an agreement.

20 (2) The Department of Justice by rule shall specify the conditions and terms of agreements,  
21 compliance with which precludes the suspension of the license, certificate, permit or registration.

22 **SECTION 136.** ORS 25.756 is amended to read:

23 25.756. The Department of Justice shall enter into agreements regarding the identification of  
24 persons who are subject to the provisions of ORS 25.750 to 25.783 and who hold licenses, certificates,  
25 permits or registrations with:

26 (1) The Oregon Liquor [*Control*] **and Cannabis** Commission;

27 (2) All entities that issue licenses, certificates, permits or registrations that a person is required  
28 by state law to possess to engage in an occupation, profession or recreational hunting or fishing or  
29 to use a particular occupational or professional title; and

30 (3) The Department of Transportation.

31 **SECTION 137.** ORS 25.780 is amended to read:

32 25.780. In addition to any other grounds for suspension provided by law:

33 (1) The Oregon Liquor [*Control*] **and Cannabis** Commission and any entity that issues licenses,  
34 certificates, permits or registrations that a person is required by state law to possess to engage in  
35 an occupation, profession or recreational hunting or fishing or to use a particular occupational or  
36 professional title shall suspend without further hearing the licenses, certificates, permits or regis-  
37 trations of a person upon certification by the administrator that the person is subject to an order  
38 suspending the license, certificate, permit or registration. The certification must include the infor-  
39 mation specified in ORS 25.750 (1).

40 (2) The Department of Transportation shall suspend without further hearing the driver license  
41 or driver permit of a person upon certification by the administrator that the person is subject to  
42 an order suspending the license or permit. The certification must include the information specified  
43 in ORS 25.750 (1).

44 **SECTION 138.** ORS 165.117 is amended to read:

45 165.117. (1) Before completing a transaction, a scrap metal business engaged in business in this

1 state shall:

2 (a) Create a metal property record for the transaction at the time and in the location where the  
3 transaction occurs. The record must:

4 (A) Be accurate and written clearly and legibly in English;

5 (B) Be entered onto a standardized printed form or an electronic form that is securely stored  
6 and is capable of ready retrieval and printing; and

7 (C) Contain all of the following information:

8 (i) The signature of the individual with whom the scrap metal business conducts the transaction.

9 (ii) The time, date, location and monetary amount or other value of the transaction.

10 (iii) The name of the employee who conducts the transaction on behalf of the scrap metal busi-  
11 ness.

12 (iv) The name and telephone number of the individual with whom the scrap metal business  
13 conducts the transaction and a street address or, if a post office box is listed on the government-  
14 issued photo identification described in sub-subparagraph (vi) of this subparagraph, a post office box,  
15 to which the scrap metal business will mail payment to the individual.

16 (v) A description of, and the license number and issuing state shown on the license plate affixed  
17 to, the motor vehicle, if any, used to transport the individual who conducts, or the nonferrous metal  
18 property or private metal property that is the subject of, the transaction.

19 (vi) A photocopy of a current, valid driver license or other government-issued photo identifica-  
20 tion belonging to the individual with whom the scrap metal business conducts the transaction.

21 (vii) A photograph of, or video surveillance recording depicting, a recognizable facial image of  
22 the individual with whom the scrap metal business conducts the transaction.

23 (viii) A general description of the nonferrous metal property or private metal property that  
24 constitutes the predominant part of the transaction. The description must include any identifiable  
25 marks on the property, if readily discernible, and must specify the weight, quantity or volume of the  
26 nonferrous metal property or private metal property.

27 (b) Require the individual with whom the scrap metal business conducts a transaction to sign  
28 and date a declaration printed in conspicuous type, either on the record described in this subsection  
29 or on a receipt issued to the individual with whom the scrap metal business conducts the trans-  
30 action, that states:

31 \_\_\_\_\_  
32  
33 I, \_\_\_\_\_, AFFIRM UNDER PENALTY OF LAW THAT THE PROPERTY I AM  
34 SELLING IN THIS TRANSACTION IS NOT, TO THE BEST OF MY KNOWLEDGE, STOLEN  
35 PROPERTY.  
36 \_\_\_\_\_

37  
38 (c) Require the employee of the scrap metal business who conducts the transaction on behalf  
39 of the scrap metal business to witness the individual sign the declaration, and also to sign and date  
40 the declaration in a space provided for that purpose.

41 (d) For one year following the date of the transaction, keep a copy of the record and the signed  
42 and dated declaration described in this subsection. If the scrap metal business uses a video surveil-  
43 lance recording as part of the record kept in accordance with this subsection, the scrap metal  
44 business need not keep the video surveillance recording for one year, but shall retain the video  
45 surveillance recording for a minimum of 30 days following the date of the transaction. The scrap

1 metal business shall at all times keep the copies at the current place of business for the scrap metal  
 2 business.

3 (2) A scrap metal business engaged in business in this state may not do any of the following:

4 (a) Purchase or receive kegs or similar metallic containers used to store or dispense alcoholic  
 5 beverages, except from a person that manufactures the kegs or containers or from a person licensed  
 6 by the Oregon Liquor [*Control*] **and Cannabis** Commission under ORS 471.155.

7 (b) Conduct a transaction with an individual if the individual does not at the time of the trans-  
 8 action consent to the creation of the record described in subsection (1) of this section and produce  
 9 for inspection a valid driver license or other government-issued photo identification that belongs to  
 10 the individual.

11 (c) Conduct a transaction with an individual in which the scrap metal business pays the indi-  
 12 vidual other than by electronic funds transfer, stored value card or stored value device, or by  
 13 mailing a nontransferable check, made payable to the individual, for the amount of the transaction  
 14 to the street address or post office box the individual provided under subsection (1)(a)(C)(iv) of this  
 15 section. Payment must be made not earlier than three business days after the date of the trans-  
 16 action. The check, electronic funds transfer or stored value device must be drawn on or must draw  
 17 from an account that the scrap metal business maintains with a financial institution, as defined in  
 18 ORS 706.008. A stored value card may be issued by a money transmission business licensed under  
 19 ORS 717.200 to 717.320 or exempt from the licensing requirement under ORS 717.210.

20 (d) Purchase metal property from a nonprofit corporation other than by electronic funds trans-  
 21 fer, stored value card or stored value device, or by mailing a nontransferable check, made payable  
 22 to the nonprofit corporation, for the amount of the purchase price to the business address provided  
 23 under subsection (4)(a)(B) of this section. Payment must be made not earlier than three business days  
 24 after the date of the purchase. The check, electronic funds transfer or stored value device must be  
 25 drawn on or must draw from an account that the scrap metal business maintains with a financial  
 26 institution, as defined in ORS 706.008. A stored value card may be issued by a money transmission  
 27 business licensed under ORS 717.200 to 717.320 or exempt from the licensing requirement under ORS  
 28 717.210.

29 (e) Cash or release a check issued in payment for a transaction or for a purchase described in  
 30 paragraph (d) of this subsection other than as provided in this paragraph or paragraph (c) or (d) of  
 31 this subsection. If a check is not delivered to the intended recipient within 10 days of the date of  
 32 the transaction or the purchase, the scrap metal business may release the check directly to the in-  
 33 dividual or nonprofit corporation with the written approval of a law enforcement agency having ju-  
 34 risdiction over the scrap metal business. If a check is returned as undelivered or undeliverable, the  
 35 scrap metal business shall:

36 (A) Release the check directly to the individual or nonprofit corporation with the written ap-  
 37 proval of a law enforcement agency having jurisdiction over the scrap metal business; or

38 (B) Retain the check until the individual or nonprofit corporation to which the check was mailed  
 39 provides a valid address in accordance with subsection (1)(a)(C)(iv) or (4)(a)(B) of this section. If af-  
 40 ter 30 days following the date of the transaction or the purchase described in paragraph (d) of this  
 41 subsection the individual or nonprofit corporation fails to provide a valid address, the scrap metal  
 42 business may cancel the check and the individual or nonprofit corporation shall forfeit to the scrap  
 43 metal business the amount due as payment.

44 (3) If a scrap metal business obtains the approval of a law enforcement agency under subsection  
 45 (2)(e) of this section, the scrap metal business shall retain the written approval for one year fol-



1     lowing the date the approval is received.

2             (4) Before purchasing or receiving metal property from a commercial seller, a scrap metal busi-  
3     ness shall:

4             (a) Create and maintain a commercial account with the commercial seller. As part of the com-  
5     mercial account, the scrap metal business shall enter accurately, clearly and legibly in English onto  
6     a standardized printed form, or an electronic form that is securely stored and is capable of ready  
7     retrieval and printing, the following information:

8             (A) The full name of the commercial seller;

9             (B) The business address and telephone number of the commercial seller; and

10            (C) The full name of each employee, agent or other individual the commercial seller authorizes  
11     to receive payment for metal property from the scrap metal business.

12            (b) Record as part of the commercial account at the time the scrap metal business purchases  
13     or receives metal property from a commercial seller the following information:

14            (A) The time, date and location at which the commercial seller delivered the metal property for  
15     purchase or receipt;

16            (B) The monetary amount or other value of the metal property;

17            (C) A description of the type of metal property that constitutes the predominant part of the  
18     purchase or receipt; and

19            (D) The signature of the individual who delivered the metal property to the scrap metal busi-  
20     ness.

21            (5) A scrap metal business may require an individual from whom the business obtains metal  
22     property to provide the individual's thumbprint to the scrap metal business.

23            (6) A scrap metal business shall make all records and accounts required to be maintained under  
24     this section available to any peace officer on demand.

25            (7)(a) Violation of this section is a specific fine violation, and the presumptive fine for the vio-  
26     lation is \$1,000.

27            (b) Notwithstanding paragraph (a) of this subsection, the presumptive fine for a violation of a  
28     provision of this section is \$5,000 if the scrap metal business has at least three previous convictions  
29     for violations of a provision of this section.

30            **SECTION 139.** ORS 165.805 is amended to read:

31            165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

32            (a) Being less than a certain, specified age, the person knowingly purports to be of any age other  
33     than the true age of the person with the intent of securing a right, benefit or privilege which by law  
34     is denied to persons under that certain, specified age; or

35            (b) Being unmarried, the person knowingly represents that the person is married with the intent  
36     of securing a right, benefit or privilege which by law is denied to unmarried persons.

37            (2) Misrepresentation of age by a minor is a Class C misdemeanor.

38            (3) In addition to and not in lieu of any other penalty established by law, a person who, using  
39     a driver permit or license or other identification issued by the Department of Transportation of this  
40     state or its equivalent in another state, commits the crime of misrepresentation of age by a minor  
41     in order to purchase or consume alcoholic liquor may be required to perform community service and  
42     the court shall order that the person's driving privileges and right to apply for driving privileges  
43     be suspended for a period not to exceed one year. If a court has issued an order suspending driving  
44     privileges under this section, the court, upon petition of the person, may withdraw the order at any  
45     time the court deems appropriate. The court notification to the department under this subsection

1 may include a recommendation that the person be granted a hardship permit under ORS 807.240 if  
 2 the person is otherwise eligible for the permit.

3 (4) The prohibitions of this section do not apply to any person acting under the direction of the  
 4 Oregon Liquor [*Control*] **and Cannabis** Commission or a regulatory specialist or under the direction  
 5 of state or local law enforcement agencies for the purpose of investigating possible violations of  
 6 laws prohibiting sales of alcoholic beverages to persons who are under a certain, specified age.

7 (5) The prohibitions of this section do not apply to a person under the age of 21 years who is  
 8 acting under the direction of a licensee for the purpose of investigating possible violations by em-  
 9 ployees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the  
 10 age of 21 years.

11 **SECTION 140.** ORS 167.402 is amended to read:

12 167.402. (1) As used in this section, “vending machine” means a mechanical, electronic or similar  
 13 device that, upon the insertion of tokens, money or another form of payment, dispenses tobacco  
 14 products or inhalant delivery systems.

15 (2) A person may not sell or dispense tobacco products or inhalant delivery systems from a  
 16 vending machine, except in an establishment where the premises are permanently and entirely off-  
 17 limits to minors under rules adopted by the Oregon Liquor [*Control*] **and Cannabis** Commission.

18 (3) A person who violates this section commits a Class B violation. Each day that the person  
 19 commits the violation constitutes a separate offense.

20 **SECTION 141.** ORS 181A.010 is amended to read:

21 181A.010. As used in ORS 181A.010 to 181A.350, unless the context requires otherwise:

22 (1) “Criminal justice agency” means:

23 (a) The Governor;

24 (b) Courts of criminal jurisdiction;

25 (c) The Attorney General;

26 (d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees  
 27 of the office of public defense services and nonprofit public defender organizations established under  
 28 contract with the Public Defense Services Commission;

29 (e) Law enforcement agencies;

30 (f) The Department of Corrections;

31 (g) The Oregon Youth Authority;

32 (h) The State Board of Parole and Post-Prison Supervision;

33 (i) The Department of Public Safety Standards and Training;

34 (j) The enforcement division of the Oregon Liquor [*Control*] **and Cannabis** Commission in per-  
 35 forming duties related to investigating and enforcing the criminal laws of this state that the com-  
 36 mission is charged to enforce;

37 (k) Regional information systems that share programs to track, identify and remove cross-  
 38 jurisdictional criminal and terrorist conspiracies; and

39 (L) Any other state or local agency with law enforcement authority.

40 (2) “Criminal offender information” includes records and related data as to physical description  
 41 and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders  
 42 and alleged offenders, records of arrests and the nature and disposition of criminal charges, includ-  
 43 ing sentencing, confinement, parole and release.

44 (3) “Department” means the Department of State Police established under ORS 181A.015.

45 (4) “Deputy superintendent” means the Deputy Superintendent of State Police appointed under

1 ORS 181A.035.

2 (5) “Designated agency” means any state, county or municipal government agency where Oregon  
 3 criminal offender information is required to implement a federal or state statute, executive order  
 4 or administrative rule that expressly refers to criminal conduct and contains requirements or ex-  
 5 clusions expressly based on such conduct or for agency employment purposes, licensing purposes or  
 6 other demonstrated and legitimate needs when designated by order of the Governor.

7 (6) “Disposition report” means a form or process prescribed or furnished by the department,  
 8 containing a description of the ultimate action taken subsequent to an arrest.

9 (7) “Law enforcement agency” means:

10 (a) County sheriffs, municipal police departments, police departments established by a university  
 11 under ORS 352.121 or 353.125 and state police;

12 (b) Other police officers of this state or another state, including humane special agents as de-  
 13 fined in ORS 181A.345;

14 (c) A tribal government as defined in ORS 181A.680 that employs authorized tribal police officers  
 15 as defined in ORS 181A.680; and

16 (d) Law enforcement agencies of the federal government.

17 (8) “State police” means the sworn members of the state police force appointed under ORS  
 18 181A.050.

19 (9) “Superintendent” means the Superintendent of State Police appointed under ORS 181A.030.

20 **SECTION 142.** ORS 181A.265, as amended by section 40, chapter 117, Oregon Laws 2016, is  
 21 amended to read:

22 181A.265. (1) The Department of State Police or another criminal justice agency that the State  
 23 Chief Information Officer designates shall operate a Criminal Justice Information Standards program  
 24 that coordinates information among state criminal justice agencies. The program must:

25 (a) Ensure that in developing new information systems, data can be retrieved to support evalu-  
 26 ating criminal justice planning and programs, including, but not limited to, evaluating the ability  
 27 of the programs to reduce future criminal conduct;

28 (b) Ensure that maximum effort is made for the safety of public safety officers;

29 (c) Establish methods and standards for data interchange and information access between crim-  
 30 inal justice information systems, in compliance with information technology rules, policies and  
 31 standards that the State Chief Information Officer adopts;

32 (d) Design and implement improved applications for exchange of agency information; and

33 (e) Implement the capability to exchange images between criminal justice agencies.

34 (2) The program shall develop a plan to accelerate data sharing and information integration  
 35 among criminal justice agencies. The plan must include, but is not limited to including, priorities,  
 36 timelines, development costs, resources needed, the projected ongoing cost of support, critical suc-  
 37 cess factors and any known barriers to accomplishing the plan. The plan must align with and sup-  
 38 port the Enterprise Information Resources Management Strategy described in ORS 291.039.  
 39 Representatives of criminal justice agencies and public safety agencies, including but not limited to  
 40 local law enforcement agencies, courts of criminal jurisdiction, district attorneys, city attorneys  
 41 with criminal prosecutive functions, public defender organizations established under ORS chapter  
 42 151, community corrections directors, jail managers and county juvenile departments, shall be in-  
 43 vited to participate in the planning process. The program shall present the plan to the State Chief  
 44 Information Officer no later than May 30 of each even-numbered year for development of the  
 45 Governor’s budget. The program shall submit the plan to the Joint Legislative Committee on Infor-

1 mation Management and Technology no later than December 31 of each even-numbered year.

2 (3) Notwithstanding the meaning given “criminal justice agency” in ORS 181A.010, as used in  
 3 this section and ORS 181A.270, “criminal justice agency” includes, but is not limited to:

- 4 (a) The Judicial Department;
- 5 (b) The Attorney General;
- 6 (c) The Department of Corrections;
- 7 (d) The Department of State Police;
- 8 (e) Any other state agency with law enforcement authority designated by order of the Governor;
- 9 (f) The Department of Transportation;
- 10 (g) The State Board of Parole and Post-Prison Supervision;
- 11 (h) The Department of Public Safety Standards and Training;
- 12 (i) The State Department of Fish and Wildlife;
- 13 (j) The Oregon Liquor [*Control*] **and Cannabis** Commission;
- 14 (k) The Oregon Youth Authority;
- 15 (L) The Youth Development Division; and
- 16 (m) A university that has established a police department under ORS 352.121 or 353.125.

17 **SECTION 143.** ORS 181A.275 is amended to read:

18 181A.275. (1) There is established a Criminal Justice Information Standards Advisory Board to  
 19 advise the Department of State Police or the criminal justice agency that the State Chief Informa-  
 20 tion Officer designates under ORS 181A.265 (1) about the department’s or the agency’s duties under  
 21 ORS 181A.265. The board consists of the following members:

- 22 (a) The State Court Administrator or the administrator’s designee;
- 23 (b) The Director of the Department of Corrections or the director’s designee;
- 24 (c) The Superintendent of State Police or the superintendent’s designee;
- 25 (d) The executive director of the Oregon Criminal Justice Commission or the executive  
 26 director’s designee;
- 27 (e) The Director of Transportation or the director’s designee;
- 28 (f) The chairperson of the State Board of Parole and Post-Prison Supervision or the  
 29 chairperson’s designee;
- 30 (g) The Director of the Department of Public Safety Standards and Training or the director’s  
 31 designee;
- 32 (h) A chief of police designated by the Oregon Association Chiefs of Police;
- 33 (i) A sheriff designated by the Oregon State Sheriffs’ Association;
- 34 (j) A jail manager designated by the Oregon Sheriff’s Jail Command Council;
- 35 (k) A county juvenile department director designated by the Oregon Juvenile Department  
 36 Directors’ Association;
- 37 (L) A community corrections agency director designated by the Oregon Association of Commu-  
 38 nity Corrections Directors;
- 39 (m) A district attorney designated by the Oregon District Attorneys Association;
- 40 (n) The State Chief Information Officer or the State Chief Information Officer’s designee;
- 41 (o) The Director of the Oregon Youth Authority or the director’s designee;
- 42 (p) The State Fish and Wildlife Director or the director’s designee;
- 43 (q) The administrator of the Oregon Liquor [*Control*] **and Cannabis** Commission or the  
 44 administrator’s designee; and
- 45 (r) The Youth Development Director or the director’s designee.

1 (2) The board shall meet at such times and places as the board deems necessary.

2 (3) The members of the board are not entitled to compensation but are entitled to expenses as  
3 provided in ORS 292.495.

4 **SECTION 144.** ORS 181A.355 is amended to read:

5 181A.355. As used in ORS 181A.355 to 181A.670, unless the context requires otherwise:

6 (1) "Abuse" has the meaning given that term in ORS 107.705.

7 (2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to  
8 ORS 181A.360.

9 (3) "Certified reserve officer" means a reserve officer who has been designated by a local law  
10 enforcement unit, has received training necessary for certification and has met the minimum stan-  
11 dards and training requirements established under ORS 181A.410.

12 (4) "Commissioned" means being authorized to perform various acts or duties of a police officer,  
13 certified reserve officer or reserve officer and acting under the supervision and responsibility of a  
14 county sheriff or as otherwise provided by law.

15 (5) "Corrections officer" means an officer or member employed full-time by a law enforcement  
16 unit who:

17 (a) Is charged with and primarily performs the duty of custody, control or supervision of indi-  
18 viduals convicted of or arrested for a criminal offense and confined in a place of incarceration or  
19 detention other than a place used exclusively for incarceration or detention of juveniles; or

20 (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and  
21 has supervisory or management authority for corrections officers described in paragraph (a) of this  
22 subsection.

23 (6) "Department" means the Department of Public Safety Standards and Training.

24 (7) "Director" means the Director of the Department of Public Safety Standards and Training.

25 (8) "Domestic violence" means abuse between family or household members.

26 (9) "Emergency medical dispatcher" means a person who has responsibility to process requests  
27 for medical assistance from the public or to dispatch medical care providers.

28 (10) "Family or household members" has the meaning given that term in ORS 107.705.

29 (11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member  
30 of a public or private fire protection agency that is engaged primarily in fire investigation, fire  
31 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light  
32 and heavy rescue services, search and rescue services or hazardous materials incident response.  
33 "Fire service professional" does not mean forest fire protection agency personnel.

34 (12) "Law enforcement unit" means:

35 (a) A police force or organization of the state, a city, university that has established a police  
36 department under ORS 352.121 or 353.125, port, school district, mass transit district, county, county  
37 service district authorized to provide law enforcement services under ORS 451.010, tribal govern-  
38 ment as defined in ORS 181A.680 that employs authorized tribal police officers as defined in ORS  
39 181A.680, the Criminal Justice Division of the Department of Justice, the Department of Corrections,  
40 the Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Ju-  
41 dicial Department or common carrier railroad the primary duty of which, as prescribed by law, or-  
42 dinance or directive, is one or more of the following:

43 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating  
44 to airport security;

45 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal

1 offense and confined to a place of incarceration or detention other than a place used exclusively for  
 2 incarceration or detention of juveniles; or

3 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced  
 4 to probation and investigation of adult offenders on parole or probation or being considered for  
 5 parole or probation;

6 (b) A police force or organization of a private entity with a population of more than 1,000 resi-  
 7 dents in an unincorporated area the employees of which are commissioned by a county sheriff;

8 (c) A district attorney’s office;

9 (d) The Oregon Liquor [*Control*] **and Cannabis** Commission with regard to regulatory special-  
 10 ists; or

11 (e) A humane investigation agency as defined in ORS 181A.340.

12 (13) “Parole and probation officer” means:

13 (a) An officer who is employed full-time by the Department of Corrections, a county or a court  
 14 and who is charged with and performs the duty of:

15 (A) Community protection by controlling, investigating, supervising and providing or making  
 16 referrals to reformative services for adult parolees or probationers or offenders on post-prison  
 17 supervision; or

18 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-  
 19 bation; or

20 (b) An officer who:

21 (A) Is certified and has been employed as a full-time parole and probation officer for more than  
 22 one year;

23 (B) Is employed part-time by the Department of Corrections, a county or a court; and

24 (C) Is charged with and performs the duty of:

25 (i) Community protection by controlling, investigating, supervising and providing or making re-  
 26 ferrals to reformative services for adult parolees or probationers or offenders on post-prison super-  
 27 vision; or

28 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-  
 29 bation.

30 (14) “Police officer” means:

31 (a) An officer, member or employee of a law enforcement unit employed full-time as a peace of-  
 32 ficer who is:

33 (A) Commissioned by a city, port, school district, mass transit district, county, county service  
 34 district authorized to provide law enforcement services under ORS 451.010, tribal government as  
 35 defined in ORS 181A.680, the Criminal Justice Division of the Department of Justice, the Oregon  
 36 State Lottery Commission, a university that has established a police department under ORS 352.121  
 37 or 353.125, the Governor or the Department of State Police; and

38 (B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to  
 39 airport security;

40 (b) An investigator of a district attorney’s office if the investigator is or has been certified as  
 41 a peace officer in this or another state;

42 (c) A humane special agent commissioned under ORS 181A.340;

43 (d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181A.540; or

44 (e) An authorized tribal police officer as defined in ORS 181A.680.

45 (15) “Public or private safety agency” means a unit of state or local government, a special pur-

1 pose district or a private firm that provides, or has authority to provide, fire fighting, police, am-  
 2 bulance or emergency medical services.

3 (16) "Public safety personnel" and "public safety officer" include corrections officers, youth  
 4 correction officers, emergency medical dispatchers, parole and probation officers, police officers,  
 5 certified reserve officers, reserve officers, telecommunicators, regulatory specialists and fire service  
 6 professionals.

7 (17) "Regulatory specialist" has the meaning given that term in ORS 471.001.

8 (18) "Reserve officer" means an officer or member of a law enforcement unit who is:

9 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,  
 10 school district, mass transit district, county, county service district authorized to provide law  
 11 enforcement services under ORS 451.010, tribal government as defined in ORS 181A.680, the Crimi-  
 12 nal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a univer-  
 13 sity that has established a police department under ORS 352.121 or 353.125, the Governor or the  
 14 Department of State Police;

15 (b) Armed with a firearm; and

16 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-  
 17 nances relating to airport security.

18 (19) "Telecommunicator" means a person employed as an emergency communications worker as  
 19 defined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing  
 20 and transmitting public safety information received through the emergency communications system  
 21 as defined in ORS 403.105.

22 (20) "Youth correction officer" means an employee of the Oregon Youth Authority who is  
 23 charged with and primarily performs the duty of custody, control or supervision of youth offenders  
 24 confined in a youth correction facility.

25 **SECTION 145.** ORS 181A.550 is amended to read:

26 181A.550. (1) Except for a person who has requested and obtained an extension from the De-  
 27 partment of Public Safety Standards and Training under subsection (2) of this section, subject to  
 28 subsection (3) of this section the Oregon Liquor [*Control*] **and Cannabis** Commission may not employ  
 29 a person as a regulatory specialist for more than 18 months unless the person is a citizen of the  
 30 United States who has been certified under ORS 181A.410 as being qualified as a regulatory spe-  
 31 cialist and the certification has not:

32 (a) Lapsed; or

33 (b) Been revoked under ORS 181A.630, 181A.640 and 181A.650 (1) and not reissued under ORS  
 34 181A.630 (2).

35 (2) The department, upon the facts contained in an affidavit accompanying the request for ex-  
 36 tension, may find good cause for failure to obtain certification within the time period described in  
 37 subsection (1) of this section. If the department finds that there is good cause for the failure, the  
 38 department may extend for up to one year the period that a person may serve as a regulatory spe-  
 39 cialist without certification. The grant or denial of an extension is within the sole discretion of the  
 40 department.

41 (3) The citizenship requirement in subsection (1) of this section does not apply to a person em-  
 42 ployed as a regulatory specialist on March 16, 2012, who continues to serve as a regulatory spe-  
 43 cialist without a lapse under subsection (4) of this section.

44 (4) The certification of a regulatory specialist shall lapse after three or more consecutive months  
 45 of not being employed as a regulatory specialist unless the regulatory specialist is on leave from the

1 commission. Upon reemployment as a regulatory specialist, the person whose certification has lapsed  
 2 may apply to be certified under ORS 181A.355 to 181A.670.

3 (5) The commission shall pay the costs of training required for a regulatory specialist to be  
 4 certified by the department.

5 **SECTION 146.** ORS 181A.840 is amended to read:

6 181A.840. As used in ORS 181A.360, 181A.840 to 181A.891, 181A.895 and 181A.995:

7 (1) "Certification" means recognition by the Department of Public Safety Standards and Training  
 8 that a private security professional meets all of the qualifications listed in ORS 181A.855.

9 (2) "Executive manager" means a person:

10 (a) Who is authorized to act on behalf of a company or business in matters of licensure and  
 11 certification;

12 (b) Who is authorized to hire and terminate personnel;

13 (c) Whose primary responsibility is the management of certified private security professionals;  
 14 and

15 (d) Who has final responsibility for a company's or business's compliance with ORS 181A.840 to  
 16 181A.891.

17 (3) "Instructor" means any person who has been certified by the department as meeting the re-  
 18 quirements to provide instruction to private security providers or applicants.

19 (4) "License" means recognition by the department that an executive manager or supervisory  
 20 manager meets the requirements adopted by the Board on Public Safety Standards and Training as  
 21 necessary to provide private security services.

22 (5) "Primary responsibility" means an activity that is fundamental to, and required or expected  
 23 in, the regular course of employment and is not merely incidental to employment.

24 (6) "Private security professional" means an individual who performs, as the individual's primary  
 25 responsibility, private security services for consideration, regardless of whether the individual, while  
 26 performing the private security services, is armed or unarmed or wears a uniform or plain clothes,  
 27 and regardless of whether the individual is employed part-time or full-time to perform private secu-  
 28 rity services.

29 (7) "Private security provider" means any individual who performs the functions of a private  
 30 security professional, executive manager, supervisory manager or instructor.

31 (8) "Private security services" means the performance of at least one of the following activities:

32 (a) Observing and reporting unlawful activity.

33 (b) Preventing or detecting theft or misappropriation of goods, money or other items of value.

34 (c) Protecting individuals or property, including but not limited to proprietary information, from  
 35 harm or misappropriation.

36 (d) Controlling access to premises being protected or, with respect to a licensee of the Oregon  
 37 Liquor [*Control*] **and Cannabis** Commission, controlling access to premises at an entry to the  
 38 premises or any portion of the premises where minors are prohibited.

39 (e) Securely moving prisoners.

40 (f) Taking enforcement action by detaining persons or placing persons under arrest under ORS  
 41 133.225.

42 (g) Providing canine services for guarding premises or for detecting unlawful devices or sub-  
 43 stances.

44 (9) "Supervisory manager" means an employee of or a person supervised by an executive man-  
 45 ager who has as a primary responsibility the supervision of certified private security professionals.



1        **SECTION 147.** ORS 181A.845 is amended to read:

2        181A.845. (1) ORS 181A.840 to 181A.891 do not apply to:

3        (a) A person certified by the Department of Public Safety Standards and Training as a police  
4 officer or a parole and probation officer.

5        (b) A law enforcement officer of the United States.

6        (c) An officer or employee of this state, Oregon Health and Science University established by  
7 ORS 353.020 or the United States while performing duties of the office or employment.

8        (d) A person appointed or commissioned by the Governor to perform law enforcement or security  
9 services.

10       (e) An attorney admitted to practice law in this state while engaged in the practice of law.

11       (f) An insurance adjuster licensed in this state while performing duties authorized by the license.

12       (g) A person who monitors alarm systems that are not designed to detect threats to public safety  
13 or personal well-being.

14       (h) A person while protecting the person's property.

15       (i) A person who repairs and installs intrusion alarms while repairing or installing intrusion  
16 alarms.

17       (j) A person acting as an investigator as defined in ORS 703.401.

18       (k) A person performing crowd management or guest services, including, but not limited to, a  
19 person described as a ticket taker, an usher, a parking attendant or event staff.

20       (L) A person who has a valid service permit issued by the Oregon Liquor [*Control*] **and**  
21 **Cannabis** Commission pursuant to ORS 471.360 and who is an employee of a licensee of the com-  
22 mission when the person is performing age verification and controlling access to premises of the  
23 licensee, if the person is not:

24       (A) Armed;

25       (B) Permitted to initiate confrontational activities, including physical contact and the confis-  
26 cation of property; or

27       (C) Hired with the primary responsibility of taking enforcement action as described in ORS  
28 181A.840 (8)(f).

29       (m) A person performing security services at a facility regulated by the United States Nuclear  
30 Regulatory Commission if the facility is operated by the person's employer.

31       (n) An individual while on active duty as a member of the armed services or while performing  
32 duties as a law enforcement officer.

33       (o) An employee of a financial institution who has been designated as a security officer for the  
34 financial institution pursuant to the Bank Protection Act of 1968 (12 U.S.C. 1881 et seq.) and regu-  
35 lations adopted under the act.

36       (p) A person who provides security services as a volunteer or for de minimis consideration other  
37 than money for an event operated for the benefit of a corporation that is organized not for profit  
38 pursuant to ORS chapter 65 or any predecessor of ORS chapter 65 or that is exempt from taxation  
39 under section 501(a) of the Internal Revenue Code as an organization described in section 501(c) of  
40 the Internal Revenue Code.

41       (q) A student enrolled in a community college as defined in ORS 341.005 while engaged in non-  
42 confrontational activities that contribute to campus safety under the direct or indirect supervision  
43 of a law enforcement professional or private security professional certified or licensed by the De-  
44 partment of Public Safety Standards and Training, provided the community college has conducted  
45 a criminal background check on the student.

1 (2) The exemption provided by subsection (1)(k) of this section applies only:

2 (a) To a person who is not:

3 (A) Armed;

4 (B) Permitted to initiate confrontational activities, including physical contact and the confis-  
5 cation of property; or

6 (C) Hired with the primary responsibility of taking enforcement action as described in ORS  
7 181A.840 (8)(f);

8 (b) If there is at least one person on-site who is certified or licensed under ORS 181A.870 for  
9 every 10 or fewer uncertified persons performing the services described in subsection (1)(k) of this  
10 section;

11 (c) If any enforcement action, as described in ORS 181A.840 (8)(f), other than incidental or  
12 temporary action, is taken by or under the supervision of a person certified or licensed under ORS  
13 181A.870; and

14 (d) During the time when a crowd has assembled for the purpose of attending or taking part in  
15 an organized event, including pre-event assembly, event operation hours and post-event departure  
16 activities.

17 (3) The exemption provided by subsection (1)(L) of this section does not apply during an organ-  
18 ized event that is on a scale substantially outside the ordinary course of the licensee's business.

19 **SECTION 148.** ORS 221.770 is amended to read:

20 221.770. (1) A share of certain revenues of this state shall be apportioned among and distributed  
21 to the cities of this state for general purposes as provided in this section. A city shall not be in-  
22 cluded in apportionments or receive distributions under this section for a fiscal year commencing  
23 on July 1 unless the city:

24 (a) Elects to receive distributions under this section for the fiscal year by enactment of an or-  
25 dinance or resolution expressing that election and filing a copy of that ordinance or resolution with  
26 the Oregon Department of Administrative Services not later than July 31 of the fiscal year;

27 (b) Holds at least one public hearing, after adequate public notice, at which citizens have the  
28 opportunity to provide written and oral comment to the authority responsible for approving the  
29 proposed budget of the city for the fiscal year on the possible uses of the distributions, including  
30 offset against property tax levies by the city for the fiscal year, and certifies its compliance with  
31 this paragraph to the Oregon Department of Administrative Services not later than July 31 of the  
32 fiscal year;

33 (c) Holds at least one public hearing, after adequate public notice, at which citizens have the  
34 opportunity to provide written and oral comment to, and ask questions of, the authority responsible  
35 for adopting the budget of the city for the fiscal year on the proposed use of the distributions in  
36 relation to the entire budget of the city for the fiscal year, including possible offset of the distrib-  
37 utions against property tax levies by the city for the fiscal year, and certifies its compliance with  
38 this paragraph to the Oregon Department of Administrative Services not later than July 31 of the  
39 fiscal year; and

40 (d) Levied a property tax for the year preceding the year in which revenue sharing is due under  
41 ORS 471.810 and this section.

42 (2) Not later than 35 days after the last day of each calendar quarter ending March 31, June  
43 30, September 30 and December 31, the Oregon Liquor [*Control*] **and Cannabis** Commission shall  
44 determine the amount of the net revenue under ORS 471.805, received during the preceding calendar  
45 quarter and shall certify that amount to the Oregon Department of Administrative Services.

1 (3) In addition to amounts otherwise apportioned to cities under ORS 471.810, not later than 20  
2 days after the date the Oregon Department of Administrative Services receives a certification under  
3 subsection (2) of this section, the department shall apportion among the cities of this state in the  
4 manner provided in subsection (4) of this section an amount equal to 14 percent of the amount so  
5 certified, and shall pay to each city the amount so apportioned to the city. Payments shall be made  
6 from the Oregon Liquor [*Control*] **and Cannabis** Commission Account.

7 (4) The amount apportioned to each city under subsection (3) of this section shall be a percent-  
8 age of the total amount to be apportioned among the cities determined by dividing the adjusted  
9 population of the city by the sum of the adjusted populations of all cities. The adjusted population  
10 of a city shall be determined by multiplying the city's population by the sum of:

11 (a) The city's local consolidated property taxes per capita divided by the average consolidated  
12 property taxes per capita for all cities in the state; and

13 (b) The amount of state income per capita divided by the amount of city income per capita.

14 (5) The amount apportioned to each city shall be further limited to an amount no greater than  
15 the amount of all property taxes levied by the city during the year previous to the year in which  
16 distributions are made.

17 (6) For purposes of the formula set forth in subsection (4) of this section, "city population" is  
18 the population of a city as last determined under ORS 190.510 to 190.590.

19 (7)(a) For purposes of the formula set forth in subsection (4) of this section, "local consolidated  
20 property taxes" has the meaning given in subsection (8) of this section, for a city divided by the  
21 population of the city as last determined under ORS 190.510 to 190.590.

22 (b) The Oregon Department of Administrative Services shall determine the amounts of property  
23 taxes for each city during the fiscal year closing on June 30 preceding the fiscal year commencing  
24 on July 1 for which calendar quarter apportionments are made, and that determination shall be used  
25 for each calendar quarter apportionment for that fiscal year commencing on July 1.

26 (8) For purposes of subsection (7) of this section "consolidated property taxes" are the total of  
27 all compulsory contributions in the form of ad valorem taxes on property located within a city levied  
28 during a one-year period by the city, a county, any school district and any special governmental  
29 district for public purposes and in amounts as compiled by the Department of Revenue on the basis  
30 of application of consolidated tax rates to assessor code area valuations.

31 (9) For purposes of the formula set forth in subsection (4) of this section, "income per capita"  
32 is the estimated average annual money income of residents of this state and of residents of each city  
33 of this state, respectively, based upon the latest information available from the most recent federal  
34 decennial census.

35 (10) A city receiving a distribution under this section may return all or any part of the distrib-  
36 ution to the Oregon Department of Administrative Services, which shall deposit the returned dis-  
37 tribution or part thereof in the General Fund to be available for payment of the general expenses  
38 of the state.

39 **SECTION 149.** ORS 221.785 is amended to read:

40 221.785. (1) Notwithstanding ORS 221.770, 323.455, 366.785 to 366.820 and 471.810, when a pro-  
41 ceeding challenging the validity of the incorporation of a city is commenced before a court or ad-  
42 ministrative agency of this state within two years after the incorporation, if the court or agency  
43 determines that the incorporation is invalid, moneys otherwise payable to the city under ORS  
44 221.770, 323.455, 366.785 to 366.820 and 471.810 shall not be distributed to the city, but shall be de-  
45 posited with the State Treasurer as provided in subsection (3) of this section.

1 (2) Not later than 30 days after the issuance of an order or judgment declaring the incorporation  
 2 of a city invalid, the party challenging the incorporation shall send a certified copy of the order or  
 3 judgment to the State Treasurer, Department of Transportation, Department of Revenue and the  
 4 Oregon Liquor [Control] and Cannabis Commission.

5 (3) Upon receiving a certified copy of the order or judgment under subsection (2) of this section,  
 6 the state officer or department having responsibility for the distribution of moneys under ORS  
 7 221.770, 323.455, 366.785 to 366.820 and 471.810 shall deposit those moneys in an escrow account  
 8 administered by the State Treasurer.

9 (4) Upon final determination of the validity of an incorporation by judgment rendered by the  
 10 highest court in which a decision could be had, the moneys in the escrow account established under  
 11 subsection (3) of this section shall be distributed as follows:

12 (a) If the incorporation is determined to be valid, to the city.

13 (b) If the incorporation is determined to be invalid, each city in this state shall receive such  
 14 share of the moneys as its population bears to the total population of the cities of the state.

15 (5) The State Treasurer, upon receiving a certified copy of the judgment of the court which  
 16 constitutes the final determination of the validity of the challenged incorporation shall distribute  
 17 moneys in the escrow account as provided in subsection (4) of this section.

18 (6) The State Treasurer shall retain interest earned on moneys deposited in the escrow account  
 19 and shall distribute the interest in the same manner as other moneys in the account are distributed.

20 **SECTION 150.** ORS 238.005 is amended to read:

21 238.005. For purposes of this chapter:

22 (1) "Active member" means a member who is presently employed by a participating public em-  
 23 ployer in a qualifying position and who has completed the six-month period of service required by  
 24 ORS 238.015.

25 (2) "Annuity" means payments for life derived from contributions made by a member as provided  
 26 in this chapter.

27 (3) "Board" means the Public Employees Retirement Board.

28 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-  
 29 cember 31 following.

30 (5) "Continuous service" means service not interrupted for more than five years, except that  
 31 such continuous service shall be computed without regard to interruptions in the case of:

32 (a) An employee who had returned to the service of the employer as of January 1, 1945, and  
 33 who remained in that employment until having established membership in the Public Employees  
 34 Retirement System.

35 (b) An employee who was in the armed services on January 1, 1945, and returned to the service  
 36 of the employer within one year of the date of being otherwise than dishonorably discharged and  
 37 remained in that employment until having established membership in the Public Employees Retire-  
 38 ment System.

39 (6) "Creditable service" means any period of time during which an active member is being paid  
 40 a salary by a participating public employer and for which benefits under this chapter are funded by  
 41 employer contributions and earnings on the fund. For purposes of computing years of "creditable  
 42 service," full months and major fractions of a month shall be considered to be one-twelfth of a year  
 43 and shall be added to all full years. "Creditable service" includes all retirement credit received by  
 44 a member.

45 (7) "Earliest service retirement age" means the age attained by a member when the member

1 could first make application for retirement under the provisions of ORS 238.280.

2 (8) "Employee" includes, in addition to employees, public officers, but does not include:

3 (a) Persons engaged as independent contractors.

4 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-  
5 ployer or public employers do not total 600 hours in any calendar year.

6 (c) Persons provided sheltered employment or made-work by a public employer in an employment  
7 or industries program maintained for the benefit of such persons.

8 (d) Persons employed and paid from federal funds received under a federal program intended  
9 primarily to alleviate unemployment. However, any such person shall be considered an "employee"  
10 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects  
11 to have the person so considered by an irrevocable written notice to the board.

12 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-  
13 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph  
14 shall be deemed to have been in effect since the inception of the system.

15 (9) "Final average salary" means whichever of the following is greater:

16 (a) The average salary per calendar year paid by one or more participating public employers to  
17 an employee who is an active member of the system in three of the calendar years of membership  
18 before the effective date of retirement of the employee, in which three years the employee was paid  
19 the highest salary. The three calendar years in which the employee was paid the largest total salary  
20 may include calendar years in which the employee was employed for less than a full calendar year.  
21 If the number of calendar years of active membership before the effective date of retirement of the  
22 employee is three or fewer, the final average salary for the employee is the average salary per cal-  
23 endar year paid by one or more participating public employers to the employee in all of those years,  
24 without regard to whether the employee was employed for the full calendar year.

25 (b) One-third of the total salary paid by a participating public employer to an employee who is  
26 an active member of the system in the last 36 calendar months of active membership before the ef-  
27 fective date of retirement of the employee.

28 (10) "Firefighter" does not include a volunteer firefighter, but does include:

29 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

30 (b) An employee of the State Forestry Department who is certified by the State Forester as a  
31 professional wildland firefighter and whose primary duties include the abatement of uncontrolled  
32 fires as described in ORS 477.064.

33 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-  
34 lowing.

35 (12) "Fund" means the Public Employees Retirement Fund.

36 (13) "Inactive member" means a member who is not employed in a qualifying position, whose  
37 membership has not been terminated in the manner described by ORS 238.095 and who is not retired  
38 for service or disability.

39 (14) "Institution of higher education" means a public university listed in ORS 352.002, the  
40 Oregon Health and Science University and a community college, as defined in ORS 341.005.

41 (15) "Member" means a person who has established membership in the system and whose mem-  
42 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive  
43 and retired members.

44 (16) "Member account" means the regular account and the variable account.

45 (17) "Normal retirement age" means:

1 (a) For a person who establishes membership in the system before January 1, 1996, as described  
 2 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter  
 3 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

4 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-  
 5 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or  
 6 firefighter or 60 years of age if the employee retires at that age as other than a police officer or  
 7 firefighter.

8 (18) "Pension" means annual payments for life derived from contributions by one or more public  
 9 employers.

10 (19) "Police officer" includes:

11 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions  
 12 whose duties, as assigned by the Director of the Department of Corrections, include the custody of  
 13 persons committed to the custody of or transferred to the Department of Corrections and employees  
 14 of the Department of Corrections who were classified as police officers on or before July 27, 1989,  
 15 whether or not such classification was authorized by law.

16 (b) Employees of the Department of State Police who are classified as police officers by the  
 17 Superintendent of State Police.

18 (c) Employees of the Oregon Liquor *[Control]* **and Cannabis** Commission who are classified as  
 19 regulatory specialists by the administrator of the commission.

20 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified  
 21 by the sheriff, are the regular duties of police officers or corrections officers.

22 (e) Police chiefs and police personnel of a city who are classified as police officers by the  
 23 council or other governing body of the city.

24 (f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who  
 25 are classified as police officers by the university.

26 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-  
 27 bation officers who are transferred to county employment under ORS 423.549 and adult parole and  
 28 probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes  
 29 of this chapter by the county governing body. If a county classifies adult parole and probation offi-  
 30 cers as police officers for the purposes of this chapter, and the employees so classified are repres-  
 31 ented by a labor organization, any proposal by the county to change that classification or to cease  
 32 to classify adult parole and probation officers as police officers for the purposes of this chapter is  
 33 a mandatory subject of bargaining.

34 (h) Police officers appointed under ORS 276.021 or 276.023.

35 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-  
 36 missioners of the Port of Portland.

37 (j) Employees of the State Department of Agriculture who are classified as livestock police of-  
 38 ficers by the Director of Agriculture.

39 (k) Employees of the Department of Public Safety Standards and Training who are classified by  
 40 the department as other than secretarial or clerical personnel.

41 (L) Investigators of the Criminal Justice Division of the Department of Justice.

42 (m) Corrections officers as defined in ORS 181A.355.

43 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the  
 44 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

45 (o) The Director of the Department of Corrections.

1 (p) An employee who for seven consecutive years has been classified as a police officer as de-  
2 fined by this section, and who is employed or transferred by the Department of Corrections to fill  
3 a position designated by the Director of the Department of Corrections as being eligible for police  
4 officer status.

5 (q) An employee of the Department of Corrections classified as a police officer on or prior to  
6 July 27, 1989, whether or not that classification was authorized by law, as long as the employee  
7 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-  
8 tem implemented pursuant to ORS 240.190 does not affect police officer status.

9 (r) Employees of a school district who are appointed and duly sworn members of a law  
10 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as  
11 police officers commissioned by the district.

12 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,  
13 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who  
14 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the  
15 Department of Corrections or the Oregon Youth Authority.

16 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-  
17 scription involves the custody, control, treatment, investigation or supervision of juveniles placed  
18 in such facilities.

19 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-  
20 bation officers.

21 (v) Employees of the Department of Human Services who are prohibited from striking under ORS  
22 243.726 and whose duties include the care of residents of residential facilities, as defined in ORS  
23 443.400, that house individuals with intellectual or developmental disabilities.

24 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)  
25 to (6) (1999 Edition).

26 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or  
27 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency  
28 created by one or more such governmental organizations to provide governmental services. For  
29 purposes of this chapter, such agency created by one or more governmental organizations is a gov-  
30 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and  
31 sue and be sued.

32 (22) "Qualifying position" means one or more jobs with one or more participating public em-  
33 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding  
34 any service in a job for which a participating public employer does not provide benefits under this  
35 chapter pursuant to an application made under ORS 238.035.

36 (23) "Regular account" means the account established for each active and inactive member un-  
37 der ORS 238.250.

38 (24) "Retired member" means a member who is retired for service or disability.

39 (25) "Retirement credit" means a period of time that is treated as creditable service for the  
40 purposes of this chapter.

41 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public  
42 employer in return for services to the employer, plus the monetary value, as determined by the  
43 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and  
44 other advantages the employer furnishes the employee in return for services.

45 (b) "Salary" includes but is not limited to:

1 (A) Payments of employee and employer money into a deferred compensation plan, which are  
2 deemed salary paid in each month of deferral;

3 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary  
4 paid in each month of participation;

5 (C) Retroactive payments described in ORS 238.008; and

6 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS  
7 652.190.

8 (c) "Salary" or "other advantages" does not include:

9 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the  
10 employer;

11 (B) Payments for insurance coverage by an employer on behalf of employee or employee and  
12 dependents, for which the employee has no cash option;

13 (C) Payments made on account of an employee's death;

14 (D) Any lump sum payment for accumulated unused sick leave;

15 (E) Any accelerated payment of an employment contract for a future period or an advance  
16 against future wages;

17 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement  
18 gratuitous payment;

19 (G) Payments for periods of leave of absence after the date the employer and employee have  
20 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for  
21 sick leave and vacation;

22 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or  
23 the Oregon Health and Science University when such services are in excess of full-time employment  
24 subject to this chapter. A person employed under a contract for less than 12 months is subject to  
25 this subparagraph only for the months to which the contract pertains; or

26 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an  
27 employee.

28 (27) "School year" means the period beginning July 1 and ending June 30 next following.

29 (28) "System" means the Public Employees Retirement System.

30 (29) "Variable account" means the account established for a member who participates in the  
31 Variable Annuity Account under ORS 238.260.

32 (30) "Vested" means being an active member of the system in each of five calendar years.

33 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600  
34 hours of service per year.

35 **SECTION 151.** ORS 244.045 is amended to read:

36 244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Depart-  
37 ment of Consumer and Business Services, the Administrator of the Division of Finance and Corpo-  
38 rate Securities, the Administrator of the Insurance Division, the Administrator of the Oregon Liquor  
39 [Control] and Cannabis Commission or the Director of the Oregon State Lottery shall not:

40 (a) Within one year after the public official ceases to hold the position become an employee of  
41 or receive any financial gain, other than reimbursement of expenses, from any private employer  
42 engaged in the activity, occupation or industry over which the former public official had authority;  
43 or

44 (b) Within two years after the public official ceases to hold the position:

45 (A) Be a lobbyist for or appear as a representative before the agency over which the person



1 exercised authority as a public official;

2 (B) Influence or try to influence the actions of the agency; or

3 (C) Disclose any confidential information gained as a public official.

4 (2) A person who has been a Deputy Attorney General or an assistant attorney general shall  
5 not, within two years after the person ceases to hold the position, lobby or appear before an agency  
6 that the person represented while employed by the Department of Justice.

7 (3) A person who has been the State Treasurer or the Deputy State Treasurer shall not, within  
8 one year after ceasing to hold office:

9 (a) Accept employment from or be retained by any private entity with whom the office of the  
10 State Treasurer or the Oregon Investment Council negotiated or to whom either awarded a contract  
11 providing for payment by the state of at least \$25,000 in any single year during the term of office  
12 of the treasurer;

13 (b) Accept employment from or be retained by any private entity with whom the office of the  
14 State Treasurer or the Oregon Investment Council placed at least \$50,000 of investment moneys in  
15 any single year during the term of office of the treasurer; or

16 (c) Be a lobbyist for an investment institution, manager or consultant, or appear before the of-  
17 fice of the State Treasurer or Oregon Investment Council as a representative of an investment in-  
18 stitution, manager or consultant.

19 (4) A public official who as part of the official's duties invested public funds shall not within two  
20 years after the public official ceases to hold the position:

21 (a) Be a lobbyist or appear as a representative before the agency, board or commission for which  
22 the former public official invested public funds;

23 (b) Influence or try to influence the agency, board or commission; or

24 (c) Disclose any confidential information gained as a public official.

25 (5)(a) A person who has been a member of the Department of State Police, who has held a po-  
26 sition with the department with the responsibility for supervising, directing or administering pro-  
27 grams relating to gaming by a Native American tribe or the Oregon State Lottery and who has been  
28 designated by the Superintendent of State Police by rule shall not, within one year after the member  
29 of the Department of State Police ceases to hold the position:

30 (A) Accept employment from or be retained by or receive any financial gain related to gaming  
31 from the Oregon State Lottery or any Native American tribe;

32 (B) Accept employment from or be retained by or receive any financial gain from any private  
33 employer selling or offering to sell gaming products or services;

34 (C) Influence or try to influence the actions of the Department of State Police; or

35 (D) Disclose any confidential information gained as a member of the Department of State Police.

36 (b) This subsection does not apply to:

37 (A) Appointment or employment of a person as an Oregon State Lottery Commissioner or as a  
38 Tribal Gaming Commissioner or regulatory agent thereof;

39 (B) Contracting with the Oregon State Lottery as a lottery game retailer;

40 (C) Financial gain received from personal gaming activities conducted as a private citizen; or

41 (D) Subsequent employment in any capacity by the Department of State Police.

42 (c) As used in this subsection, "Native American tribe" means any recognized Native American  
43 tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public  
44 Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

45 (6) A person who has been a member of the Legislative Assembly may not receive money or any

1 other consideration for lobbying as defined in ORS 171.725 performed during the period beginning  
 2 on the date the person ceases to be a member of the Legislative Assembly and ending on the date  
 3 of adjournment sine die of the next regular session of the Legislative Assembly that begins after the  
 4 date the person ceases to be a member of the Legislative Assembly.

5 **SECTION 152.** ORS 244.050 is amended to read:

6 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 7 Government Ethics Commission a verified statement of economic interest as required under this  
 8 chapter:

9 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the  
 10 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

11 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem  
 12 judicial officer who does not otherwise serve as a judicial officer.

13 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

14 (d) The Deputy Attorney General.

15 (e) The Deputy Secretary of State.

16 (f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the  
 17 Secretary of the Senate and the Chief Clerk of the House of Representatives.

18 (g) The president and vice presidents, or their administrative equivalents, in each public uni-  
 19 versity listed in ORS 352.002.

20 (h) The following state officers:

21 (A) Adjutant General.

22 (B) Director of Agriculture.

23 (C) Manager of State Accident Insurance Fund Corporation.

24 (D) Water Resources Director.

25 (E) Director of Department of Environmental Quality.

26 (F) Director of Oregon Department of Administrative Services.

27 (G) State Fish and Wildlife Director.

28 (H) State Forester.

29 (I) State Geologist.

30 (J) Director of Human Services.

31 (K) Director of the Department of Consumer and Business Services.

32 (L) Director of the Department of State Lands.

33 (M) State Librarian.

34 (N) Administrator of Oregon Liquor [*Control*] **and Cannabis** Commission.

35 (O) Superintendent of State Police.

36 (P) Director of the Public Employees Retirement System.

37 (Q) Director of Department of Revenue.

38 (R) Director of Transportation.

39 (S) Public Utility Commissioner.

40 (T) Director of Veterans' Affairs.

41 (U) Executive director of Oregon Government Ethics Commission.

42 (V) Director of the State Department of Energy.

43 (W) Director and each assistant director of the Oregon State Lottery.

44 (X) Director of the Department of Corrections.

45 (Y) Director of the Oregon Department of Aviation.

- 1 (Z) Executive director of the Oregon Criminal Justice Commission.
- 2 (AA) Director of the Oregon Business Development Department.
- 3 (BB) Director of the Office of Emergency Management.
- 4 (CC) Director of the Employment Department.
- 5 (DD) Chief of staff for the Governor.
- 6 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 7 (FF) Director of the Housing and Community Services Department.
- 8 (GG) State Court Administrator.
- 9 (HH) Director of the Department of Land Conservation and Development.
- 10 (II) Board chairperson of the Land Use Board of Appeals.
- 11 (JJ) State Marine Director.
- 12 (KK) Executive director of the Oregon Racing Commission.
- 13 (LL) State Parks and Recreation Director.
- 14 (MM) Public defense services executive director.
- 15 (NN) Chairperson of the Public Employees' Benefit Board.
- 16 (OO) Director of the Department of Public Safety Standards and Training.
- 17 (PP) Executive director of the Higher Education Coordinating Commission.
- 18 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 19 (RR) Director of the Oregon Youth Authority.
- 20 (SS) Director of the Oregon Health Authority.
- 21 (TT) Deputy Superintendent of Public Instruction.
- 22 (i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within
- 23 the Governor's office.
- 24 (j) Every elected city or county official.
- 25 (k) Every member of a city or county planning, zoning or development commission.
- 26 (L) The chief executive officer of a city or county who performs the duties of manager or prin-
- 27 cipal administrator of the city or county.
- 28 (m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 29 (n) Every member of a governing body of a metropolitan service district and the auditor and
- 30 executive officer thereof.
- 31 (o) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 32 (p) The chief administrative officer and the financial officer of each common and union high
- 33 school district, education service district and community college district.
- 34 (q) Every member of the following state boards and commissions:
- 35 (A) Board of Geologic and Mineral Industries.
- 36 (B) Oregon Business Development Commission.
- 37 (C) State Board of Education.
- 38 (D) Environmental Quality Commission.
- 39 (E) Fish and Wildlife Commission of the State of Oregon.
- 40 (F) State Board of Forestry.
- 41 (G) Oregon Government Ethics Commission.
- 42 (H) Oregon Health Policy Board.
- 43 (I) Oregon Investment Council.
- 44 (J) Land Conservation and Development Commission.
- 45 (K) Oregon Liquor [*Control*] **and Cannabis** Commission.

- 1 (L) Oregon Short Term Fund Board.
- 2 (M) State Marine Board.
- 3 (N) Mass transit district boards.
- 4 (O) Energy Facility Siting Council.
- 5 (P) Board of Commissioners of the Port of Portland.
- 6 (Q) Employment Relations Board.
- 7 (R) Public Employees Retirement Board.
- 8 (S) Oregon Racing Commission.
- 9 (T) Oregon Transportation Commission.
- 10 (U) Water Resources Commission.
- 11 (V) Workers' Compensation Board.
- 12 (W) Oregon Facilities Authority.
- 13 (X) Oregon State Lottery Commission.
- 14 (Y) Pacific Northwest Electric Power and Conservation Planning Council.
- 15 (Z) Columbia River Gorge Commission.
- 16 (AA) Oregon Health and Science University Board of Directors.
- 17 (BB) Capitol Planning Commission.
- 18 (CC) Higher Education Coordinating Commission.
- 19 (DD) Oregon Growth Board.
- 20 (EE) Early Learning Council.
- 21 (r) The following officers of the State Treasurer:
- 22 (A) Deputy State Treasurer.
- 23 (B) Chief of staff for the office of the State Treasurer.
- 24 (C) Director of the Investment Division.
- 25 (s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 26 or 777.915 to 777.953.
- 27 (t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 28 (u) Every member of a governing board of a public university listed in ORS 352.002.
- 29 (v) Every member of the board of directors of an authority created under ORS 465.600 to
- 30 465.621.
- 31 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 32 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 33 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 34 and 244.090.
- 35 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 36 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 37 required under ORS 244.060, 244.070 and 244.090.
- 38 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 39 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 40 was nominated for public office described in subsection (1) of this section at the preceding primary
- 41 election by write-in votes, shall file with the commission a statement of economic interest as re-
- 42 quired under ORS 244.060, 244.070 and 244.090.
- 43 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or
- 44 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections
- 45 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the

1 filing deadline for the statewide general election.

2 (6) If a statement required to be filed under this section has not been received by the commis-  
 3 sion within five days after the date the statement is due, the commission shall notify the public of-  
 4 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
 5 requirements of this section. If the public official or candidate fails to comply by the date set by the  
 6 commission, the commission may impose a civil penalty as provided in ORS 244.350.

7 **SECTION 153.** ORS 244.050, as amended by section 10, chapter 88, Oregon Laws 2016, is  
 8 amended to read:

9 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon  
 10 Government Ethics Commission a verified statement of economic interest as required under this  
 11 chapter:

12 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the  
 13 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

14 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem  
 15 judicial officer who does not otherwise serve as a judicial officer.

16 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

17 (d) The Deputy Attorney General.

18 (e) The Deputy Secretary of State.

19 (f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the  
 20 Legislative Policy and Research Director, the Secretary of the Senate and the Chief Clerk of the  
 21 House of Representatives.

22 (g) The president and vice presidents, or their administrative equivalents, in each public uni-  
 23 versity listed in ORS 352.002.

24 (h) The following state officers:

25 (A) Adjutant General.

26 (B) Director of Agriculture.

27 (C) Manager of State Accident Insurance Fund Corporation.

28 (D) Water Resources Director.

29 (E) Director of Department of Environmental Quality.

30 (F) Director of Oregon Department of Administrative Services.

31 (G) State Fish and Wildlife Director.

32 (H) State Forester.

33 (I) State Geologist.

34 (J) Director of Human Services.

35 (K) Director of the Department of Consumer and Business Services.

36 (L) Director of the Department of State Lands.

37 (M) State Librarian.

38 (N) Administrator of Oregon Liquor [Control] **and Cannabis** Commission.

39 (O) Superintendent of State Police.

40 (P) Director of the Public Employees Retirement System.

41 (Q) Director of Department of Revenue.

42 (R) Director of Transportation.

43 (S) Public Utility Commissioner.

44 (T) Director of Veterans' Affairs.

45 (U) Executive director of Oregon Government Ethics Commission.

- 1 (V) Director of the State Department of Energy.
- 2 (W) Director and each assistant director of the Oregon State Lottery.
- 3 (X) Director of the Department of Corrections.
- 4 (Y) Director of the Oregon Department of Aviation.
- 5 (Z) Executive director of the Oregon Criminal Justice Commission.
- 6 (AA) Director of the Oregon Business Development Department.
- 7 (BB) Director of the Office of Emergency Management.
- 8 (CC) Director of the Employment Department.
- 9 (DD) Chief of staff for the Governor.
- 10 (EE) Administrator of the Office for Oregon Health Policy and Research.
- 11 (FF) Director of the Housing and Community Services Department.
- 12 (GG) State Court Administrator.
- 13 (HH) Director of the Department of Land Conservation and Development.
- 14 (II) Board chairperson of the Land Use Board of Appeals.
- 15 (JJ) State Marine Director.
- 16 (KK) Executive director of the Oregon Racing Commission.
- 17 (LL) State Parks and Recreation Director.
- 18 (MM) Public defense services executive director.
- 19 (NN) Chairperson of the Public Employees' Benefit Board.
- 20 (OO) Director of the Department of Public Safety Standards and Training.
- 21 (PP) Executive director of the Higher Education Coordinating Commission.
- 22 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 23 (RR) Director of the Oregon Youth Authority.
- 24 (SS) Director of the Oregon Health Authority.
- 25 (TT) Deputy Superintendent of Public Instruction.
- 26 (i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within
- 27 the Governor's office.
- 28 (j) Every elected city or county official.
- 29 (k) Every member of a city or county planning, zoning or development commission.
- 30 (L) The chief executive officer of a city or county who performs the duties of manager or prin-
- 31 cipal administrator of the city or county.
- 32 (m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 33 (n) Every member of a governing body of a metropolitan service district and the auditor and
- 34 executive officer thereof.
- 35 (o) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 36 (p) The chief administrative officer and the financial officer of each common and union high
- 37 school district, education service district and community college district.
- 38 (q) Every member of the following state boards and commissions:
- 39 (A) Board of Geologic and Mineral Industries.
- 40 (B) Oregon Business Development Commission.
- 41 (C) State Board of Education.
- 42 (D) Environmental Quality Commission.
- 43 (E) Fish and Wildlife Commission of the State of Oregon.
- 44 (F) State Board of Forestry.
- 45 (G) Oregon Government Ethics Commission.

- 1 (H) Oregon Health Policy Board.
- 2 (I) Oregon Investment Council.
- 3 (J) Land Conservation and Development Commission.
- 4 (K) Oregon Liquor [*Control*] **and Cannabis** Commission.
- 5 (L) Oregon Short Term Fund Board.
- 6 (M) State Marine Board.
- 7 (N) Mass transit district boards.
- 8 (O) Energy Facility Siting Council.
- 9 (P) Board of Commissioners of the Port of Portland.
- 10 (Q) Employment Relations Board.
- 11 (R) Public Employees Retirement Board.
- 12 (S) Oregon Racing Commission.
- 13 (T) Oregon Transportation Commission.
- 14 (U) Water Resources Commission.
- 15 (V) Workers' Compensation Board.
- 16 (W) Oregon Facilities Authority.
- 17 (X) Oregon State Lottery Commission.
- 18 (Y) Pacific Northwest Electric Power and Conservation Planning Council.
- 19 (Z) Columbia River Gorge Commission.
- 20 (AA) Oregon Health and Science University Board of Directors.
- 21 (BB) Capitol Planning Commission.
- 22 (CC) Higher Education Coordinating Commission.
- 23 (DD) Oregon Growth Board.
- 24 (EE) Early Learning Council.
- 25 (r) The following officers of the State Treasurer:
- 26 (A) Deputy State Treasurer.
- 27 (B) Chief of staff for the office of the State Treasurer.
- 28 (C) Director of the Investment Division.
- 29 (s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 30 or 777.915 to 777.953.
- 31 (t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 32 (u) Every member of a governing board of a public university listed in ORS 352.002.
- 33 (v) Every member of the board of directors of an authority created under ORS 465.600 to
- 34 465.621.
- 35 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 36 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-
- 37 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
- 38 and 244.090.
- 39 (3) By April 15 next after the filing deadline for the primary election, each candidate described
- 40 in subsection (1) of this section shall file with the commission a statement of economic interest as
- 41 required under ORS 244.060, 244.070 and 244.090.
- 42 (4) Within 30 days after the filing deadline for the general election, each candidate described in
- 43 subsection (1) of this section who was not a candidate in the preceding primary election, or who
- 44 was nominated for public office described in subsection (1) of this section at the preceding primary
- 45 election by write-in votes, shall file with the commission a statement of economic interest as re-

1 quired under ORS 244.060, 244.070 and 244.090.

2 (5) Subsections (1) to (4) of this section apply only to persons who are incumbent, elected or  
 3 appointed public officials as of April 15 and to persons who are candidates on April 15. Subsections  
 4 (1) to (4) of this section also apply to persons who do not become candidates until 30 days after the  
 5 filing deadline for the statewide general election.

6 (6) If a statement required to be filed under this section has not been received by the commis-  
 7 sion within five days after the date the statement is due, the commission shall notify the public of-  
 8 ficial or candidate and give the public official or candidate not less than 15 days to comply with the  
 9 requirements of this section. If the public official or candidate fails to comply by the date set by the  
 10 commission, the commission may impose a civil penalty as provided in ORS 244.350.

11 **SECTION 154.** ORS 279A.025 is amended to read:

12 279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting  
 13 Code applies to all public contracting.

14 (2) The Public Contracting Code does not apply to:

15 (a) Contracts between a contracting agency and:

16 (A) Another contracting agency;

17 (B) The Oregon Health and Science University;

18 (C) A public university listed in ORS 352.002;

19 (D) The Oregon State Bar;

20 (E) A governmental body of another state;

21 (F) The federal government;

22 (G) An American Indian tribe or an agency of an American Indian tribe;

23 (H) A nation, or a governmental body in a nation, other than the United States; or

24 (I) An intergovernmental entity formed between or among:

25 (i) Governmental bodies of this or another state;

26 (ii) The federal government;

27 (iii) An American Indian tribe or an agency of an American Indian tribe;

28 (iv) A nation other than the United States; or

29 (v) A governmental body in a nation other than the United States;

30 (b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or  
 31 other authority for establishing agreements between or among governmental bodies or agencies or  
 32 tribal governing bodies or agencies;

33 (c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and  
 34 414.145 for purposes of source selection;

35 (d) Grants;

36 (e) Contracts for professional or expert witnesses or consultants to provide services or testimony  
 37 relating to existing or potential litigation or legal matters in which a public body is or may become  
 38 interested;

39 (f) Acquisitions or disposals of real property or interest in real property;

40 (g) Sole-source expenditures when rates are set by law or ordinance for purposes of source se-  
 41 lection;

42 (h) Contracts for the procurement or distribution of textbooks;

43 (i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

44 (j) The procurement, transportation or distribution of distilled liquor, as defined in ORS 471.001,  
 45 or the appointment of agents under ORS 471.750 by the Oregon Liquor [Control] **and Cannabis**



1 Commission;

2 (k) Contracts entered into under ORS chapter 180 between the Attorney General and private  
3 counsel or special legal assistants;

4 (L) Contracts for the sale of timber from lands owned or managed by the State Board of Forestry  
5 and the State Forestry Department;

6 (m) Contracts for activities necessary or convenient for the sale of timber under paragraph (L)  
7 of this subsection, either separately from or in conjunction with contracts for the sale of timber,  
8 including but not limited to activities such as timber harvesting and sorting, transporting, gravel  
9 pit development or operation, and road construction, maintenance or improvement;

10 (n) Contracts for forest protection or forest related activities, as described in ORS 477.406, by  
11 the State Forester or the State Board of Forestry;

12 (o) Contracts entered into by the Housing and Community Services Department in exercising the  
13 department's duties prescribed in ORS chapters 456 and 458, except that the department's public  
14 contracting for goods and services is subject to ORS chapter 279B;

15 (p) Contracts entered into by the State Treasurer in exercising the powers of that office pre-  
16 scribed in ORS 178.010 to 178.100 and ORS chapters 286A, 287A, 289, 293, 294 and 295, including  
17 but not limited to investment contracts and agreements, banking services, clearing house services  
18 and collateralization agreements, bond documents, certificates of participation and other debt re-  
19 payment agreements, and any associated contracts, agreements and documents, regardless of  
20 whether the obligations that the contracts, agreements or documents establish are general, special  
21 or limited, except that the State Treasurer's public contracting for goods and services is subject to  
22 ORS chapter 279B;

23 (q) Contracts, agreements or other documents entered into, issued or established in connection  
24 with:

25 (A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

26 (B) The making of program loans and similar extensions or advances of funds, aid or assistance  
27 by a public body to a public or private body for the purpose of carrying out, promoting or sustaining  
28 activities or programs authorized by law; or

29 (C) The investment of funds by a public body as authorized by law, and other financial trans-  
30 actions of a public body that by their character cannot practically be established under the com-  
31 petitive contractor selection procedures of ORS 279B.050 to 279B.085;

32 (r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221,  
33 243.275, 243.291, 243.303 and 243.565;

34 (s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

35 (t) Any other public contracting of a public body specifically exempted from the code by another  
36 provision of law.

37 (3) The Public Contracting Code does not apply to the contracting activities of:

38 (a) The Oregon State Lottery Commission;

39 (b) The legislative department;

40 (c) The judicial department;

41 (d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to  
42 279.855 and 279A.250 to 279A.290;

43 (e) Oregon Corrections Enterprises;

44 (f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to  
45 279A.290;

- 1 (g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;
- 2 (h) The Oregon 529 Savings Network and the Oregon 529 Savings Board;
- 3 (i) The Oregon Innovation Council;
- 4 (j) The Oregon Utility Notification Center; or
- 5 (k) Any other public body specifically exempted from the code by another provision of law.

6 (4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with  
 7 qualified nonprofit agencies providing employment opportunities for individuals with disabilities un-  
 8 der ORS 279.835 to 279.855.

9 **SECTION 155.** ORS 297.210 is amended to read:

10 297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial  
 11 affairs of state departments, boards, commissions, institutions and state-aided institutions and agen-  
 12 cies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

13 (b) The Secretary of State, as State Auditor, may conduct performance audits of school districts  
 14 and education service districts. For audits conducted under this paragraph:

15 (A) The Secretary of State shall identify by rule factors and standards by which the secretary  
 16 will determine whether to initiate an audit as authorized under this paragraph or to enter into a  
 17 contract with the Department of Education to conduct an audit as provided by ORS 327.141.

18 (B) Prior to initiating an audit, the Secretary of State shall:

19 (i) Give notice to the school district or the education service district of the secretary's intent  
 20 to initiate the audit; and

21 (ii) Provide the school district or the education service district with the opportunity to provide  
 22 to the secretary any information related to the subject of the audit.

23 (C) Following the review of any information provided under subparagraph (B) of this paragraph,  
 24 the Secretary of State may:

25 (i) Decline to proceed with the audit; or

26 (ii) Cause the audit to be conducted.

27 (D) The Secretary of State may charge a school district or an education service district for a  
 28 portion of the costs incurred for an audit authorized by this paragraph. Amounts charged as pro-  
 29 vided by this subparagraph shall be in lieu of any amounts that may be charged as provided by ORS  
 30 297.230.

31 (c) The Secretary of State, as State Auditor, may conduct audits of the use of fund transfers  
 32 from the state to counties, including but not limited to transfers of video lottery revenues, state  
 33 highway funds, cigarette tax revenues and Oregon Liquor *[Control]* **and Cannabis** Commission funds.

34 (d) The Secretary of State may subpoena witnesses, require the production of books and papers  
 35 and rendering of reports in such manner and form as the Secretary of State requires and may do  
 36 all things necessary to secure a full and thorough investigation.

37 (e) The Secretary of State shall report, in writing, to the Governor. The report shall include a  
 38 copy of the report on each audit.

39 (f) In addition to the report described in paragraph (e) of this subsection, the Secretary of State  
 40 shall provide a report to a school district board or the board of directors of an education service  
 41 district following an audit conducted as provided by paragraph (b) of this subsection.

42 (2) The Secretary of State may audit or review any institution or department of the state gov-  
 43 ernment at any time the executive head of the institution or department, for any reason, retires from  
 44 the head's office or position. The secretary need not conduct an audit or review under this sub-  
 45 section if:

1 (a) The institution or department has been the subject of an audit or review of financial controls  
 2 within the six months immediately preceding the retirement of the executive head of the institution  
 3 or department; or

4 (b) The secretary has not received a report within the 12 months immediately preceding the  
 5 retirement of the executive head of the institution or department indicating that the executive head  
 6 of the institution or department was unable or unwilling to follow state law, rules, policies or pro-  
 7 cedures.

8 (3) The Secretary of State shall employ auditors upon such terms and for such compensation as  
 9 the Secretary of State determines are advantageous and advisable.

10 (4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a  
 11 judge of the circuit court of any county, on application of the Secretary of State, shall compel obe-  
 12 dience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena  
 13 issued from the circuit court.

14 (5) If the Secretary of State determines during the conduct of any activity authorized under this  
 15 chapter that fraud or other criminal activity may be occurring or may have occurred, the secretary  
 16 shall notify the appropriate federal, state or local law enforcement agency of the potential fraud or  
 17 other criminal activity. This subsection applies regardless of the source of any moneys that are in-  
 18 volved or may be involved in the fraud or other criminal activity.

19 **SECTION 156.** ORS 431A.183 is amended to read:

20 431A.183. (1) The Oregon Health Authority shall:

21 (a) Coordinate with law enforcement agencies to conduct random, unannounced inspections of  
 22 wholesalers and retailers of tobacco products or inhalant delivery systems to ensure compliance  
 23 with the laws of this state designed to discourage the use of tobacco products and inhalant delivery  
 24 systems by minors, including ORS 163.575, 163.580, 167.400, 167.402 and 431A.175; and

25 (b) Submit a report describing:

26 (A) The activities carried out to enforce the laws listed in paragraph (a) of this subsection  
 27 during the previous fiscal year;

28 (B) The extent of success achieved in reducing the availability of tobacco products and inhalant  
 29 delivery systems to minors; and

30 (C) The strategies to be utilized for enforcing the laws listed in paragraph (a) of this subsection  
 31 during the year following the report.

32 (2) The authority shall adopt rules concerning random inspections of places that distribute or  
 33 sell tobacco products or inhalant delivery systems that are consistent with any federal law or reg-  
 34 ulation relating to the inspection of such places. The rules shall provide that inspections may take  
 35 place:

36 (a) Only in areas open to the public;

37 (b) Only during the hours that tobacco products or inhalant delivery systems are distributed or  
 38 sold; and

39 (c) No more frequently than once a month in any single establishment unless a compliance  
 40 problem exists or is suspected.

41 (3) The Oregon Liquor [*Control*] **and Cannabis** Commission, pursuant to an agreement or oth-  
 42 erwise, may assist the authority with the authority's duties under subsection (1)(a) of this section  
 43 and the enforcement of ORS 431A.175.

44 **SECTION 157.** ORS 459.992 is amended to read:

45 459.992. (1) The following are Class A misdemeanors:

- 1 (a) Violation of rules or ordinances adopted under ORS 459.005 to 459.105 and 459.205 to 459.385.
- 2 (b) Violation of ORS 459.205.
- 3 (c) Violation of ORS 459.270.
- 4 (d) Violation of ORS 459A.080.
- 5 (e) Violation of ORS 459.272.

6 (2) Each day a violation referred to by subsection (1) of this section continues constitutes a  
 7 separate offense. Such separate offenses may be joined in one indictment or complaint or information  
 8 in several counts.

9 (3) Violation of ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720 is a Class A misdemeanor.

10 (4) In addition to the penalty prescribed by subsection (3) of this section, the Oregon Liquor  
 11 [*Control*] **and Cannabis** Commission or the State Department of Agriculture may revoke or suspend  
 12 the license of any person who willfully violates ORS 459A.705, 459A.710, 459A.718 (5) or 459A.720,  
 13 who is required by ORS chapter 471 or 635, respectively, to have a license.

14 **SECTION 158.** ORS 459A.700 is amended to read:

15 459A.700. As used in ORS 459.992 (3) and (4) and 459A.700 to 459A.740, unless the context re-  
 16 quires otherwise:

17 (1) "Beverage" means a fluid described in ORS 459A.702.

18 (2) "Beverage container" means a container described in ORS 459A.702.

19 (3) "Commission" means the Oregon Liquor [*Control*] **and Cannabis** Commission.

20 (4) "Consumer" means every person who purchases a beverage in a beverage container for use  
 21 or consumption.

22 (5) "Dealer" means every person in this state who engages in the sale of beverages in beverage  
 23 containers to a consumer, or means a redemption center certified under ORS 459A.735.

24 (6) "Distributor" means every person who engages in the sale of beverages in beverage con-  
 25 tainers to a dealer in this state including any manufacturer who engages in such sales.

26 (7) "Importer" means any dealer or manufacturer who directly imports beverage containers into  
 27 this state.

28 (8) "In this state" means within the exterior limits of the State of Oregon and includes all ter-  
 29 ritory within these limits owned by or ceded to the United States of America.

30 (9) "Manufacturer" means every person bottling, canning or otherwise filling beverage contain-  
 31 ers for sale to distributors, importers or dealers.

32 (10) "Place of business of a dealer" means the location at which a dealer sells or offers for sale  
 33 beverages in beverage containers to consumers.

34 (11) "Use or consumption" includes the exercise of any right or power over a beverage incident  
 35 to the ownership thereof, other than the sale or the keeping or retention of a beverage for the  
 36 purposes of sale.

37 (12) "Water and flavored water" means any beverage identified through the use of letters, words  
 38 or symbols on its product label as a type of water.

39 **SECTION 159.** ORS 459A.702 is amended to read:

40 459A.702. (1) Except as provided in subsection (2) of this section, ORS 459A.700 to 459A.740  
 41 apply to any individual, separate, sealed glass, metal or plastic bottle or can, except for cartons, foil  
 42 pouches and drink boxes, that contains the following beverages, intended for human consumption  
 43 and in a quantity less than or equal to three fluid liters:

44 (a) Water and flavored water;

45 (b) Beer or other malt beverages; and

1 (c) Mineral waters, soda water and similar carbonated soft drinks.

2 (2) One year after the date on which the Oregon Liquor [*Control*] and Cannabis Commission  
3 determines that at least 60 percent of the beverage containers returned for the refund value speci-  
4 fied in ORS 459A.705 are returned statewide to redemption centers approved under ORS 459A.735,  
5 or on January 1, 2018, whichever comes first, ORS 459A.700 to 459A.740 apply to any individual,  
6 separate, sealed glass, metal or plastic bottle or can, except for cartons, foil pouches, drink boxes  
7 and metal containers that require a tool to be opened, that contains:

8 (a) The following beverages, intended for human consumption and in a quantity less than or  
9 equal to three fluid liters:

10 (A) Water and flavored water;

11 (B) Beer or other malt beverages; and

12 (C) Mineral waters, soda water and similar carbonated soft drinks.

13 (b) Any beverage other than those specified in paragraph (a) of this subsection that is intended  
14 for human consumption and is in a quantity more than or equal to four fluid ounces and less than  
15 or equal to one and one-half fluid liters, except distilled liquor, wine, dairy or plant-based milks,  
16 infant formula and any other exemptions set forth in rule of the Oregon Liquor [*Control*] and  
17 Cannabis Commission.

18 **SECTION 160.** ORS 459A.705 is amended to read:

19 459A.705. (1) Except as provided in subsections (2) and (3) of this section, every beverage con-  
20 tainer sold or offered for sale in this state shall have a refund value of not less than five cents.

21 (2)(a) Every beverage container sold or offered for sale in this state shall have a refund value  
22 of not less than 10 cents, beginning on the later of:

23 (A) Eight months after the Oregon Liquor [*Control*] and Cannabis Commission determines that,  
24 in each of the two previous calendar years, the number of beverage containers returned for the re-  
25 fund value specified in this section was less than 80 percent of the total number of beverage con-  
26 tainers that were sold in this state; or

27 (B) January 1 of the calendar year following the determination by the commission described in  
28 subparagraph (A) of this paragraph.

29 (b) The commission may not make a determination under this subsection before January 1, 2016.

30 (c) In making a determination under this subsection, the commission may not include the  
31 beverage containers and beverages described in ORS 459A.702 (2)(b) before January 1, 2021.

32 (3) Every beverage container certified as provided in ORS 459A.725, sold or offered for sale in  
33 this state, shall have a refund value of not less than two cents.

34 **SECTION 161.** ORS 459A.715 is amended to read:

35 459A.715. (1) A dealer may refuse to accept from any person, and a distributor or importer may  
36 refuse to accept from a dealer, any empty beverage container that does not state thereon a refund  
37 value as established by ORS 459A.705.

38 (2) A dealer may refuse to accept and to pay the refund value of:

39 (a) Empty beverage containers if the place of business of the dealer and the kind of empty  
40 beverage containers are included in an order of the Oregon Liquor [*Control*] and Cannabis Com-  
41 mission approving a redemption center under ORS 459A.735.

42 (b) Any beverage container visibly containing or contaminated by a substance other than water,  
43 residue of the original contents or ordinary dust.

44 (c)(A) More than 144 individual beverage containers returned by any one person during one day,  
45 if the dealer occupies a space of 5,000 or more square feet in a single area.

1 (B) More than 50 individual beverage containers returned by any one person during one day, if  
2 the dealer occupies a space of less than 5,000 square feet in a single area.

3 (d) Any beverage container that is damaged to the extent that the brand appearing on the con-  
4 tainer cannot be identified.

5 (3)(a) In order to refuse containers under subsection (2)(b), (c)(A) or (d) of this section, if a dealer  
6 occupies a space of 5,000 or more square feet in a single area, the dealer must post in each area  
7 where containers are received a clearly visible and legible sign containing the following information:  
8

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9  
10 NOTICE:

11  
12 Oregon Law allows a dealer to refuse to accept:

- 13 1. Beverage containers visibly containing or contaminated by a substance other than water,  
14 residue of the original contents or ordinary dust;  
15 2. More than 144 individual beverage containers from any one person during one day; or  
16 3. Beverage containers that are damaged to the extent that the brand appearing on the con-  
17 tainer cannot be identified.  
18

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19  
20 (b) In order to refuse containers under subsection (2)(b), (c)(B) or (d) of this section, if a dealer  
21 occupies a space of less than 5,000 square feet in a single area, the dealer must post in each area  
22 where containers are received a clearly visible and legible sign containing the following information:  
23

---

24  
25 NOTICE:

26  
27 Oregon Law allows a dealer to refuse to accept:

- 28 1. Beverage containers visibly containing or contaminated by a substance other than water,  
29 residue of the original contents or ordinary dust;  
30 2. More than 50 individual beverage containers from any one person during one day; or  
31 3. Beverage containers that are damaged to the extent that the brand appearing on the con-  
32 tainer cannot be identified.  
33

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34  
35 **SECTION 162.** ORS 459A.717 is amended to read:

36 459A.717. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may impose a civil penalty  
37 of at least \$50, but not more than \$500, for a violation of any provision of ORS 459A.700 to 459A.740.  
38 Each day a violation occurs constitutes a separate violation. The authority to impose a civil penalty  
39 under this section is in addition to and not in lieu of the revocation and suspension authority under  
40 ORS 459.992 (4) and the criminal penalty authorized by ORS 459.992.

41 (2) Notwithstanding subsection (1) of this section, if a dealer, as defined in ORS 459A.700, vio-  
42 lates a provision of ORS 459A.738, the commission shall provide the dealer with written notice in-  
43 forming the dealer of the violation and stating that the dealer may avoid civil penalty for the  
44 violation by curing the violation within 60 days after issuance of the notice. If the dealer fails to  
45 cure the violation within 60 days after issuance of the notice, the commission shall impose a civil

1 penalty of at least \$200 for the violation. Each day after the 60-day period that the dealer continues  
2 to violate a provision of ORS 459A.738 is a separate offense subject to a separate civil penalty. The  
3 commission is not required to provide the dealer with an opportunity to cure a continuing violation  
4 before imposing a civil penalty for the continuing violation.

5 (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

6 (4) All penalties recovered under this section shall be paid into the State Treasury and credited  
7 to the General Fund and are available for general governmental expenses.

8 **SECTION 163.** ORS 459A.718 is amended to read:

9 459A.718. (1) Two or more distributors or importers may establish a distributor cooperative for  
10 the purposes of:

11 (a) Collecting the refund value of beverage containers specified in ORS 459A.705 from distribu-  
12 tors or importers and refunding to dealers the amount the dealers paid for the refund value of empty  
13 beverage containers;

14 (b) Paying the refund value specified in ORS 459A.705 for beverage containers sold in this state;  
15 and

16 (c) Processing beverage containers sold in this state.

17 (2) A distributor cooperative established under this section must service a majority of the deal-  
18 ers in this state.

19 (3) If a distributor cooperative is established, a dealer that uses the distributor cooperative to  
20 redeem and process beverage containers sold in this state is not required to return beverage con-  
21 tainers to a distributor or importer that does not participate in the distributor cooperative, provided  
22 that the dealer or the distributor cooperative provides an accounting to the distributor or importer  
23 of the beverage containers by brand and kind that were distributed by the distributor or importer  
24 and subsequently redeemed by the dealer or distributor cooperative.

25 (4) Upon receipt of the accounting required by subsection (3) of this section, a distributor or  
26 importer that does not participate in the distributor cooperative must pay the refund value of the  
27 redeemed beverage containers specified in the accounting to the dealer or distributor cooperative  
28 that provided the accounting.

29 (5)(a) For purposes of this subsection, beverage container return data is the number of beverage  
30 containers returned for the refund value specified in ORS 459A.705 in Oregon during the calendar  
31 year and the number of beverage containers that carry a refund value specified in ORS 459A.705  
32 sold in Oregon during the calendar year, calculated separately.

33 (b) By July 1 of each calendar year, a distributor cooperative shall provide the Oregon Liquor  
34 [Control] and Cannabis Commission with a report that lists, in aggregate form for all distributors  
35 and importers that participate in the distributor cooperative, the previous calendar year's beverage  
36 container return data, calculated separately for glass, metal and plastic beverage containers.

37 (c) By July 1 of each calendar year, a distributor or importer that does not participate in a  
38 distributor cooperative shall provide the commission with a report that lists the distributor's or the  
39 importer's beverage container return data for the previous calendar year, calculated separately for  
40 glass, metal and plastic beverage containers.

41 (6)(a) By August 1 of each calendar year, using the beverage container return data provided in  
42 subsection (5)(b) of this section, the Oregon Liquor [Control] and Cannabis Commission shall cal-  
43 culate the previous calendar year's percentage of beverage containers returned for the refund value  
44 specified in ORS 459A.705 for each distributor cooperative. The commission shall carry out the cal-  
45 culation separately for glass, metal and plastic beverage containers and shall post the percentages

1 on the commission's website.

2 (b) By August 1 of each calendar year, using the beverage container return data provided in  
3 subsection (5)(c) of this section, the commission shall calculate the previous calendar year's per-  
4 centage of beverage containers returned for the refund value specified in ORS 459A.705 for each  
5 distributor or importer that does not participate in a distributor cooperative. The commission shall  
6 carry out the calculation separately for glass, metal and plastic beverage containers and shall post  
7 the percentages on the commission's website.

8 (c) By August 1 of each calendar year, using the beverage container return data provided in  
9 subsection (5)(b) and (c) of this section, the commission shall calculate the previous calendar year's  
10 percentage of beverage containers returned for the refund value specified in ORS 459A.705 for all  
11 distributors and importers in Oregon. The commission shall carry out the calculation for all  
12 beverage containers, and separately for glass, metal and plastic beverage containers, and shall post  
13 the percentages on the commission's website.

14 (d) Except for the percentages described in paragraphs (a) to (c) of this subsection or in a pro-  
15 ceeding under ORS 459A.717 for a violation of subsection (5) of this section, the commission may  
16 not disclose any information provided by a distributor, an importer or a distributor cooperative un-  
17 der subsection (5) of this section.

18 (7)(a) In order to determine compliance with the provisions of subsection (5) of this section,  
19 within six months of the date that the commission receives a report described in subsection (5)(b)  
20 and (c) of this section, the commission may review or audit the records of each reporting distributor  
21 cooperative, or each reporting distributor or importer that does not participate in a distributor co-  
22 operative.

23 (b)(A) If in the course of a review described in paragraph (a) of this subsection the commission  
24 determines that an audit of a distributor cooperative, distributor or importer is necessary, the  
25 commission shall require the distributor cooperative, distributor or importer to retain an independ-  
26 ent financial audit firm to determine the accuracy of information contained in the report. The dis-  
27 tributor cooperative, distributor or importer that is the subject of review shall pay the costs of the  
28 audit. The audit must be limited to the records described in paragraph (a) of this subsection.

29 (B) The commission shall adopt rules to carry out the provisions of this paragraph.

30 **SECTION 164.** ORS 459A.725 is amended to read:

31 459A.725. (1) To promote the use in this state of reusable beverage containers of uniform design,  
32 and to facilitate the return of containers to manufacturers for reuse as a beverage container, the  
33 Oregon Liquor [*Control*] **and Cannabis** Commission may certify beverage containers which satisfy  
34 the requirements of this section.

35 (2) A beverage container may be certified if:

36 (a) It is reusable as a beverage container by more than one manufacturer in the ordinary course  
37 of business; and

38 (b) More than one manufacturer will in the ordinary course of business accept the beverage  
39 container for reuse as a beverage container and pay the refund value of the container.

40 (3) The commission may by rule establish appropriate liquid capacities and shapes for beverage  
41 containers to be certified or decertified in accordance with the purposes set forth in subsection (1)  
42 of this section.

43 (4) A beverage container shall not be certified under this section if by reason of its shape or  
44 design, or by reason of words or symbols permanently inscribed thereon, whether by engraving,  
45 embossing, painting or other permanent method, it is reusable as a beverage container in the ordi-



1 nary course of business only by a manufacturer of a beverage sold under a specific brand name.

2 **SECTION 165.** ORS 459A.730 is amended to read:

3 459A.730. (1) Unless an application for certification under ORS 459A.725 is denied by the Oregon  
4 Liquor [*Control*] and Cannabis Commission within 60 days after the filing of the application, the  
5 beverage container shall be deemed certified.

6 (2) The commission may review at any time certification of a beverage container. If after such  
7 review, with written notice and hearing afforded to the person who filed the application for certi-  
8 fication under ORS 459A.725, the commission determines the container is no longer qualified for  
9 certification, it shall withdraw certification.

10 (3) Withdrawal of certification shall be effective not less than 30 days after written notice to the  
11 person who filed the application for certification under ORS 459A.725 and to the manufacturers re-  
12 ferred to in ORS 459A.725 (2).

13 **SECTION 166.** ORS 459A.735 is amended to read:

14 459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of  
15 beverages, any person may establish a redemption center, subject to the approval of the Oregon  
16 Liquor [*Control*] and Cannabis Commission, at which any person may return empty beverage con-  
17 tainers and receive payment of the refund value of such beverage containers.

18 (2) Application for approval of a redemption center shall be filed with the commission. The ap-  
19 plication shall state the name and address of the person responsible for the establishment and op-  
20 eration of the redemption center, the kind of beverage containers that will be accepted at the  
21 redemption center, the names and addresses of the dealers to be served by the redemption center  
22 and proposals for up to two convenience zones described in ORS 459A.738. The application shall  
23 include such additional information as the commission may require.

24 (3) The commission shall approve a redemption center if it finds the redemption center will  
25 provide a convenient service to persons for the return of empty beverage containers. The order of  
26 the commission approving a redemption center shall state:

27 (a) The location of the convenience zones specified by the commission under ORS 459A.738 (1);

28 (b) The dealers within the convenience zones to be served by the redemption center;

29 (c) The dealers within the convenience zones not to be served by or not participating in the  
30 redemption center;

31 (d) The services to be provided by the redemption center and the equivalent services required  
32 to be provided under ORS 459A.738 (5) by a dealer that does not participate in, and is not served  
33 by, the redemption center;

34 (e) The kind of empty beverage containers that the redemption center must accept; and

35 (f) Such other provisions to ensure the redemption center will provide a convenient service to  
36 the public as the commission may determine.

37 (4)(a) No later than five days after approving a redemption center under subsection (3) of this  
38 section, the commission shall provide written notice to each dealer that is identified in the order  
39 approving the redemption center as a dealer within the convenience zones not to be served by or  
40 not participating in the redemption center.

41 (b) The notice required under this subsection shall include:

42 (A) All information required to be in the order approving the redemption center under sub-  
43 section (3) of this section; and

44 (B) Notice of the provisions of ORS 459A.738 that are applicable to the dealer receiving the  
45 notice.

1 (5) The commission may review at any time approval of a redemption center. After written no-  
 2 tice to the person responsible for the establishment and operation of the redemption center, and to  
 3 the dealers served by the redemption center, the commission may, after hearing, withdraw approval  
 4 of a redemption center if the commission finds there has not been compliance with its order ap-  
 5 proving the redemption center, or if the redemption center no longer provides a convenient service  
 6 to the public.

7 **SECTION 167.** ORS 459A.737 is amended to read:

8 459A.737. (1) Pursuant to the provisions of ORS 459A.735, the Oregon Liquor [*Control*] **and**  
 9 **Cannabis** Commission:

10 (a) Shall approve one beverage container redemption center in a city having a population of less  
 11 than 300,000, operated by a distributor cooperative serving a majority of the dealers in this state;  
 12 and

13 (b) May approve one or more additional beverage container redemption centers.

14 (2) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a beverage container re-  
 15 demption center:

16 (a) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage  
 17 containers, as established by ORS 459A.705, returned by any one person during one day;

18 (b) Must provide hand counting of up to 50 individual empty beverage containers returned by  
 19 any one person during one day for the refund value established by ORS 459A.705;

20 (c) May provide drop off service for at least 125 individual empty beverage containers returned  
 21 by any one person during one day for the refund value established by ORS 459A.705, and may pro-  
 22 vide an accounting mechanism by which the person may redeem the refund value of the beverage  
 23 containers at a later date; and

24 (d) May provide other services as determined necessary by the person responsible for the oper-  
 25 ation of the beverage container redemption center.

26 (3) The commission may adopt all rules necessary to implement and administer the provisions  
 27 of this section and ORS 459A.738.

28 **SECTION 168.** ORS 459A.738 is amended to read:

29 459A.738. (1) For each beverage container redemption center, the Oregon Liquor [*Control*] **and**  
 30 **Cannabis** Commission shall specify up to two convenience zones. The first convenience zone shall  
 31 be the sector within a radius of not more than two miles around the beverage container redemption  
 32 center. The second convenience zone shall be the sector beginning at the border of the first con-  
 33 venience zone and continuing to a radius of not more than three and one-half miles around the  
 34 beverage container redemption center. The convenience zones shall be based to the greatest extent  
 35 practicable upon the proposals submitted as part of the application for approval of the redemption  
 36 center under ORS 459A.735.

37 (2) All dealers doing business within the first convenience zone that occupy a space of 5,000 or  
 38 more square feet in a single area may participate in, be served by and be charged the cost of par-  
 39 ticipation in the beverage container redemption center and, if such a dealer participates in, is served  
 40 by and pays the cost of participation in the redemption center, the dealer may, notwithstanding any  
 41 other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the refund value of empty  
 42 beverage containers.

43 (3) All dealers doing business within the second convenience zone that occupy a space of 5,000  
 44 or more square feet in a single area may participate in, be served by and be charged the cost of  
 45 participation in the beverage container redemption center and, if such a dealer participates in, is

1 served by and pays the cost of participation in the redemption center, the dealer may,  
2 notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and to pay the  
3 refund value of more than 24 individual empty beverage containers returned by any one person  
4 during one day.

5 (4) All dealers doing business within either convenience zone that occupy a space of less than  
6 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to  
7 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage  
8 containers returned by any one person during one day.

9 (5)(a) Any dealer doing business in either convenience zone that occupies a space of 5,000 or  
10 more square feet in a single area that does not participate in, and is not served by, the beverage  
11 container redemption center may not refuse to accept and to pay the refund value of up to 350 in-  
12 dividual empty beverage containers, as established by ORS 459A.705, returned by any one person  
13 during one day and must, beginning on the date that the redemption center begins accepting  
14 beverage containers, provide services equivalent to those provided by the redemption center under  
15 ORS 459A.737 (2), including hand counting and drop off service.

16 (b) In addition to complying with the requirements specified in paragraph (a) of this subsection,  
17 a dealer described in paragraph (a) of this subsection must:

18 (A) Post in each area where beverage containers are received a clearly visible and legible sign  
19 that contains the list of services that must be provided by the dealer; and

20 (B) Provide two automated reverse vending machines capable of processing metal, plastic and  
21 glass beverage containers, or one automated reverse vending machine capable of processing metal,  
22 plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the  
23 previous calendar year, whichever is greater.

24 (c)(A) The provisions of paragraphs (a) and (b) of this subsection do not apply to a dealer de-  
25 scribed in paragraph (a) of this subsection if the dealer sold fewer than 100,000 beverage containers  
26 in the previous calendar year. To be eligible for the exemption under this paragraph, a dealer de-  
27 scribed in paragraph (a) of this subsection must report to the commission the number of beverage  
28 containers sold by the dealer in the previous calendar year.

29 (B) The report required under this paragraph must be submitted by a dealer:

30 (i) Except as provided in subsection (6) of this section, no later than 60 days after issuance of  
31 the notice required under ORS 459A.735 (4); and

32 (ii) No later than January 1 of each calendar year following the year that the notice under ORS  
33 459A.735 (4) was issued and for which the dealer intends to claim the exemption.

34 (d) The commission shall ensure compliance with this subsection by a dealer described in para-  
35 graph (a) of this subsection that is not subject to an exemption under paragraph (c) of this sub-  
36 section.

37 (6) A dealer that plans to begin doing business in either convenience zone after the date that  
38 the beverage container redemption center associated with the convenience zone begins accepting  
39 beverage containers shall, not less than 60 days prior to the date that the dealer begins doing  
40 business:

41 (a) Provide notice to the commission explaining whether the dealer will or will not participate  
42 in, be served by and pay the cost of participation in the redemption center; and

43 (b) If the dealer will not participate in the redemption center and will claim an exemption under  
44 subsection (5)(c) of this section, provide documentation of compliance with the requirements for  
45 nonparticipating dealers under this section and an estimate of the number of beverage containers

1 that the dealer expects to sell during the first calendar year that the dealer does business in the  
2 convenience zone.

3 (7) The provisions of subsections (2) to (6) of this section do not apply to any dealer for which  
4 the driving distance from the place of business of the dealer to the beverage container redemption  
5 center, calculated using the shortest route, is more than two times the radius specified for the sec-  
6 ond convenience zone or, if only one convenience zone is specified by the commission, two times the  
7 radius specified for that convenience zone.

8 (8) Not more than 60 days after issuance of notice from the commission under ORS 459A.735 (4),  
9 a dealer shall provide the commission with written documentation confirming compliance with each  
10 of the requirements of this section that are applicable to the dealer receiving notice.

11 **SECTION 169.** ORS 459A.739 is amended to read:

12 459A.739. In addition to the authority granted under ORS 459.992, inspectors and investigators  
13 employed by the Oregon Liquor [*Control*] **and Cannabis** Commission have authority to inspect any  
14 space occupied by a dealer, as defined in ORS 459A.700, for compliance with ORS 459A.738.

15 **SECTION 170.** ORS 461.217 is amended to read:

16 461.217. (1) As used in this section, “video lottery game retailer” means a contractor under  
17 contract with the Oregon State Lottery to place video lottery game terminals on premises author-  
18 ized by the contract.

19 (2) A video lottery game terminal that offers a video lottery game authorized by the Director  
20 of the Oregon State Lottery:

21 (a) May be placed for operation only in or on the premises of an establishment that has a con-  
22 tract with the Oregon State Lottery as a video lottery game retailer.

23 (b) Must be within the control of an employee of the video lottery game retailer.

24 (c) May not be placed in any other business or location.

25 (3) A video lottery game terminal may be placed only on the premises of an establishment li-  
26 censed by the Oregon Liquor [*Control*] **and Cannabis** Commission with a full on-premises sales li-  
27 cense, a limited on-premises sales license or a brewery-public house license. A video lottery game  
28 terminal may be placed only in that part of the premises that is posted by the Oregon Liquor  
29 [*Control*] **and Cannabis** Commission as being closed to minors. In addition to the requirements of  
30 this subsection, the director may by rule establish other criteria and conditions as the director de-  
31 termines appropriate for the placement of video lottery game terminals in establishments.

32 (4) No more than six video lottery game terminals may be placed in or on premises described  
33 in subsection (3) of this section.

34 (5) No more than 10 video lottery game terminals may be placed in or on the premises of a race  
35 meet licensee licensed under ORS 462.020 that qualifies as a video lottery game retailer.

36 **SECTION 171.** ORS 471.001, as amended by section 19, chapter 24, Oregon Laws 2016, is  
37 amended to read:

38 471.001. As used in this chapter and ORS chapter 473:

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

41 (2) “Commercial establishment” means a place of business:

42 (a) Where food is cooked and served;

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

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

45 (d) That:

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

2 (B) If a for-profit private club, serves meals to the club's members and guests and complies with  
3 any minimum membership and food service requirements established by Oregon Liquor [*Control*] **and**  
4 **Cannabis** Commission rules.

5 (3) "Commission" means the Oregon Liquor [*Control*] **and Cannabis** Commission.

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

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

9 (6)(a) "Malt beverage" means an alcoholic beverage obtained by the fermentation of grain that  
10 contains not more than 14 percent alcohol by volume.

11 (b) "Malt beverage" includes:

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

14 (B) Malt beverages containing six percent or less alcohol by volume and that contain at least  
15 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49  
16 percent of the beverage's overall alcohol content is obtained from flavors and other added  
17 nonbeverage ingredients containing alcohol; and

18 (C) Malt beverages containing more than six percent alcohol by volume that derive not more  
19 than 1.5 percent of the beverage's overall alcohol content by volume from flavors and other added  
20 nonbeverage ingredients containing alcohol.

21 (c) "Malt beverage" does not include cider or an alcoholic beverage obtained primarily by  
22 fermentation of rice, such as sake.

23 (7) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends  
24 an alcoholic beverage within this state or who imports or causes to be imported into this state an  
25 alcoholic beverage for sale or distribution within the state.

26 (8) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.390.

27 (9) "Premises" or "licensed premises" means a location licensed under this chapter and includes  
28 all enclosed areas at the location that are used in the business operated at the location, including  
29 offices, kitchens, rest rooms and storerooms, including all public and private areas where patrons  
30 are permitted to be present. "Premises" or "licensed premises" includes areas outside of a building  
31 that the commission has specifically designated as approved for alcoholic beverage service or con-  
32 sumption.

33 (10) "Regulatory specialist" means a full-time employee of the commission who is authorized to  
34 act as an agent of the commission in conducting inspections or investigations, making arrests and  
35 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing  
36 this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.395, 475B.550 to 475B.590 and  
37 475B.600 to 475B.655, commission rules and any other statutes the commission considers related to  
38 regulating liquor, marijuana or marijuana-derived products.

39 (11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit  
40 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of  
41 alcohol by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified  
42 wine. "Wine" does not include cider.

43 **SECTION 172.** ORS 471.038 is amended to read:

44 471.038. (1) Nonbeverage food products described in subsection (6) of this section may be sold  
45 at retail by any holder of a license issued by the Oregon Liquor [*Control*] **and Cannabis** Commission

1 that authorizes the sale of alcoholic liquor at retail, or in any store operated by the commission  
2 under the provisions of ORS 471.750. Any nonbeverage food product containing more than one-half  
3 of one percent of alcohol by volume must be clearly labeled to reflect the alcohol content of the  
4 product and clearly labeled on the front of the package to indicate that the product may not be sold  
5 to persons under 21 years of age.

6 (2) Except as provided by this section, sales of nonbeverage food products described in sub-  
7 section (6) of this section are subject to all provisions of this chapter, including the prohibitions on  
8 sales to persons under 21 years of age and the prohibitions on sales to persons who are visibly  
9 intoxicated.

10 (3) Nonbeverage food products described in subsection (6) of this section may be imported,  
11 stored and distributed in this state without a license issued by the commission. Nonbeverage food  
12 products described in subsection (6) of this section are not subject to the privilege taxes imposed  
13 by ORS chapter 473.

14 (4) Manufacturers of nonbeverage food products described in subsection (6) of this section are  
15 not subject to the provisions of ORS 471.392 to 471.400, 471.485, 471.490 or 471.495 or any other  
16 provision of this chapter relating to manufacturers of alcoholic liquor. A manufacturer of  
17 nonbeverage food products described in subsection (6) of this section may sell and deliver the  
18 product directly to a licensee authorized under this section to sell the product at retail.

19 (5) The holder of a distillery license issued under ORS 471.230 who is also a manufacturer of  
20 nonbeverage food products described in subsection (6) of this section may purchase distilled liquor  
21 directly from other distilleries.

22 (6) The provisions of this section apply only to nonbeverage food products that contain not more  
23 than five percent alcohol by weight or 10 percent alcohol by volume, whichever is greater.

24 **SECTION 173.** ORS 471.039 is amended to read:

25 471.039. (1) Notwithstanding any provision of this chapter, the Oregon Liquor [*Control*] **and**  
26 **Cannabis** Commission may not require the owners, operators and employees of a cruise ship to have  
27 a license or permit issued under the provisions of this chapter for the purpose of possessing, trans-  
28 porting, storing, selling or serving alcoholic beverages that are described in subsection (3) of this  
29 section.

30 (2) The provisions of ORS 471.740 do not apply to alcoholic beverages that are described in  
31 subsection (3) of this section.

32 (3) The provisions of this section apply only to alcoholic beverages that are served aboard a  
33 cruise ship and that are served solely for the purpose of onboard consumption by a cruise ship's  
34 passengers, guests, officers and employees.

35 (4) For the purposes of this section, "cruise ship" means a marine vessel used primarily for  
36 nonfishing purposes that is licensed to carry at least 500 passengers, provides overnight accommo-  
37 dations for those passengers and operates on the rivers or waterways within the boundaries of the  
38 State of Oregon, including docking and dry docking, fewer than 45 days during a calendar year.

39 **SECTION 174.** ORS 471.040 is amended to read:

40 471.040. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission has the powers and duties  
41 specified in this chapter and ORS 474.105 and 474.115, and also the powers necessary or proper to  
42 enable it to carry out fully and effectually all the purposes of this chapter and ORS 474.105 and  
43 474.115. It shall make such rules and regulations pertaining to natural and fortified wines as will  
44 prevent the importation and sale in Oregon of blended, rectified, adulterated or low-quality wines.  
45 The jurisdiction, supervision, powers and duties of the commission extend to any person who buys,

1 sells, manufactures, imports or transports any alcoholic liquor within this state. The commission  
2 may sue and be sued.

3 (2) Except for the power to adopt rules, the commission may delegate any of the commission's  
4 powers or duties to the administrator appointed under ORS 471.720.

5 **SECTION 175.** ORS 471.105 is amended to read:

6 471.105. Before being qualified to purchase alcoholic liquor from the Oregon Liquor [*Control*]  
7 **and Cannabis** Commission, a person must be at least 21 years of age.

8 **SECTION 176.** ORS 471.115 is amended to read:

9 471.115. The Oregon Liquor [*Control*] **and Cannabis** Commission may limit the quantity of al-  
10 coholic liquor purchased at any one time by any person. It may limit the amount of purchases within  
11 any length of time so as effectually to prevent the resale of such liquors.

12 **SECTION 177.** ORS 471.130 is amended to read:

13 471.130. (1) All licensees and permittees of the Oregon Liquor [*Control*] **and Cannabis** Commis-  
14 sion, before selling or serving alcoholic liquor to any person about whom there is any reasonable  
15 doubt of the person's having reached 21 years of age, shall require such person to produce one of  
16 the following pieces of identification:

17 (a) The person's passport.

18 (b) The person's motor vehicle operator's license, whether issued in this state or by any other  
19 state, so long as the license has a picture of the person.

20 (c) An identification card issued under ORS 807.400.

21 (d) A United States military identification card.

22 (e) Any other identification card issued by a state that bears a picture of the person, the name  
23 of the person, the person's date of birth and a physical description of the person.

24 (2) If a person does not have identification as described in subsection (1) of this section, the  
25 permittee or licensee shall require such person to make a written statement of age and furnish ev-  
26 idence of the person's true age and identity. The written statement of age shall be on a form fur-  
27 nished or approved by the commission, including but not limited to the following information:

28 \_\_\_\_\_

29  
30 Date \_\_\_\_\_

31 I am 21 years of age or over. \_\_\_\_\_

32 Signature \_\_\_\_\_

33 Description of evidence in support of age and identity:

34 \_\_\_\_\_ Identification No. (if any) \_\_\_\_\_

35 \_\_\_\_\_ Identification No. (if any) \_\_\_\_\_

36 (Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

37 I hereby certify that I have accurately recorded identification of the evidence submitted to  
38 complete this form.

39 \_\_\_\_\_  
40 Signature of permittee or licensee

41 ORS 165.805 provides as follows:

42 165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

43 (a) Being less than a certain, specified age, the person knowingly purports to be of any age other  
44 than the person's true age with the intent of securing a right, benefit or privilege which by law is  
45 denied to persons under that certain, specified age; or

1 (b) (Not applicable.)

2 (2) Misrepresentation of age by a minor is a Class C misdemeanor.

3  
4  
5 **SECTION 178.** ORS 471.155 is amended to read:

6 471.155. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall provide for the li-  
7 censing of persons and cities within the state to manufacture, distribute, take orders for and sell  
8 spirits, wines, beer and other alcoholic liquors. Except as provided in subsection (2) of this section,  
9 the holder of a brewery, winery, wholesale, warehouse, grower sales privilege or brewery-public  
10 house license or the holder of a wine self-distribution permit shall give, and at all times maintain  
11 on file with the commission, a bond with a corporate surety authorized to transact business in this  
12 state. The bond shall be in form and amount acceptable to the commission, shall be payable to the  
13 commission and conditioned that the licensee or permittee will pay any fine imposed for any vio-  
14 lation of any provision of the Liquor Control Act and that the licensee or permittee will pay all li-  
15 cense fees, privilege taxes, taxes imposed under ORS 473.045 and other taxes on alcoholic liquors,  
16 together with penalties and interest thereon, levied or assessed against the licensee or permittee  
17 under statutes relating to the importation, manufacture, distribution, sale or taxation of alcoholic  
18 liquors in the State of Oregon.

19 (2) Under such conditions as the commission may prescribe, the holder of a brewery, winery,  
20 wholesale, warehouse, grower sales privilege or brewery-public house license or the holder of a wine  
21 self-distribution permit may deposit, in lieu of the bond required by subsection (1) of this section, the  
22 equivalent value in cash, bank letters of credit recognized by the State Treasurer or negotiable se-  
23 curities of a character approved by the State Treasurer. The deposit is to be made in a bank or trust  
24 company for the benefit of the commission. Interest on deposited funds or securities shall accrue to  
25 the depositor.

26 **SECTION 179.** ORS 471.157 is amended to read:

27 471.157. The licenses described in this chapter may be issued by the Oregon Liquor [*Control*]  
28 **and Cannabis** Commission, subject to its regulations and restrictions and the provisions of the Li-  
29 quor Control Act.

30 **SECTION 180.** ORS 471.159 is amended to read:

31 471.159. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may not license a location  
32 that does not have defined boundaries.

33 (2) A licensed premises need not be enclosed by a wall, fence or other structure, but the com-  
34 mission may require that any licensed premises be enclosed as a condition of issuing or renewing  
35 a license.

36 (3) Except as provided in ORS 471.182, the commission may not license premises that are mobile.

37 **SECTION 181.** ORS 471.162 is amended to read:

38 471.162. (1) Hospitals, sanitariums, convalescent homes, rest homes, retirement homes and facil-  
39 ities for the care of the elderly that have been licensed or registered by the state may sell and serve  
40 alcoholic beverages to patients, inmates and residents, and to bona fide visitors and guests of pa-  
41 tients, inmates and residents, without a license issued under this chapter. Facilities authorized to  
42 sell and serve alcoholic beverages without a license under this subsection may not sell or serve al-  
43 coholic beverages after 10 p.m. except upon a physician's prescription.

44 (2) A person who operates a private residence that is not a boarding house but that accommo-  
45 dates transient guests for a limited duration may sell and serve wine, malt beverages and cider to



1 registered overnight guests without a license. Facilities authorized to sell and serve alcoholic  
2 beverages without a license under this subsection must have six or fewer guest units.

3 (3) A person who is an employee or agent of the holder of a license issued under this chapter  
4 that authorizes wholesale distribution of alcoholic beverages may, on behalf of the licensee, sell al-  
5 coholic beverages in factory-sealed containers to retail licensees and wholesalers.

6 (4) A pharmacist licensed under the laws of this state may sell alcoholic beverages without a  
7 license. Pharmacists may only sell alcoholic beverages under the provisions of this section if the  
8 alcoholic beverages are drugs as defined in ORS 689.005. A pharmacist may sell alcoholic beverages  
9 under the provisions of this subsection pursuant to a prescription, in containers of not more than  
10 one quart capacity.

11 (5) A wine collector, or the agent of a wine collector, may sell wine in factory-sealed containers  
12 at auction without a license. Any wine sold under this subsection must have been held by the col-  
13 lector for at least a six-month period. A wine collector must receive written approval from the  
14 Oregon Liquor [*Control*] and Cannabis Commission before conducting a sale under this subsection.  
15 No more than one sale in a 12-month period may be conducted by a wine collector under the pro-  
16 visions of this subsection.

17 (6) A nonprofit or charitable organization registered in this state may sell wine, malt beverages  
18 and cider, and a total of not more than four liters of distilled liquor, in factory-sealed containers at  
19 an auction or through a raffle without a license. The organization must receive written approval  
20 from the commission before conducting an auction or raffle under this subsection. The organization  
21 may conduct no more than one auction or raffle under this subsection in a 12-month period. The  
22 auction or raffle may not have a duration of more than one day. The organization may sell under  
23 this subsection wine, malt beverages, cider and distilled liquor purchased by or donated to the or-  
24 ganization. The purchased or donated wine, malt beverages, cider and distilled liquor must be im-  
25 ported into this state by the commission or be manufactured in or imported into this state under a  
26 brewery, brewery-public house, distillery, grower sales privilege, winery or wholesale malt beverage  
27 and wine license.

28 (7) A manufacturer may sell proprietary or patent medicines, perfumes, lotions, flavoring ex-  
29 tracts, medicinal tinctures and other preparations unfit for beverage purposes without a license.

30 **SECTION 182.** ORS 471.166 is amended to read:

31 471.166. (1) The Oregon Liquor [*Control*] and Cannabis Commission may require that every ap-  
32 plicant for issuance or renewal of a license under this chapter acquire a written recommendation  
33 from the governing body of the county if the place of business of the applicant is outside an incor-  
34 porated city, and from the city council if the place of business of the applicant is within an incor-  
35 porated city. The commission may take such written recommendation into consideration before  
36 granting or refusing the license.

37 (2) If the commission requires that an applicant for issuance of a new license acquire the written  
38 recommendation of a local government, the applicant must give notice to the local government when  
39 an application is made for issuance of the license. If the local government files a favorable recom-  
40 mendation with the commission within 45 days after the notice is given, the commission shall pro-  
41 ceed with consideration of the application. The commission shall proceed with consideration of the  
42 application as though the local government had made a favorable recommendation unless, within 45  
43 days after notice is given to the local government:

44 (a) The local government files an unfavorable recommendation with the commission with a  
45 statement of the grounds for the unfavorable recommendation; or

1 (b) The local government files a request for additional time with the commission that sets forth  
2 the reason additional time is needed by the local government, a statement that the local government  
3 is considering making an unfavorable recommendation on the application, and the specific grounds  
4 on which the local government is considering making an unfavorable recommendation.

5 (3) If the commission requires that an applicant for renewal of a license acquire the written  
6 recommendation of a local government under this section, the commission shall give notice to the  
7 local government when an application is due for renewal of the license. If the local government files  
8 a favorable recommendation with the commission within 60 days after the notice is given, the com-  
9 mission shall proceed with consideration of the application. The commission shall proceed with  
10 consideration of the application as though the local government had made a favorable recommen-  
11 dation unless within 60 days after notice is given to the local government:

12 (a) The local government files an unfavorable recommendation with the commission with a  
13 statement of the grounds for the unfavorable recommendation; or

14 (b) The local government files a request for additional time with the commission that sets forth  
15 the reason additional time is needed by the local government, a statement that the local government  
16 is considering making an unfavorable recommendation on the application, and the specific grounds  
17 on which the local government is considering making an unfavorable recommendation.

18 (4) The commission shall suspend consideration of an application subject to this section for a  
19 reasonable period of time if a local government requests additional time under subsection (2)(b) or  
20 (3)(b) of this section and the grounds given by the local government are valid grounds for an unfa-  
21 vorable determination under this chapter or rules adopted by the commission. The commission shall  
22 by rule establish the period of time that shall be granted to a local government pursuant to a re-  
23 quest under subsections (2)(b) and (3)(b) of this section.

24 (5) The commission shall by rule establish valid grounds for unfavorable recommendations by  
25 local governments under this section. Valid grounds established by the commission under this sec-  
26 tion for an unfavorable recommendation by a local government must be limited to those grounds  
27 considered by the commission in making an unfavorable determination on a license application.

28 (6) A person filing an application for issuance or renewal of a license that is subject to this  
29 section must remit to the local government the fees established under subsections (7) and (8) of this  
30 section. The commission shall give notice to the applicant for license renewal of the amount of the  
31 fees and the name of the local government collecting the fees. The commission is not responsible for  
32 collecting the fees charged by the local government or for ensuring that the fees have been paid.  
33 An applicant for a license renewal shall certify in the application form filed with the commission  
34 that the applicant has paid any fees required under this section.

35 (7) An applicant required to seek a written recommendation from a local government must pay  
36 an application fee to the local government, in an amount determined by the governing body of the  
37 city or county, for each application for a license. The application fee established by a local gov-  
38 ernment under this subsection may not exceed \$25.

39 (8) After public notice and hearing, the governing body of a city or county may adopt an ordi-  
40 nance, rule or resolution prescribing licensing guidelines to be followed in making recommendations  
41 on license applications under this chapter and in allowing opportunity for public comment on ap-  
42 plications. If the guidelines are approved by the commission as consistent with commission rules,  
43 after public notice and hearing the governing body may adopt an ordinance, rule or regulation es-  
44 tablishing a system of fees that is reasonable and necessary to pay expenses of processing the  
45 written recommendation. Processing fees under this subsection are in lieu of fees under subsection

1 (7) of this section. In no case shall the processing fee under this subsection be greater than \$100 for  
 2 an original application, \$75 for a change in ownership, change in location or change in privilege  
 3 application, and \$35 for a renewal or temporary application.

4 **SECTION 183.** ORS 471.168, as amended by section 3, chapter 3, Oregon Laws 2016, is amended  
 5 to read:

6 471.168. (1) For the purpose of providing coverage for injuries suffered by persons by reason of  
 7 the conduct of intoxicated persons who were served alcoholic beverages on licensed premises while  
 8 visibly intoxicated, all persons holding a license described in this section must either:

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

10 (b) Maintain a bond with a corporate surety authorized to transact business in this state in the  
 11 amount of not less than \$300,000.

12 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may by rule require liquor liability  
 13 insurance or bond in an amount larger than the minimum amount provided for in subsection (1) of  
 14 this section.

15 (3) The requirements of this section apply to full on-premises sales licenses, limited on-premises  
 16 sales licenses and brewery-public house licenses. The requirements of this section apply to tempo-  
 17 rary sales licenses, special events winery licenses, special events grower sales privilege licenses,  
 18 special events brewery-public house licenses, special events brewery licenses and special events  
 19 distillery licenses if the event that is licensed is open to the public and attendance at the event is  
 20 anticipated to exceed 300 individuals per day.

21 (4) The requirements of this section apply to winery licenses, brewery licenses and grower sales  
 22 privilege licenses unless an applicant for issuance of the license or renewal of the license submits  
 23 with the application for issuance or renewal of the license an affidavit that states that the licensee  
 24 will not allow consumption of alcoholic beverages on the premises.

25 (5) All licensees subject to the requirements of this section must supply proof of compliance at  
 26 the time the license is issued or renewed. The commission by rule shall determine the manner in  
 27 which proof of compliance may be made under the provisions of this subsection. The commission  
 28 may require a licensee to present proof of compliance with liquor liability insurance and bond re-  
 29 quirements at any time upon request of the commission.

30 (6) Failure of a licensee to comply with liquor liability insurance or bond requirements imposed  
 31 under this section constitutes a serious threat to public health and safety. In addition to any action  
 32 available to the commission under ORS 471.313 or 471.315, the commission may immediately suspend  
 33 or refuse renewal of a license as provided under ORS 183.430 (2) if the licensee fails to comply with  
 34 those insurance or bond requirements.

35 (7) If a licensee fails to provide proof of compliance with liquor liability insurance or bond re-  
 36 quirements imposed under this section at the time of license renewal or when requested by the  
 37 commission, the failure is sufficient reason for the commission to find for purposes of ORS 183.430  
 38 (2) that the licensee has failed to comply with the insurance or bond requirements.

39 **SECTION 184.** ORS 471.175 is amended to read:

40 471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine,  
 41 malt beverages, cider and distilled liquor. Except as provided in this section, all alcoholic beverages  
 42 sold under a full on-premises sales license must be consumed on the licensed premises.

43 (2) A full on-premises sales license may be issued only to:

44 (a) A nonprofit private club, as described in subsection (8) of this section.

45 (b) A public passenger carrier as provided in ORS 471.182.

1 (c) A commercial establishment, as defined in ORS 471.001 (2).

2 (d) A public location that does not qualify for licensing under paragraphs (a) to (c) of this sub-  
 3 section if:

4 (A) Food is cooked and served at the location;

5 (B) The predominant business activity at the location is other than the preparation or serving  
 6 of food or the serving of alcohol; and

7 (C) The location meets any minimum food service requirements established by Oregon Liquor  
 8 [*Control*] **and Cannabis** Commission rule.

9 (e) A caterer, subject to the requirements of ORS 471.184.

10 (3) The holder of a full on-premises sales license shall allow a patron to remove a partially  
 11 consumed bottle of wine from the licensed premises if the wine is served in conjunction with the  
 12 patron's meal, the patron is not a minor and the patron is not visibly intoxicated.

13 (4) The holder of a full on-premises sales license is entitled to purchase any distilled liquor from  
 14 an agent of the commission appointed pursuant to ORS 471.750 at a discount of not more than five  
 15 percent off the regular listed price fixed by the commission, together with all taxes, in a manner  
 16 prescribed by commission rule. For purposes of compensation by the commission, the appointed  
 17 agent shall be credited with such sales at full retail cost. The commission may not require the  
 18 licensee to purchase more than one container of distilled liquor at a time if the distilled liquor:

19 (a) Except as provided in subsection (9) of this section, has a retail sales price of \$30 or more  
 20 per container;

21 (b) Is available through a distributor in the United States that does not require the commission  
 22 to acquire more than one case of the distilled liquor in a single transaction;

23 (c) Is not regularly stocked by the commission; and

24 (d) Is ordered in a 750 milliliter container size if available in that size.

25 (5) The holder of a full on-premises sales license may purchase distilled liquor only from a retail  
 26 sales agent of the commission or from another person licensed under this section who has purchased  
 27 the distilled liquor from a retail sales agent of the commission.

28 (6) The holder of a full on-premises sales license may sell factory-sealed containers of wine to  
 29 a person who organizes a private gathering on the licensee's premises if the wine was acquired as  
 30 part of a larger purchase of wine by the licensee for the purpose of the gathering and only part of  
 31 the larger purchase was consumed at the gathering. Wine sold under this subsection may be sold  
 32 only for an amount adequate to compensate the licensee for the amounts paid by the licensee for  
 33 the wine.

34 (7) The holder of a full on-premises sales license may sell for consumption off the licensed  
 35 premises malt beverages, wines and cider in securely covered containers provided by the consumer  
 36 and having capacities of not more than two gallons each.

37 (8) A nonprofit private club, including but not limited to a fraternal or veterans organization,  
 38 may qualify for a full on-premises sales license under this section only if the club meets any mini-  
 39 mum membership, nonprofit status and food service requirements established by commission rule.

40 (9) The commission may annually adjust the price threshold established in subsection (4)(a) of  
 41 this section by a percentage equal to the percentage change in the Portland-Salem, OR-WA Con-  
 42 sumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor  
 43 Statistics of the United States Department of Labor. However, the commission may not adjust the  
 44 price threshold to be less than \$30.

45 **SECTION 185.** ORS 471.180 is amended to read:

1 471.180. A full or limited on-premises sales license issued to a hotel or arena under the pro-  
 2 visions of this chapter authorizes the person to whom the license is issued to provide for in-room  
 3 supplies of the alcoholic beverages otherwise authorized to be sold under the license. Any in-room  
 4 supply of alcoholic beverages that are available for purchase by patrons of the hotel or arena shall  
 5 be kept in a locked cabinet, and shall conform with any rules that the Oregon Liquor [*Control*] and  
 6 **Cannabis** Commission may promulgate to ensure the enforcement of other provisions of this chapter.

7 **SECTION 186.** ORS 471.182 is amended to read:

8 471.182. (1) The Oregon Liquor [*Control*] and **Cannabis** Commission may grant a full or limited  
 9 on-premises sales license to the owner or operator of a licensed public passenger carrier only as  
 10 specified in this section. A public passenger carrier licensed by the commission under this section  
 11 must serve food as required by rules of the commission.

12 (2) The commission may issue a full on-premises sales license to:

13 (a) An airline for use in operating aircraft that are licensed to carry at least 40 passengers and  
 14 that arrive at or depart from an airport in this state.

15 (b) A railroad corporation for use in operating passenger trains in this state.

16 (c) The owner or operator of one or more tour boats that are licensed to carry at least 40 pas-  
 17 sengers to or from any port of this state and that are primarily used for nonfishing purposes.

18 (3) The commission may issue a limited on-premises sales license to any of the persons specified  
 19 in subsection (2) of this section. In addition, the commission may issue a limited on-premises sales  
 20 license to the owner or operator of a licensed public passenger carrier not described in subsection  
 21 (2) of this section if the carrier is a mobile vehicle that is licensed to carry at least 40 passengers.

22 **SECTION 187.** ORS 471.184 is amended to read:

23 471.184. (1) The holder of a full or limited on-premises sales license may cater a temporary event  
 24 at a location other than the licensed premises if the event is not open to the general public.  
 25 Catering of an event under this subsection must be pursuant to a contract with a client. The con-  
 26 tract must provide that the licensee will furnish food and beverage services for no more than 100  
 27 patrons. The licensee must serve food as required by rules of the commission. The licensee may  
 28 cater events under this subsection without giving advance notice to the Oregon Liquor [*Control*] and  
 29 **Cannabis** Commission if, before the event occurs, the commission gives written approval to the  
 30 licensee authorizing catering pursuant to this subsection. Events catered under the provisions of this  
 31 subsection must meet all requirements for enclosure of premises that may be imposed by the com-  
 32 mission for the purposes of this section. Notwithstanding ORS 471.175 (3) and (7) and 471.178 (2) to  
 33 (4), the licensee may not permit patrons of the event to remove any alcoholic beverages from the  
 34 premises of the event.

35 (2) In addition to catered events under subsection (1) of this section, the commission may by rule  
 36 allow the exercise of the privileges of a full or limited on-premises sales license at temporary events  
 37 held at locations other than the licensed premises. The commission may:

38 (a) Require notice to the commission before the exercise of license privileges at temporary  
 39 events under this subsection;

40 (b) Require that written approval by the commission be obtained before the exercise of license  
 41 privileges at temporary events under this subsection;

42 (c) Establish eligibility criteria for the exercise of license privileges at temporary events under  
 43 this subsection; and

44 (d) Establish fees reasonably calculated to cover administrative expenses incurred by the com-  
 45 mission in administering this subsection.

1       **SECTION 188.** ORS 471.186 is amended to read:

2       471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of malt  
3 beverages, wine and cider. Factory-sealed containers of malt beverages sold under the license may  
4 not hold more than two and one-quarter gallons.

5       (2) The holder of an off-premises sales license may sell for consumption off the licensed premises  
6 malt beverages, wines and cider in securely covered containers supplied by the consumer and having  
7 capacities of not more than two gallons each.

8       (3) The holder of an off-premises sales license may provide sample tasting of alcoholic beverages  
9 on the licensed premises if the licensee makes written application to the Oregon Liquor [*Control*]  
10 **and Cannabis** Commission and receives approval from the commission to conduct tastings on the  
11 premises. Tastings must be limited to the alcoholic beverages that may be sold under the privileges  
12 of the license.

13       (4) An off-premises sales license may not be issued for use at a premises that is mobile.

14       (5) Except as provided in ORS 471.402, a manufacturer or wholesaler may not provide or pay for  
15 sample tastings of alcoholic beverages for the public on premises licensed under an off-premises  
16 sales license.

17       (6) The holder of an off-premises sales license may deliver malt beverages, wine or cider that is  
18 sold under the privileges of the license to retail customers in this state without a direct shipper  
19 permit issued under ORS 471.282. Any deliveries by the holder of an off-premises sales license are  
20 subject to any rules adopted by the commission relating to deliveries made under this subsection.

21 Deliveries under this subsection:

22       (a) May be made only to a person who is at least 21 years of age;

23       (b) May be made only for personal use and not for the purpose of resale; and

24       (c) Must be made in containers that are conspicuously labeled with the words: "CONTAINS  
25 ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR  
26 DELIVERY."

27       (7) The holder of an off-premises sales license that makes deliveries of malt beverages, wine or  
28 cider under subsection (6) of this section must take all actions necessary to ensure that a carrier  
29 used by the licensee does not deliver any malt beverages, wine or cider unless the carrier:

30       (a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

31       (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
32 21 years of age; and

33       (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

34       (8) Any person who knowingly or negligently delivers malt beverages, wine or cider under the  
35 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-  
36 livers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated  
37 person, violates ORS 471.410.

38       (9) If a court determines that deliveries of malt beverages, wine or cider under subsection (6)  
39 of this section cannot be restricted to holders of off-premises sales licenses, and the decision is a  
40 final judgment that is no longer subject to appeal, the holder of an off-premises sales license may  
41 not make deliveries of malt beverages, wine or cider under the provisions of subsection (6) of this  
42 section after entry of the final judgment.

43       **SECTION 189.** ORS 471.190 is amended to read:

44       471.190. (1) The holder of a temporary sales license may:

45       (a) Sell at retail by the drink wine, malt beverages, cider and distilled liquor.

1 (b) Sell for consumption off the licensed premises wine, malt beverages and cider in factory-  
2 sealed containers.

3 (c) Sell for consumption off the licensed premises wine, malt beverages and cider in securely  
4 covered containers supplied by the consumer and having capacities of not more than two gallons  
5 each.

6 (2) Distilled liquor served by the holder of a temporary sales license must be purchased from a  
7 retail sales agent of the Oregon Liquor [*Control*] **and Cannabis** Commission. The holder of a tem-  
8 porary sales license must provide food service as required by commission rule.

9 (3) A temporary sales license may be issued only to:

10 (a) Nonprofit or charitable organizations that are registered with the state.

11 (b) A political committee that has filed a statement of organization under ORS 260.039 or  
12 260.042.

13 (c) State agencies.

14 (d) Local governments, and agencies and departments of local governments.

15 (e) Persons not otherwise described in this subsection, as long as the applicant submits a plan  
16 that is approved by the commission detailing how minors will be prevented from gaining access to  
17 alcoholic beverages and how minors will be prevented from gaining access to any portion of the li-  
18 censed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.

19 (4) The commission may by rule establish additional eligibility requirements for temporary sales  
20 licenses.

21 (5) Subject to such qualifications as the commission may establish by rule, persons who hold a  
22 full or limited on-premises sales license are eligible for temporary sales licenses.

23 (6) A person holding a temporary sales license is not required to obtain an intermittent tempo-  
24 rary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mobile  
25 unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service con-  
26 tainers are served and only nonperishable food items that are exempted from licensure by the  
27 Oregon Health Authority are served.

28 (7) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organ-  
29 ization licensed under this section are not required to have service permits or to complete an alco-  
30 hol server education program and examination under ORS 471.542. The commission by rule may  
31 establish education requirements for servers described in this subsection.

32 (8) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a  
33 nonprofit trade association that has a membership primarily composed of persons that hold winery  
34 licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

35 **SECTION 190.** ORS 471.200 is amended to read:

36 471.200. (1) A brewery-public house license allows the licensee:

37 (a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage  
38 and wine licensees of the Oregon Liquor [*Control*] **and Cannabis** Commission and export malt  
39 beverages;

40 (b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption  
41 on or off the premises;

42 (c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for  
43 consumption off the premises;

44 (d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed  
45 premises in unpasteurized or pasteurized form directly to the consumer for consumption off the

1 premises, delivery of which may be made in a securely covered container supplied by the consumer;

2 (e) To sell wine and cider at retail for consumption on or off the premises;

3 (f) To sell for consumption off the premises wines and cider in securely covered containers  
4 supplied by the consumer and having capacities of not more than two gallons each;

5 (g) To conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this  
6 subsection at one location other than the premises where the manufacturing occurs;

7 (h) To obtain a special events brewery-public house license entitling the holder to conduct the  
8 activities allowed under paragraphs (b) to (f) of this subsection at a designated location other than  
9 the location set forth in the brewery-public house license for a period not exceeding five days;

10 (i) To distribute malt beverages manufactured at the licensed premises to any other premises  
11 licensed to the same licensee, whether a manufacturer, wholesaler or retail premises; and

12 (j) To distribute for export, in any amount, malt beverages manufactured at the licensed prem-  
13 ises.

14 (2) In addition to the privileges specified in subsection (1) of this section, in any calendar year  
15 a brewery-public house licensee may sell at wholesale and distribute to licensees of the commission  
16 no more than 7,500 barrels of malt beverages produced by the brewery-public house licensee.

17 (3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail  
18 licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS  
19 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise,  
20 in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler,  
21 as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the  
22 licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided  
23 by this section and ORS 471.400, may not acquire or hold any right, title, lien, claim or other in-  
24 terest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of  
25 any other retail licensee, as defined in ORS 471.392.

26 (4) A brewery-public house licensee, or any person having an interest in the licensee, is a retail  
27 licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS  
28 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from  
29 any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any  
30 person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398  
31 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or in-  
32 directly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS  
33 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance  
34 between manufacturing and retail businesses licensed to the same person under the provisions of  
35 this section.

36 (5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person  
37 having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A  
38 brewery-public house licensee, or any person having an interest in the licensee, may also hold a  
39 warehouse license authorized by ORS 471.242.

40 (6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for  
41 limited on-premises sales licenses and temporary sales licenses.

42 (7)(a) Notwithstanding subsection (3) of this section, and except as provided in this subsection,  
43 a brewery-public house licensee, or any person having an interest in the licensee, may also hold a  
44 full on-premises sales license. If a person holds both a brewery-public house license and a full on-  
45 premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled



1 liquor and malt beverages manufactured under the brewery-public house license.

2 (b) The commission may not issue a full on-premises sales license to a brewery-public house  
3 licensee under the provisions of this subsection if the brewery-public house licensee, or any person  
4 having an interest in the licensee or exercising control over the licensee, is a brewery that brews  
5 more than 200,000 barrels of malt beverages annually or a winery that produces more than 200,000  
6 gallons of wine annually.

7 (8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any  
8 person having an interest in the licensee, may also hold a distillery license. No provision of this  
9 chapter prevents a brewery-public house licensee that also holds a distillery license from being ap-  
10 pointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled  
11 liquors under ORS 471.230.

12 (9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a  
13 brewery-public house licensee to coproduce special events with other manufacturers.

14 (10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold,  
15 directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does  
16 not result in exercise of control over, or participation in the management of, the manufacturer's or  
17 wholesaler's business or business decisions and does not result in exclusion of any competitor's  
18 brand of alcoholic liquor.

19 (b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer,  
20 director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly  
21 or indirectly, an interest in a brewery-public house licensee, provided that the interest does not re-  
22 sult in exercise of control over, or participation in the management of, the licensee's business or  
23 business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

24 (11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to  
25 be a manufacturer.

26 **SECTION 191.** ORS 471.223 is amended to read:

27 471.223. (1) As used in this section, "control" means that the licensee:

28 (a) Owns the brand under which the wine or cider is labeled; or

29 (b) Performs or has the legal right to perform all of the acts common to a brand owner under  
30 the terms of a trademark license or similar agreement that for the brand under which the wine or  
31 cider is labeled has a term of at least three years.

32 (2) A winery license shall allow the licensee:

33 (a) To import wine or cider in containers that have a capacity of more than four liters.

34 (b) To import wine or cider in containers that have a capacity of four liters or less if the brand  
35 of wine or cider is under the control of the licensee.

36 (c) To bottle, produce, blend, store, transport or export wines or cider.

37 (d) To sell wines or cider at wholesale to the Oregon Liquor [*Control*] **and Cannabis Commis-**  
38 **sion** or to licensees of the commission.

39 (e) To sell wines or cider at retail directly to the consumer for consumption on or off the li-  
40 censed premises.

41 (f) To sell malt beverages at retail for consumption on or off the licensed premises.

42 (g) To sell for consumption off the premises malt beverages, wines and cider in securely covered  
43 containers supplied by the consumer and having capacities of not more than two gallons each.

44 (h) To conduct any activities described in paragraphs (a) to (g) of this subsection at a second  
45 or third premises as may be designated by the commission.

1 (i) To purchase from or through the commission brandy or other distilled liquors for fortifying  
2 wines.

3 (j) To obtain a special events winery license that shall entitle the holder to conduct the activ-  
4 ities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the  
5 one set forth in the winery license for a period not to exceed five days.

6 (3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from  
7 the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

8 (4) In order to hold a winery license the licensee shall:

9 (a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued  
10 by the federal Alcohol and Tobacco Tax and Trade Bureau; or

11 (b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol  
12 and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under par-  
13 agraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine  
14 or cider that is under the control of the licensee.

15 (5) A winery licensee may sell and ship malt beverages, wine or cider directly to a resident of  
16 this state only if the licensee has a direct shipper permit issued under ORS 471.282.

17 (6)(a) Except as provided in paragraph (b) of this subsection, a winery licensee, or any person  
18 having an interest in the licensee, may also hold a full on-premises sales license. If a winery  
19 licensee, or a person having an interest in the licensee, also holds a full on-premises sales license,  
20 the provisions of this chapter do not prevent the licensee or person from both selling wine or cider  
21 bottled and produced under the winery license and selling alcoholic liquor as authorized under the  
22 full on-premises sales license.

23 (b) The commission may not issue a full on-premises sales license to a winery licensee under the  
24 provisions of this subsection if the winery licensee, or any person having an interest in the licensee  
25 or exercising control over the licensee, is a brewery that brews more than 200,000 barrels of malt  
26 beverages annually.

27 (7) More than one winery licensee may exercise the privileges of a winery license at a single  
28 location. The commission may not refuse to issue a winery license to a person for the production  
29 of wine or cider on specified premises based on the fact that other winery licensees also produce  
30 wine or cider on those premises.

31 (8) If a winery licensee does not possess at a bonded premises within Oregon a valid producer  
32 and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the  
33 licensee may exercise the privileges described in this section only for wine and cider brands that  
34 are under the control of the licensee.

35 **SECTION 192.** ORS 471.227 is amended to read:

36 471.227. (1) A grower sales privilege license shall allow the licensee to perform the following  
37 activities only for fruit or grape wine or cider where all of the fruit or grapes used to make the  
38 wine or cider are grown in Oregon under the control of the licensee:

39 (a) To import, store, transport or export such wines or cider.

40 (b) To sell such wines or cider at wholesale to the Oregon Liquor [Control] **and Cannabis**  
41 Commission or licensees of the commission.

42 (c) To sell such wines or cider at retail directly to the consumer for consumption on or off the  
43 licensed premises.

44 (d) To sell at retail for consumption off the licensed premises malt beverages and such wines  
45 and cider in securely covered containers provided by the consumer and having capacities of not

1 more than two gallons each.

2 (e) To conduct some or all of the activities allowed under paragraphs (a) to (d) of this subsection  
3 at a second or third premises as may be designated by the commission.

4 (f) To obtain a special events grower sales privilege license which shall entitle the holder to  
5 conduct the activities allowed under paragraphs (c) and (d) of this subsection at a designated lo-  
6 cation other than the one set forth in the grower sales privilege license for a period not to exceed  
7 five days.

8 (2) A grower sales privilege licensee shall allow a patron to remove a partially consumed bottle  
9 of wine from the licensed premises if the patron is not a minor and the patron is not visibly  
10 intoxicated.

11 (3) For purposes of ORS 471.392 to 471.400, a grower sales privilege licensee shall be considered  
12 a manufacturer.

13 (4) A person holding a winery license in another state is not eligible for a license under this  
14 section.

15 (5) A person licensed under this section is not eligible for a limited on-premises sales license  
16 or an off-premises sales license.

17 (6) As used in this section, "control" means the grower either owns the land upon which the  
18 fruit or grapes are grown or has a legal right to perform or does perform all of the acts common  
19 to fruit farming or viticulture under terms of a lease or similar agreement of at least three years'  
20 duration.

21 (7) For the purposes of tax reporting, payment and record keeping, the provisions of law that  
22 shall apply to a manufacturer under ORS chapter 473 shall apply to a grower sales privilege  
23 licensee, but such a licensee is not a manufacturer for purposes of ORS 473.050 (5).

24 **SECTION 193.** ORS 471.230 is amended to read:

25 471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend,  
26 denature and store spirits of an alcoholic content greater than 17 percent alcohol by weight, to sell  
27 the spirits to the Oregon Liquor [*Control*] **and Cannabis** Commission and to transport the spirits  
28 out of this state for sale outside this state. Distillery licensees may purchase and sell distilled liquor  
29 from or to another distillery licensee in containers having a capacity greater than one U.S. gallon  
30 for blending and manufacturing purposes. A distillery licensee may not sell any alcoholic beverage  
31 within this state except to the commission or as provided in this section. However, any agricultural  
32 producer or association of agricultural producers or the legal agents of an agricultural producer or  
33 association of agricultural producers that manufactures and converts agricultural surpluses, by-  
34 products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are  
35 not required to obtain a license from the commission.

36 (2) If a distillery licensee holds a valid distilled spirits plant basic permit issued by the federal  
37 Alcohol and Tobacco Tax and Trade Bureau for the licensed premises, the distillery licensee may:

38 (a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manu-  
39 factured in Oregon by the distillery licensee or by another distillery licensee. Tastings may be of  
40 the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled li-  
41 quors, they must be distilled liquors on the list of products approved by the commission for retail  
42 sale in Oregon and must be purchased by the licensee at the retail price established by the com-  
43 mission. This paragraph does not authorize sales by the drink of distilled liquor. The tastings may  
44 be conducted on the licensed premises of the distillery and at no more than five other premises  
45 owned or leased by the licensee. The commission may allow more than one distillery licensee to use

1 the same premises at the same time for conducting tastings if the premises are a primary production  
2 location and the licensees share the premises or are owned by the same entity. If the manufacturer  
3 of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the  
4 commission, the licensee shall pay the commission a processing fee.

5 (b) Obtain a special events distillery license.

6 (c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of  
7 retailing distilled liquor at locations where tastings are permitted under paragraph (a) of this sub-  
8 section or subsection (4)(a) of this section. A distillery retail outlet agent may sell at locations  
9 where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the  
10 list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon  
11 by the distillery licensee or by another distillery licensee that uses the same premises as a primary  
12 production location or is owned by the same entity as the distillery licensee.

13 (3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may also hold a full on-premises  
14 sales license for a location at the licensed premises of the distillery and a full on-premises sales li-  
15 cense for one other location. All distilled spirits sold under the full on-premises sales license must  
16 be purchased from the commission.

17 (4) A distillery licensee that holds a special events distillery license may conduct an event on  
18 premises designated in the special events distillery license. Except as provided in this subsection,  
19 a special events distillery license may be valid for a period not exceeding five days. The commission  
20 shall limit the approval of special events distillery licenses for a distillery licensee at the same lo-  
21 cation to not more than 62 days during a calendar year. A distillery licensee conducting a special  
22 event may:

23 (a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manu-  
24 factured in Oregon by the distillery licensee. Tastings may be of the distilled liquor alone or with  
25 a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors  
26 on the list of products approved by the commission for retail sale in Oregon and must be purchased  
27 by the licensee at the retail price established by the commission. If the manufacturer of the distilled  
28 liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the  
29 licensee shall pay the commission a processing fee.

30 (b) Permit sales by the drink of distilled liquor. A drink that a distillery licensee sells under this  
31 paragraph must include distilled liquor that the licensee manufactured in Oregon. Any distilled li-  
32 quor contained in the drink must be on the list of products approved by the commission for retail  
33 sale in Oregon. The distillery licensee selling the drink must purchase all distilled liquor contained  
34 in the drink at the retail price set by the commission for the month in which the drink is sold.

35 (c) If the distillery licensee has been appointed as a distillery retail outlet agent under sub-  
36 section (2)(c) of this section, sell distilled liquor in factory-sealed containers for consumption off the  
37 licensed premises. A distillery retail outlet agent may sell at a location where tastings are allowed  
38 under paragraph (a) of this subsection only distilled liquor that is on the list of products approved  
39 by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee.  
40 The distillery retail outlet agent must sell the distilled liquor at the retail price set by the com-  
41 mission for the month of sale.

42 **SECTION 194.** ORS 471.235 is amended to read:

43 471.235. (1) A wholesale malt beverage and wine license shall allow the importation, storage,  
44 transportation, wholesale sale and distribution to licensees of the Oregon Liquor [Control] and  
45 Cannabis Commission, and the export of wine, cider and malt beverages, and the importation and

1 sale to the commission and the export of wine of alcoholic content in excess of 21 percent alcohol  
2 by volume. A wholesale malt beverage and wine licensee may not sell any alcoholic liquor for con-  
3 sumption upon the licensed premises. However, a wholesale malt beverage and wine licensee may  
4 sell naturally fermented wine or cider in quantities of not less than four gallons nor more than 55  
5 gallons at any one time to consumers for consumption not on the licensed premises. Wholesale malt  
6 beverage and wine licensees may sell malt beverages containing not more than nine percent alcohol  
7 by volume in quantities not less than four gallons to any unlicensed organization, lodge, picnic party  
8 or private gathering. The unlicensed organization, lodge, picnic party or private gathering may not  
9 sell the malt beverages. A wholesale malt beverage and wine license shall permit the licensee also  
10 to sell malt beverages at wholesale only, to persons holding licenses authorizing the persons to re-  
11 sell such beverages at retail. Employees of wholesale malt beverage and wine licensees may serve  
12 sample tastings of malt beverages, cider and wine at alcoholic beverage industry trade shows, sem-  
13 inars and conventions and at alcoholic beverage industry sample tastings for employees of retail  
14 licensees.

15 (2) Subsection (1) of this section does not prohibit the transportation or wholesale sale or dis-  
16 tribution of malt beverage or wine by a wholesale malt beverage and wine licensee to any alcoholic  
17 treatment center licensed by the Oregon Health Authority.

18 (3) A wholesale malt beverage and wine licensee may impose an additional handling fee on any  
19 wine sold to any retailer in this state if the quantity of wine sold to the retailer is less than the  
20 smallest multiple-package case available to be sold and the handling fee is uniform for all licensees.

21 **SECTION 195.** ORS 471.242 is amended to read:

22 471.242. (1) A warehouse license shall allow the licensee to store, import, bottle, produce, blend,  
23 transport and export nontax paid, bonded wine or wine on which the tax is paid and to store, import  
24 and export nontax paid malt beverages and cider, or malt beverages and cider on which the tax is  
25 paid. Wine, cider and malt beverages may be removed from the licensed premises only for:

26 (a) Sale for export;

27 (b) Sale or shipment to a wholesale malt beverage and wine licensee;

28 (c) Sale or shipment to another warehouse licensee;

29 (d) Sale or shipment to a winery licensee;

30 (e) Shipment of wine or cider produced by a winery licensee to a licensee of the Oregon Liquor  
31 [Control] and Cannabis Commission authorized to sell wine or cider at retail if the shipment is made  
32 pursuant to a sale to the retail licensee by the holder of a winery license issued under ORS 471.223,  
33 a grower sales privilege license issued under ORS 471.227 or a wholesale malt beverage and wine  
34 license issued under ORS 471.235; or

35 (f) Shipment of malt beverages, wine or cider to a person for personal use, as described in sub-  
36 section (7) of this section.

37 (2) A license applicant must hold an approved registration for a bonded wine cellar or winery  
38 under federal law.

39 (3) For the purposes of tax reporting, payment and record keeping, the provisions that shall  
40 apply to a manufacturer under ORS chapter 473 shall apply to a warehouse licensee.

41 (4) A warehouse must be physically secure in an area zoned for the intended use and be phys-  
42 ically separated from any other use.

43 (5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall be considered a man-  
44 ufacturer.

45 (6) For purposes of ORS 473.045, a warehouse licensee shall be considered a winery licensee.

1 (7) Malt beverages, wine or cider may be removed from the premises licensed under this section  
2 for shipment pursuant to a sale under ORS 471.282. The warehouse licensee shall take reasonable  
3 steps to ensure that shipments are made in containers that are conspicuously labeled with the  
4 words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER RE-  
5 QUIRED FOR DELIVERY." In addition, the warehouse licensee shall take reasonable steps to en-  
6 sure that any carrier used by the licensee does not deliver any malt beverages, wine or cider unless  
7 the carrier:

8 (a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

9 (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
10 21 years of age; and

11 (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

12 **SECTION 196.** ORS 471.244 is amended to read:

13 471.244. (1) No licensee of the Oregon Liquor [*Control*] **and Cannabis** Commission shall manu-  
14 facture, import into, or purchase in the State of Oregon for resale therein any malt beverages, cider  
15 or wine unless the manufacturer of such malt beverages, cider or wine has first obtained from the  
16 commission a certificate of approval, except that with respect to malt beverages, cider or wine  
17 manufactured outside the United States, the certificate of approval may be obtained by the person  
18 importing same into the United States. Such certificate of approval shall be granted only to man-  
19 ufacturers or importers who shall have entered into an agreement with the commission to furnish  
20 a report to the commission, on or before the 20th day of each month, showing the quantity of malt  
21 beverages, cider or wine delivered to each licensee of the commission during the preceding calendar  
22 month, and to faithfully comply with all laws of the State of Oregon pertaining to traffic in malt  
23 beverages, cider or wine. If any holder of such certificate, or any officer, agent or employee of such  
24 holder, shall violate any term or provision of such agreement, or submit any false or fictitious re-  
25 port, the commission may, in its discretion, suspend or revoke such certificate.

26 (2) The commission may grant special certificates of approval to manufacturers and importers  
27 of malt beverages, cider or wine. A special certificate of approval has the effect of a certificate of  
28 approval granted under subsection (1) of this section, but is valid only for a period of 30 days.

29 **SECTION 197.** ORS 471.251 is amended to read:

30 471.251. The Oregon Liquor [*Control*] **and Cannabis** Commission may issue a manufacturer or  
31 other person a certificate of approval authorizing the import of distilled liquor manufactured by a  
32 distillery not licensed under ORS 471.230. The commission may establish by rule:

33 (1) The conditions under which a manufacturer or other person may qualify for a certificate of  
34 approval;

35 (2) The products covered by the certificate of approval;

36 (3) Any conditions or limitations placed on imports under the certificate of approval; and

37 (4) The grounds for suspension or revocation of a certificate of approval.

38 **SECTION 198.** ORS 471.268 is amended to read:

39 471.268. (1) In addition to any other privilege granted to a licensee under this chapter, a licensee  
40 may conduct an organized judging, tasting, exhibition, contest or competition of malt beverages and  
41 wines produced under ORS 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices,  
42 or related events, at the premises described in a full or limited on-premises sales license, off-premises  
43 sales license, brewery-public house license, brewery license, winery license or warehouse license of  
44 the licensee. However, the Oregon Liquor [*Control*] **and Cannabis** Commission may restrict the  
45 portion of the licensed premises that may be used for the judging, tasting, exhibition, contest, com-

1 petition or related events and may restrict or prohibit sales of alcoholic beverages on the portion  
2 of the premises that is being used for conducting the judging, tasting, exhibition, contest, competi-  
3 tion or related events.

4 (2) In addition to any other privilege granted to a licensee under this chapter, a licensee may  
5 allow malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines  
6 and fermented fruit juices to be stored at the premises described in a full or limited on-premises  
7 sales license, off-premises sales license, brewery-public house license, brewery license, winery license  
8 or warehouse license of the licensee. The malt beverages or wines and the homemade beers, wines  
9 or fermented fruit juices must be clearly identified by owner and kept separate from the alcoholic  
10 beverage stock of the licensee.

11 (3) A licensee may not acquire any ownership interest in malt beverages and wines produced  
12 under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices stored under this  
13 section. However, this subsection does not prohibit a licensee from using malt beverages and wines  
14 produced under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices in con-  
15 ducting an organized judging, tasting, exhibition, contest or competition of the malt beverages and  
16 wines or homemade beers, wines or fermented fruit juices, or related events, if the malt beverages  
17 and wines or the homemade beers, wines or fermented fruit juices are stored with the licensee for  
18 that purpose.

19 **SECTION 199.** ORS 471.274 is amended to read:

20 471.274. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may issue a wine self-  
21 distribution permit to a United States manufacturer of wine or cider. The commission may issue a  
22 wine self-distribution permit only to a manufacturer of wine or cider that:

- 23 (a) Holds a license issued by another state that authorizes the manufacture of wine or cider; and  
24 (b) Holds a certificate of approval issued under ORS 471.244.

25 (2) The holder of a wine self-distribution permit may sell at wholesale and transport wine or  
26 cider that the manufacturer produces directly to the commission, or to retail licensees in the manner  
27 provided by this section. A wine self-distribution permit allows the holder to sell wine or cider that  
28 the holder produces only to retail licensees who hold a valid endorsement issued by the commission  
29 authorizing receipt of wine or cider from the holder of a wine self-distribution permit.

30 (3) In addition to the information required by ORS 471.311 for licenses, an applicant for a wine  
31 self-distribution permit shall provide the commission with a copy of the license held by the applicant  
32 or with sufficient information to allow verification of the license by electronic means or other means  
33 acceptable to the commission. The applicant also shall provide the commission with any information  
34 required by the commission to establish that the license held by the applicant authorizes the man-  
35 ufacture of wine or cider.

36 (4) A person holding a wine self-distribution permit is responsible for paying all taxes imposed  
37 under ORS chapter 473, and for complying with all reporting requirements imposed by ORS chapter  
38 473, for all wine and cider sold and transported to retail licensees in this state. The commission may  
39 revoke, or refuse to issue, a wine self-distribution permit if the holder of a permit fails to pay taxes  
40 or make reports as required by ORS chapter 473.

41 (5) A retail licensee may receive wine or cider from the holder of a wine self-distribution permit  
42 only if the licensee has received prior authorization from the commission. Prior authorization under  
43 this subsection must be made by an endorsement to the license for the premises where the wine or  
44 cider will be received. The commission may not charge or collect a fee for an endorsement under  
45 this subsection.

1 (6)(a) Except as provided in paragraph (b) of this subsection, a retail licensee that receives wine  
 2 or cider from holders of wine self-distribution permits must make a monthly report to the commis-  
 3 sion, using a form prescribed by the commission, listing the amount of all wine or cider received  
 4 from permit holders in the previous month, and the names of the permit holders from whom the wine  
 5 or cider was received. Retail licensees shall retain such purchase records for products received from  
 6 permit holders as may be required by the commission.

7 (b) The holder of a full or limited on-premises sales license is not required to file a report under  
 8 this subsection for any month in which the licensee receives two or fewer cases of wine from holders  
 9 of wine self-distribution permits.

10 (7) A manufacturer that is not licensed by the commission may sell and transport wine or cider  
 11 directly to a retail licensee, and a retail licensee may receive wine or cider directly from a man-  
 12 ufacturer that is not licensed by the commission, only if the manufacturer holds a wine self-  
 13 distribution permit issued under this section.

14 (8) The holder of a wine self-distribution permit consents to the jurisdiction of the commission  
 15 and the courts of this state for the purpose of enforcing the provisions of this chapter, ORS chapter  
 16 473 and any related laws or rules.

17 (9) The holder of a wine self-distribution permit must post a bond or other security, as described  
 18 in ORS 471.155.

19 (10) The commission may revoke, or refuse to issue, a wine self-distribution permit if the holder  
 20 of a permit fails to comply with any provision of this section.

21 **SECTION 200.** ORS 471.282 is amended to read:

22 471.282. (1) Notwithstanding any other provision of this chapter and except as provided by ORS  
 23 471.186 (6), a person may sell and ship malt beverages, wine or cider directly to a resident of Oregon  
 24 only if the person holds a direct shipper permit. The Oregon Liquor [*Control*] **and Cannabis** Com-  
 25 mission shall issue a direct shipper permit only to:

26 (a) A person that holds a license issued by this state or another state that authorizes the man-  
 27 ufacture of malt beverages, wine or cider;

28 (b) A person that holds a license issued by this state or another state that authorizes the sale  
 29 of wine or cider produced only from grapes or other fruit grown under the control of the person;

30 (c) A person that holds a license authorizing the sale of malt beverages, wine or cider at retail;  
 31 or

32 (d) A nonprofit trade association that holds a temporary sales license under ORS 471.190 and  
 33 that has a membership primarily composed of persons holding winery licenses issued under ORS  
 34 471.223 or grower sales privilege licenses issued under ORS 471.227.

35 (2) The holder of a direct shipper permit that is a licensee of another state may deliver malt  
 36 beverages under the permit only if that other state makes direct shipper permits, or the equivalent,  
 37 available for the delivery of malt beverages by persons holding a license issued by the commission  
 38 authorizing the manufacture or retail sale of malt beverages.

39 (3)(a) A person may apply for a direct shipper permit by filing an application with the commis-  
 40 sion. The application must be made in such form as may be prescribed by the commission.

41 (b) If the application is based on a license issued by this state, the person must include in the  
 42 application the number of the license issued to the person.

43 (c) If the application is based on a license issued by another state, the person must include in  
 44 the application a true copy of the license issued to the person by the other state or include sufficient  
 45 information to allow verification of the license by electronic means or other means acceptable to the



1 commission.

2 (d) If the application is based on a license issued by another state, or the application is by a  
3 nonprofit trade association described in subsection (1)(d) of this section, the person or association  
4 must pay a \$50 registration fee and maintain a bond or other security described in ORS 471.155 in  
5 the minimum amount of \$1,000.

6 (4) Sales and shipments under a direct shipper permit:

7 (a) May be made only to a person who is at least 21 years of age;

8 (b) May be made only for personal use and not for the purpose of resale; and

9 (c) May not exceed two cases, containing not more than nine liters per case, to any resident per  
10 month.

11 (5) Sales and shipments under a direct shipper permit must be made directly to a resident of this  
12 state in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIG-  
13 NATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

14 (6) A person holding a direct shipper permit must take all actions necessary to ensure that a  
15 carrier used by the permit holder does not deliver any malt beverages, wine or cider unless the  
16 carrier:

17 (a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

18 (b) Verifies by inspecting government-issued photo identification that the recipient is at least  
19 21 years of age; and

20 (c) Determines that the recipient is not visibly intoxicated at the time of delivery.

21 (7)(a) A person holding a direct shipper permit must report to the commission on a quarterly  
22 basis all shipments of malt beverages, wine or cider made to Oregon residents under the permit. The  
23 report must be made in a form prescribed by the commission.

24 (b) A person holding a direct shipper permit must allow the commission to audit the permit  
25 holder's records upon request and shall make those records available to the commission in this state.

26 (c) A person holding a direct shipper permit consents to the jurisdiction of the commission and  
27 the courts of this state for the purpose of enforcing the provisions of this section and any related  
28 laws or rules.

29 (8)(a) A person holding a direct shipper permit must timely pay to the commission all taxes im-  
30 posed under ORS chapter 473 on malt beverages, wine and cider sold and shipped under the permit.  
31 For the purpose of the privilege tax imposed under ORS chapter 473, all malt beverages, wine or  
32 cider sold and shipped pursuant to a direct shipper permit is sold in this state.

33 (b) A person holding a direct shipper permit based on a license issued by another state must  
34 timely pay to the commission all taxes imposed under ORS chapter 473 on all malt beverages, wine  
35 or cider sold and shipped directly to Oregon residents under the permit. The permit holder, not the  
36 purchaser, is responsible for the tax.

37 (9) A direct shipper permit must be renewed annually. If the person holds the permit based on  
38 an annual license issued by another state, the person may renew the permit by paying a \$50 renewal  
39 fee and providing the commission with a true copy of a current license issued to the person by the  
40 other state or with sufficient information to allow verification of the license by electronic means  
41 or other means acceptable to the commission. If the person holds the permit based on an annual li-  
42 cense issued by this state, the person may renew the permit at the same time that the person renews  
43 the license.

44 (10) The commission may refuse to issue or may suspend or revoke a direct shipper permit if the  
45 permit holder fails to comply with the provisions of this section. A person may sell and ship malt

1 beverages, wine or cider under a direct shipper permit only for as long as the person has the license  
2 issued by this state or another state that authorizes the person to hold a direct shipper permit. A  
3 direct shipper permit does not authorize the shipment of malt beverages by a permit holder de-  
4 scribed in subsection (1)(b) of this section or lacking authority as provided under subsection (2) of  
5 this section.

6 (11) Any person who knowingly or negligently delivers malt beverages, wine or cider under the  
7 provisions of this section to a person under 21 years of age, or who knowingly or negligently de-  
8 livers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated  
9 person, violates ORS 471.410.

10 (12) A person may not make sales and shipments of malt beverages, wine or cider directly to  
11 Oregon residents unless the person holds a direct shipper permit issued under this section. Any  
12 person who knowingly makes, participates in, transports, imports or receives a shipment of malt  
13 beverages, wine or cider that is in violation of this section commits a misdemeanor as provided in  
14 ORS 471.990 (1).

15 **SECTION 201.** ORS 471.292 is amended to read:

16 471.292. (1) A license granted under the Liquor Control Act or the Oregon Distilled Liquor  
17 Control Act shall:

18 (a) Be a purely personal privilege.

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

20 (c) Be renewable in the manner provided in ORS 471.311, except for a cause which would be  
21 grounds for refusal to issue such license under ORS 471.313.

22 (d) Be revocable or suspendible as provided in ORS 471.315.

23 (e) Be transferable from the place for which the license was originally issued to another location  
24 subject to the provisions of the Liquor Control Act, the Oregon Distilled Liquor Control Act, any  
25 rules of the Oregon Liquor [*Control*] **and Cannabis** Commission and any municipal ordinance or lo-  
26 cal regulation.

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

28 (g) Not constitute property.

29 (h) Not be alienable.

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

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

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

33 (a) Alcoholic liquors left by any deceased, insolvent or bankrupt person or licensee, or subject  
34 to a security interest, may be foreclosed, sold under execution or otherwise disposed of.

35 (b) The business of any deceased, insolvent or bankrupt licensee may be operated for a reason-  
36 able period following the death, insolvency or bankruptcy.

37 (c) A business licensed pursuant to this chapter subject to a security interest may be continued  
38 in business by a secured party as defined in ORS 79.0102 for a reasonable period after default on  
39 the indebtedness by the debtor.

40 (d) A license granted under this chapter may be transferred from the place for which the license  
41 was originally issued to another location.

42 **SECTION 202.** ORS 471.294 is amended to read:

43 471.294. (1) Except as otherwise provided in this section, all licenses under this chapter and  
44 renewals thereof shall be issued for a period of one year which shall expire at 12 midnight on March  
45 31, June 30, September 30 or December 31 of each year.

1 (2) Notwithstanding subsection (1) of this section, a license issued for the first time to an ap-  
2 plicant may be issued for less than a year. The fee for a license issued for less than a year under  
3 this subsection is the annual license fee prescribed by ORS 471.311.

4 (3) The term of a temporary letter of authority or license issued under ORS 471.302 or any  
5 temporary sales license is the period fixed by the Oregon Liquor [*Control*] **and Cannabis** Commis-  
6 sion when the letter or license is issued.

7 **SECTION 203.** ORS 471.297 is amended to read:

8 471.297. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may grant a temporary let-  
9 ter of authority for a period not to exceed 90 days on change of ownership applications for licenses  
10 granted under this chapter if the applicant pays the fee prescribed by the commission for a tempo-  
11 rary letter of authority. The administrator appointed by the commission under ORS 471.720 may  
12 extend a temporary letter of authority granted under the provisions of this section for a period not  
13 to exceed 30 days if the commission has not granted or denied the application at the end of the  
14 90-day period. A temporary letter of authority issued under this section does not constitute a license  
15 for the purposes of ORS chapter 183.

16 (2) The commission summarily and without prior administrative proceedings may revoke a tem-  
17 porary letter of authority any time if the commission finds that any of the grounds for refusing a  
18 license under ORS 471.313 or canceling or suspending a license under ORS 471.315 exist.

19 (3) A person subject to subsection (2) of this section shall be given an interview under the di-  
20 rection of the commission if the person requests an interview prior to revocation of a temporary  
21 letter of authority. However, the proceedings are not a contested case under ORS chapter 183.

22 **SECTION 204.** ORS 471.302 is amended to read:

23 471.302. (1) Upon receiving an application for an off-premises sales license, the Oregon Liquor  
24 [*Control*] **and Cannabis** Commission may grant a temporary letter of authority for a period not ex-  
25 ceeding 90 days, if it finds:

26 (a) The applicant is located in an area presently zoned for commercial use and presents doc-  
27 umentation of such zoning to the commission.

28 (b) The applicant pays the fee prescribed by the commission for a temporary letter of authority.

29 (2) The administrator appointed by the commission under ORS 471.720 may extend a temporary  
30 letter of authority granted under the provisions of this section for a period not to exceed 30 days  
31 if the commission has not granted or denied the application at the end of the 90-day period provided  
32 for in subsection (1) of this section.

33 (3) A temporary letter of authority issued under this section does not constitute a license for  
34 the purposes of ORS chapter 183. The commission summarily and without prior administrative  
35 proceedings may revoke a temporary letter of authority at any time if:

36 (a) The commission finds that any of the grounds for refusing a license under ORS 471.313 exist;  
37 or

38 (b) The city or county in which the applicant is located provides evidence of reasonable grounds  
39 to the commission:

40 (A) That the temporary letter of authority should be revoked; or

41 (B) That an off-premises sales license should not be issued.

42 **SECTION 205.** ORS 471.305 is amended to read:

43 471.305. A brewery or a wholesale malt beverage and wine licensee shall deliver malt beverages  
44 only to or on a licensed premises. The sale of alcoholic liquors under any license issued by the  
45 Oregon Liquor [*Control*] **and Cannabis** Commission authorizing retail sales by a licensee shall be

1 restricted to the premises described in the license, but deliveries may be made by the licensee to  
 2 customers pursuant to bona fide orders received on the licensed premises prior to delivery.

3 **SECTION 206.** ORS 471.311, as amended by section 4, chapter 3, Oregon Laws 2016, is amended  
 4 to read:

5 471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make  
 6 application to the Oregon Liquor [*Control*] and Cannabis Commission upon forms to be furnished  
 7 by the commission showing the name and address of the applicant, location of the place of business  
 8 that is to be operated under the license, and such other pertinent information as the commission  
 9 may require. A license may not be granted or renewed until the applicant has complied with the  
 10 provisions of this chapter and the rules of the commission.

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

15 (3) The commission shall charge an application fee, not to exceed \$150, to process an application  
 16 for the issuance of a new license under this chapter or a license following a change in ownership.  
 17 The application fee applies only to an application for a class of license having an annual license fee.  
 18 The application fee is nonrefundable, except that the commission shall refund the fee if the applicant  
 19 completes, submits and maintains an application and the commission does not, on or before 75 days  
 20 following receipt of the completed application, propose that the license be granted, granted with  
 21 conditions or refused. The commission shall adopt rules to:

- 22 (a) Establish application fees by class of license; and
- 23 (b) Define a completed application for purposes of this subsection.

24 (4) Subject to subsection (5) of this section, the commission shall assess a nonrefundable fee for  
 25 processing a renewal application for any license authorized by this chapter only if the renewal ap-  
 26 plication is received by the commission less than 20 days before expiration of the license. If the  
 27 renewal application is received prior to expiration of the license but less than 20 days prior to ex-  
 28 piration, the fee shall be 25 percent of the annual license fee. If a renewal application is received  
 29 by the commission after expiration of the license but no more than 30 days after expiration, the fee  
 30 shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of ap-  
 31 proval, a brewery-public house license or any license that is issued for a period of less than 30 days.

32 (5) The commission may waive the fee imposed under subsection (4) of this section if the com-  
 33 mission finds that failure to submit a timely application was due to unforeseen circumstances or to  
 34 a delay in processing the application by the local governing authority that is no fault of the licensee.

35 (6) The license fee is nonrefundable and must be paid by each applicant upon the granting or  
 36 committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the  
 37 minimum bond required of each class of license under this chapter are as follows:

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License	Fee	Minimum Bond
Brewery, including Certificate of Approval	\$ 500	\$ 1,000
Winery	\$ 250	\$ 1,000
Distillery	\$ 100	None

1	Wholesale Malt Beverage			
2	and Wine	\$	275	\$ 1,000
3	Warehouse	\$	100	\$ 1,000
4	Brewery-Public House,			
5	including Certificate			
6	of Approval	\$	250	\$ 1,000
7	Limited On-Premises Sales	\$	200	None
8	Off-Premises Sales	\$	100	None
9	Temporary Sales	\$	50 per day	
10	Grower sales privilege			
11	license	\$	250	\$ 1,000
12	Special events brewery			
13	license	\$	10 per day	
14	Special events winery			
15	license	\$	10 per day	
16	Special events grower			
17	sales privilege			
18	license	\$	10 per day	
19	Special events			
20	brewery-public house			
21	license	\$	10 per day	
22	Special events			
23	distillery			
24	license	\$	10 per day	

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27       (7) The fee for a certificate of approval or special certificate of approval granted under ORS  
28 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a  
29 certificate of approval or special certificate of approval. No bond is required for the granting of a  
30 certificate of approval or special certificate of approval. Certificates of approval are valid for a pe-  
31 riod commencing on the date of issuance and ending on December 31 of the fifth calendar year fol-  
32 lowing the calendar year of issuance. The fee for a certificate of approval is \$175. Special  
33 certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval  
34 is \$10.

35       (8) Except as provided in subsection (9) of this section, the annual license fee for a full on-  
36 premises sales license is \$400. No bond is required for any full on-premises sales license.

37       (9) The annual license fee for a full on-premises sales license held by a nonprofit private club  
38 as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered  
39 with the state, is \$200.

40       (10) The annual fee for a wine self-distribution permit is \$100, and the minimum bond is \$1,000.

41       **SECTION 207.** ORS 471.313 is amended to read:

42       471.313. The Oregon Liquor [*Control*] **and Cannabis** Commission may refuse to license any ap-  
43 plicant under the provisions of this chapter if the commission has reasonable ground to believe any  
44 of the following to be true:

45       (1) That there are sufficient licensed premises in the locality set out in the application, or that

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

5 (2) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is  
 6 not maintaining the insurance or bond required by ORS 471.168.

7 (3) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for con-  
 8 sumption on the premises has been financed or furnished with money or property by, or has any  
 9 connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

10 (4) That the applicant:

11 (a) Is in the habit of using alcoholic beverages, habit-forming drugs or controlled substances to  
 12 excess.

13 (b) Has made false statements to the commission.

14 (c) Is incompetent or physically unable to carry on the management of the establishment pro-  
 15 posed to be licensed.

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

19 (e) Has maintained an insanitary establishment.

20 (f) Is not of good repute and moral character.

21 (g) Did not have a good record of compliance with the alcoholic liquor laws of this state and  
 22 the rules of the commission when previously licensed.

23 (h) Is not the legitimate owner of the business proposed to be licensed, or other persons have  
 24 ownership interests in the business which have not been disclosed.

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

27 (j) Is unable to read or write the English language or to understand the laws of Oregon relating  
 28 to alcoholic liquor or the rules of the commission.

29 (5) That there is a history of serious and persistent problems involving disturbances, lewd or  
 30 unlawful activities or noise either in the premises proposed to be licensed or involving patrons of  
 31 the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity  
 32 of the premises are related to the sale or service of alcohol under the exercise of the license privi-  
 33 lege. Behavior which is grounds for refusal of a license under this section, where so related to the  
 34 sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound  
 35 vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or re-  
 36 lated litter; trespassing on private property; and public urination. Histories from premises currently  
 37 or previously operated by the applicant may be considered when reasonable inference may be made  
 38 that similar activities will occur as to the premises proposed to be licensed. The applicant may  
 39 overcome the history by showing that the problems are not serious or persistent or that the appli-  
 40 cant demonstrates a willingness and ability to control adequately the premises proposed to be li-  
 41 censed and patrons' behavior in the immediate vicinity of the premises which is related to the  
 42 licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

43 **SECTION 208.** ORS 471.315 is amended to read:

44 471.315. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may cancel or suspend any  
 45 license issued under this chapter, or impose a civil penalty in lieu of or in addition to suspension

1 as provided by ORS 471.322, if the commission finds or has reasonable ground to believe any of the  
 2 following to be true:

3 (a) That the licensee:

4 (A) Has violated any provision of this chapter or ORS 474.115 or any rule of the commission  
 5 adopted pursuant thereto.

6 (B) Has made any false representation or statement to the commission in order to induce or  
 7 prevent action by the commission.

8 (C) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the  
 9 insurance or bond required by ORS 471.168.

10 (D) Has maintained an insanitary establishment.

11 (E) Is insolvent or incompetent or physically unable to carry on the management of the estab-  
 12 lishment of the licensee.

13 (F) Is in the habit of using alcoholic liquor, habit-forming drugs or controlled substances to ex-  
 14 cess.

15 (G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly  
 16 intoxicated at the time of sale.

17 (H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who  
 18 is visibly intoxicated at the time of consumption.

19 (I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.

20 (J) Since the granting of the license, has been convicted of a felony, of violating any of the li-  
 21 quor laws of this state, general or local, or of any misdemeanor or violation of any municipal ordi-  
 22 nance committed on the licensed premises.

23 (b) That any person licensed to sell at retail for consumption on the premises is acting as an  
 24 agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or prop-  
 25 erty, or has accepted gratuities or rebates, or has obtained the use of equipment from any man-  
 26 ufacturer or wholesaler of alcoholic liquor or any agent thereof.

27 (c) That there is a history of serious and persistent problems involving disturbances, lewd or  
 28 unlawful activities or noise either in the premises or involving patrons of the establishment in the  
 29 immediate vicinity of the premises if the activities in the immediate vicinity of the premises are  
 30 related to the sale or service of alcohol under the exercise of the license privilege. Behavior that  
 31 is grounds for cancellation or suspension of a license under this section, where so related to the sale  
 32 or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vi-  
 33 brations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or re-  
 34 lated litter; trespassing on private property; and public urination. Mitigating factors include a  
 35 showing by the licensee that the problems are not serious or persistent or that the licensee has  
 36 demonstrated a willingness and ability to control adequately the licensed premises and patrons' be-  
 37 havior in the immediate vicinity of the premises which is related to the licensee's sale or service  
 38 of alcohol under the licensee's exercise of the license privilege.

39 (d) That there is any other reason that, in the opinion of the commission, based on public con-  
 40 venience or necessity, warrants canceling or suspending such license.

41 (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.

42 **SECTION 209.** ORS 471.316 is amended to read:

43 471.316. (1) Notwithstanding any other provision of this chapter, the Oregon Liquor [*Control*]  
 44 **and Cannabis** Commission shall suspend the license of a licensed premises listed in subsection (4)  
 45 of this section if the commission determines that:

1 (a) Unlawful drug use or sales are occurring on the licensed premises;

2 (b) The licensee is aware of the unlawful drug use or sales because of arrests for unlawful drug  
 3 sales on the licensed premises or seizures of unlawful drugs on the licensed premises, or because the  
 4 licensee or employees of the licensee have personally witnessed unlawful drug use or sales on the  
 5 licensed premises; and

6 (c) The licensee fails to take immediate and effective action to prevent unlawful drug use or  
 7 sales on the licensed premises.

8 (2) In addition to any suspension imposed under this section, the commission may impose a civil  
 9 penalty under the circumstances described in subsection (1) of this section not to exceed the maxi-  
 10 mum amount established under ORS 471.322 (2). Notwithstanding ORS 471.322 (1), the commission  
 11 shall not allow payment of a civil penalty under this subsection in lieu of the suspension provided  
 12 for in subsection (1) of this section. A civil penalty under this section shall be imposed in the man-  
 13 ner provided by ORS 183.745.

14 (3) The commission may cancel a license listed in subsection (4) of this section if the license is  
 15 suspended under the provisions of this section two or more times within a two-year period.

16 (4) This section applies only to premises licensed under:

17 (a) A full on-premises sales license.

18 (b) A limited on-premises sales license.

19 (c) A brewery-public house license.

20 **SECTION 210.** ORS 471.322 is amended to read:

21 471.322. (1) If a license issued under this chapter or a service permit issued under ORS 471.360  
 22 is suspended for a period of 30 days or less, the Oregon Liquor [*Control*] **and Cannabis** Commission  
 23 may impose against the affected licensee or permittee in lieu of or in addition to the suspension a  
 24 civil penalty fixed by the commission in accordance with subsection (2) of this section if the com-  
 25 mission is satisfied that such a penalty in lieu of or in addition to suspension is consistent with the  
 26 purposes of the Liquor Control Act and the Oregon Distilled Liquor Control Act. Upon payment of  
 27 the penalty in lieu of suspension, the commission shall cancel the suspension.

28 (2) Except as provided in ORS 471.327, the penalty which the commission may impose pursuant  
 29 to subsection (1) of this section against a licensee shall not be less than \$100 nor more than \$5,000.  
 30 The penalty which the commission may impose pursuant to subsection (1) of this section against a  
 31 service permittee shall not be less than \$25 nor more than \$500.

32 (3) Civil penalties under this section shall be imposed as provided in ORS 183.745.

33 **SECTION 211.** ORS 471.326 is amended to read:

34 471.326. If the action of the Oregon Liquor [*Control*] **and Cannabis** Commission in suspending  
 35 a license or permit issued under this chapter is not sustained upon judicial review under ORS  
 36 chapter 183, the commission shall promptly refund the amount paid pursuant to ORS 471.322 (1) by  
 37 check or order drawn on the State Treasurer from the Oregon Liquor [*Control*] **and Cannabis**  
 38 Commission Account.

39 **SECTION 212.** ORS 471.327 is amended to read:

40 471.327. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission, in suspending any brewery  
 41 license, wholesale wine license, wholesale malt beverage license, or certificate of approval, may  
 42 further impose against the licensee or the holder of the certificate of approval a civil penalty not  
 43 to exceed \$5,000, or, in its discretion, may impose such civil penalty without suspending the license  
 44 or the certificate of approval.

45 (2) Civil penalties under this section shall be imposed as provided in ORS 183.745.



1        **SECTION 213.** ORS 471.329 is amended to read:

2        471.329. (1) For the purpose of determining whether there is a history of serious and persistent  
3 problems involving noise under the provisions of ORS 471.313 (5) and 471.315 (1)(c), or whether the  
4 licensee maintains a noisy establishment in violation of the provisions of ORS 471.425:

5        (a) Noise from the inside of a licensed premises located within the boundaries of a city or county  
6 that has an ordinance regulating excessive noise may be considered obtrusive or excessive only if  
7 the noise violates the ordinance;

8        (b) Noise caused by patrons outside a licensed premises located within the boundaries of a city  
9 or county that has an ordinance regulating excessive noise may be considered obtrusive or excessive  
10 only if the noise violates the ordinance or if the noise is of a type that a reasonable person would  
11 not expect to hear outside a premises licensed for the sale of alcoholic beverages; and

12        (c) Noise caused by patrons inside or outside a licensed premises located within the boundaries  
13 of a city or county that does not have an ordinance regulating excessive noise may be considered  
14 obtrusive or excessive only if the noise is of the type that a reasonable person would not expect to  
15 hear inside or outside a premises licensed for the sale of alcoholic beverages.

16        (2) For the purpose of determining whether noise is obtrusive under the provisions of ORS  
17 471.313 (5) and 471.315 (1)(c), or whether the licensee maintains a noisy establishment in violation  
18 of the provisions of ORS 471.425, the Oregon Liquor [*Control*] **and Cannabis** Commission shall con-  
19 sider whether persons complaining about the noise have taken any action to mitigate the disturb-  
20 ance alleged to have been caused by the noise.

21        **SECTION 214.** ORS 471.331 is amended to read:

22        471.331. (1) Whenever the Oregon Liquor [*Control*] **and Cannabis** Commission proposes to refuse  
23 to renew or to suspend or cancel any license issued under this chapter because of adverse neigh-  
24 borhood impact of the licensee's operation, notwithstanding ORS 183.435, the commission shall grant  
25 the affected licensee 20 days from notification of the proposed commission action to request a  
26 hearing.

27        (2) Notwithstanding ORS 183.482 (3), the Oregon Liquor [*Control*] **and Cannabis** Commission  
28 shall not stay any order refusing a license or suspending or canceling any license if the order was  
29 entered on grounds stated in ORS 471.313 (5) or 471.315 (1)(c).

30        **SECTION 215.** ORS 471.333 is amended to read:

31        471.333. (1) Except as provided in subsections (2) and (3) of this section, the Oregon Liquor  
32 [*Control*] **and Cannabis** Commission shall not refuse to issue, cancel or suspend a license under ORS  
33 471.313, 471.315 or 471.425 for maintaining an insanitary establishment.

34        (2) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315  
35 or 471.425 for maintaining an insanitary establishment in violation of a city ordinance relating to  
36 sanitation only if the licensee is convicted of violating the ordinance.

37        (3) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315  
38 or 471.425 for maintaining an insanitary establishment in violation of ORS 447.010 to 447.156 and  
39 447.992 or the laws, orders or rules relating to public health of the Oregon Health Authority or the  
40 State Department of Agriculture only when the agency charged with enforcing those laws, orders  
41 or rules finds that the licensee is in violation of them and renders a final order adverse to the  
42 licensee.

43        **SECTION 216.** ORS 471.341 is amended to read:

44        471.341. (1) An employee of an off-premises sales licensee who has been found by the Oregon  
45 Liquor [*Control*] **and Cannabis** Commission to have sold alcoholic beverages to a minor, or to have

1 failed to properly verify identification of a person who purchased alcoholic beverages, must attend  
2 a clerk training course approved by the commission as a condition of making sales of alcoholic  
3 beverages to members of the public under an off-premises sales license.

4 (2) The commission shall by rule establish times for employees to complete a required clerk  
5 training course under this section. An employee required to complete a clerk training course under  
6 this section may continue to make sales of alcoholic beverages to members of the public until taking  
7 such training, but may not make any sales of alcoholic beverages after the expiration of the time  
8 allowed by commission rule if the employee has not completed the training before the expiration of  
9 that time.

10 (3) Except as provided in subsection (2) of this section, the holder of an off-premises sales license  
11 may not allow an employee who has been found by the [*Oregon Liquor Control*] commission to have  
12 sold alcoholic beverages to a minor, or to have failed to properly verify identification of a person  
13 who purchased alcoholic beverages, to sell alcoholic beverages under the license unless the em-  
14 ployee completes a clerk training course as required by this section.

15 (4) The [*Oregon Liquor Control*] commission, as part of the Alcohol Education Program estab-  
16 lished under ORS 471.541, shall approve all clerk training courses offered for the purpose of this  
17 section. The holder of an off-premises sales license may establish a clerk training course for em-  
18 ployees of the licensee, but the course must be approved by the commission to meet the require-  
19 ments of this section. Clerk training courses approved under this section must address at least the  
20 following topics:

21 (a) The importance of not selling alcoholic beverages to minors and visibly intoxicated persons.

22 (b) Guidelines for recognizing minors and visibly intoxicated persons.

23 (c) Guidelines for checking and verifying identification, and for recognizing false or altered  
24 identification.

25 (d) Recommended approaches for refusing sales of alcoholic beverages to minors and visibly  
26 intoxicated persons.

27 (5) If an employee of an off-premises sales licensee is found to have sold alcoholic beverages to  
28 a minor, or to have failed to properly verify identification of a person who purchased alcoholic  
29 beverages, the commission shall notify the licensee that the employee must complete a clerk training  
30 course approved under this section and may not sell alcoholic beverages to members of the public  
31 after the time established by the commission unless the employee completes the training within the  
32 time allowed. If the off-premises sales licensee offers a clerk training course to new employees, and  
33 the employee has previously completed that course, the requirements of this section may be met by  
34 retaking the clerk training course if the course has been approved by the commission for the pur-  
35 poses of this section.

36 (6) Upon completion of a clerk training course by an employee of an off-premises sales licensee  
37 pursuant to the requirements of this section, the off-premises sales licensee that employs the person  
38 must notify the commission in writing that the employee has successfully completed the training.  
39 The notification must include the name and address of the employee, the name of the clerk training  
40 course attended by the employee, and the date or dates on which the course was attended. The no-  
41 tification shall be kept by the commission in the licensee's file.

42 (7) The commission shall assess and collect a fee not to exceed \$13 from each person required  
43 to attend a clerk training course under this section. Amounts collected under this section shall be  
44 used for the administrative expenses incurred by the commission in the performance of the  
45 commission's duties under the Alcohol Education Program.

1 (8) In addition to any other penalty provided for by law, the commission may impose a civil  
2 penalty against any employee of an off-premises sales licensee who sells alcoholic beverages to  
3 members of the public and who is prohibited from making those sales under this section. A civil  
4 penalty under this subsection may not exceed \$500. Civil penalties under this subsection shall be  
5 imposed by the commission in the manner provided by ORS 183.745.

6 **SECTION 217.** ORS 471.342 is amended to read:

7 471.342. Upon finding that a retail licensee, as defined in ORS 471.392, or an employee of a retail  
8 licensee has sold alcoholic beverages to a minor, or has failed to properly verify identification of a  
9 person who purchased alcoholic beverages, the Oregon Liquor [*Control*] **and Cannabis** Commission  
10 may allow the licensee, in lieu of a civil penalty or denial, suspension or cancellation of the license,  
11 to acquire and use equipment designed to prevent sales of alcoholic beverages to minors.

12 **SECTION 218.** ORS 471.344 is amended to read:

13 471.344. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall by rule establish a  
14 responsible vendor program. The program shall include a list of positive measures that a licensee  
15 must take to avoid sales of alcoholic beverages to minors. Any person holding a liquor license that  
16 authorizes the person to sell alcoholic beverages at retail may participate in the program.

17 (2) If a licensee participates in the responsible vendor program and takes all measures specified  
18 by the program as necessary to prevent sales of alcoholic beverages to minors, the commission may  
19 not cancel the license of the licensee, or deny issuance of a license to the licensee, based on sales  
20 of alcoholic beverages to minors by employees of the licensee.

21 **SECTION 219.** ORS 471.346 is amended to read:

22 471.346. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall by rule develop uni-  
23 form standards for minor decoy operations used to investigate licensees and agents operating stores  
24 on behalf of the commission under ORS 471.750 for violations of the laws of this state prohibiting  
25 sales of alcoholic beverages to minors. Uniform standards established by the commission under this  
26 section apply to all investigations conducted by the commission that use minor decoys. The com-  
27 mission shall encourage all law enforcement agencies of this state to use the uniform standards es-  
28 tablished under this section for minor decoy operations conducted by the law enforcement agencies.

29 (2) To the greatest extent possible, the uniform standards established by the commission under  
30 this section:

31 (a) Shall be the same for minor decoy operations conducted by the commission and for minor  
32 decoy operations conducted by law enforcement agencies of this state; and

33 (b) Shall provide for coordination between the commission and law enforcement agencies of this  
34 state in conducting minor decoy operations.

35 (3) The uniform standards established by the commission under this section shall provide that  
36 minor decoy operations must be conducted on either a random or a targeted basis in cities with  
37 populations of 20,000 or more. Random minor decoy operations shall cover a range of retail outlets.  
38 Targeted minor decoy operations may be conducted for a single licensee or agent, but may be used  
39 only if there is a documented compliance problem with the specific licensee or agent that is the  
40 target of the operation. For the purpose of implementing standards for random minor decoy oper-  
41 ations under this subsection, the commission shall by rule adopt a methodology that produces, to the  
42 greatest extent possible, an equal chance that any licensee or agent will be subject to a minor decoy  
43 operation.

44 (4) Except as provided in subsection (5) of this section, the failure of the commission or of a law  
45 enforcement agency to follow uniform standards established by the commission under this section

1 is not grounds for challenging any complaint, citation or conviction for violation of the laws pro-  
2 hibiting the sale of alcoholic beverages to minors.

3 (5) In determining whether to impose sanctions based on multiple violations of the laws of this  
4 state prohibiting sales of alcoholic beverages to minors, the commission may not consider any com-  
5 plaint filed against a licensee for selling alcoholic beverages to a minor, citation issued to a licensee  
6 for selling alcoholic beverages to a minor or conviction of a licensee for selling alcoholic beverages  
7 to a minor if the complaint, citation or conviction arose out of a minor decoy operation that was  
8 not conducted pursuant to the uniform standards established by the commission under this section.

9 (6) Notwithstanding any other provision of this chapter, the commission may not consider any  
10 sale of alcoholic beverages to a minor that results from a minor decoy operation that is not con-  
11 ducted in compliance with the standards established under this section for the purpose of imposing  
12 any civil penalty against a licensee, making a decision on the renewal, suspension or cancellation  
13 of a license issued under this chapter or otherwise sanctioning a licensee for the sale of alcoholic  
14 beverages to a minor.

15 (7) The commission shall give notice of the uniform standards established under this section to  
16 all law enforcement agencies of this state that conduct minor decoy operations.

17 **SECTION 220.** ORS 471.351 is amended to read:

18 471.351. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission has the right after 72 hours'  
19 notice to the owner or the agent of the owner to make an examination of the books and may at any  
20 time make an examination of the premises of any person licensed under this chapter, or to check  
21 the alcoholic content of liquors carried by the licensee, for the purpose of determining compliance  
22 with this chapter and the rules of the commission.

23 (2) The commission shall not require the books of any licensee to be maintained on the premises  
24 of the licensee.

25 **SECTION 221.** ORS 471.360 is amended to read:

26 471.360. (1) Except as otherwise provided in ORS 471.375:

27 (a) Any person employed by a licensee of the Oregon Liquor [*Control*] **and Cannabis** Commission  
28 must have a valid service permit issued by the commission if the person:

29 (A) Participates in any manner in the mixing, selling or service of alcoholic liquor for con-  
30 sumption on the premises where served or sold; or

31 (B) Participates in the dispensing of malt beverages, wines or cider sold in securely covered  
32 containers provided by the consumer.

33 (b) A licensee of the commission may not permit any person who lacks a service permit required  
34 of the person under paragraph (a) of this subsection:

35 (A) To mix, sell or serve any alcoholic liquor for consumption on licensed premises; or

36 (B) To dispense malt beverages, wines or cider sold in securely covered containers provided by  
37 the consumer.

38 (c) A permittee shall make the service permit available at any time while on duty for immediate  
39 inspection by any regulatory specialist or by any other peace officer.

40 (2) The commission may waive the requirement for a service permit for an employee of a  
41 licensee whose primary function is not the sale of alcoholic liquor or food, including but not limited  
42 to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

43 **SECTION 222.** ORS 471.380 is amended to read:

44 471.380. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may refuse to grant a ser-  
45 vice permit if it has reasonable grounds to believe any of the following to be true:

1 (a) That the applicant is in the habit of using alcoholic beverages or controlled substances to  
2 excess.

3 (b) That the applicant has made false statements to the commission.

4 (c) That the applicant is incompetent or physically incapable of performing the duties of a  
5 permittee.

6 (d) That the applicant has been convicted of violating any of the alcoholic liquor laws of this  
7 state, general or local, or has been convicted at any time of a felony.

8 (e) That the application has not been indorsed as required by ORS 471.375.

9 (f) That the applicant has not completed the alcohol server education course and examination  
10 required by ORS 471.542.

11 (2) Notwithstanding ORS 183.435, an applicant who seeks review of the refusal of a service  
12 permit must request a hearing:

13 (a) Within 15 days after notification of the refusal, if the refusal is based on failure to complete  
14 the alcohol server education course and examination; or

15 (b) Within 30 days after notification of the refusal, if the refusal is based on any grounds other  
16 than failure to complete the alcohol server education course and examination.

17 **SECTION 223.** ORS 471.385 is amended to read:

18 471.385. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may revoke or suspend a  
19 service permit, or impose a civil penalty in lieu of or in addition to suspension as provided by ORS  
20 471.322, if it finds or has reasonable grounds to believe any of the following to be true:

21 (a) That the permittee has made false statements to the commission.

22 (b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the  
23 state, general or local, or any misdemeanor or violation of any municipal ordinance committed on  
24 the licensed premises.

25 (c) That the permittee has performed or permitted any act which would constitute a violation  
26 of any provision of this chapter or any rule of the commission, if the act were performed or per-  
27 mitted by any licensee of the commission.

28 (2) The issuance, suspension or revocation of a permit under ORS 471.360 to 471.390 does not  
29 relieve a licensee from responsibility for any act of an employee on the licensee's premises.

30 (3) When there has been a violation of this chapter or any rule adopted thereunder upon any  
31 premises licensed by the commission, the commission may revoke or suspend either the service  
32 permit of the employee who violated the law or rule or the license of the licensee upon whose  
33 premises the violation occurred, or both the permit and the license.

34 (4) The commission may revoke or suspend any license issued by the commission if the licensee  
35 knowingly indorses a person's application for a permit when the person has been refused a permit  
36 or has had a permit suspended or revoked, or when the licensee fails to comply with any provision  
37 to be performed by the licensee under ORS 471.360 to 471.390.

38 (5) Civil penalties under this section shall be imposed as provided in ORS 183.745.

39 **SECTION 224.** ORS 471.390 is amended to read:

40 471.390. (1) If a service permit issued under ORS 471.360 to 471.390 is lost, mutilated or de-  
41 stroyed, the permittee shall apply immediately for a duplicate permit on a form to be supplied by the  
42 Oregon Liquor [*Control*] **and Cannabis** Commission and submit a fee of \$5.

43 (2) If a permittee changes name by marriage or otherwise, the permittee shall apply immediately  
44 for a new service permit by forwarding the permit and evidence of the change of name to the com-  
45 mission with an application and a fee of \$5.

1        **SECTION 225.** ORS 471.396 is amended to read:

2        471.396. (1) The prohibitions of ORS 471.394 (1) do not apply to persons holding winery licenses,  
3 grower sales privilege licenses, brewery-public house licenses, distillery licenses or brewery licenses,  
4 to the extent that retail sales are authorized by the statutes establishing the privileges of each li-  
5 cense.

6        (2)(a) The prohibitions of ORS 471.394 (2) and (3) do not apply to a person who wholesales al-  
7 coholic liquor and who is not required to be licensed under the provisions of this chapter if the re-  
8 tail licensee does not sell any brand of alcoholic liquor sold or distributed by the person and does  
9 not sell any brand of alcoholic liquor produced by any manufacturer doing business with the person  
10 selling at wholesale.

11        (b) The prohibitions of ORS 471.394 (2) and (3) do not apply to a manufacturer of alcoholic liquor  
12 if the retail licensee does not sell any brand of alcoholic liquor sold, distributed or produced by the  
13 manufacturer and does not sell any brand of alcoholic liquor sold, distributed or produced by any  
14 subsidiary or other business entity that the manufacturer owns or manages, or that the manufac-  
15 turer exercises control over.

16        (3) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of  
17 a spouse or family member to a manufacturer or wholesaler if:

18        (a) The manufacturer or wholesaler is licensed by the Oregon Liquor [*Control*] **and Cannabis**  
19 Commission to sell alcoholic liquor at wholesale;

20        (b) The license authorizing sale of alcoholic liquor at wholesale was first issued before January  
21 1, 1965, and has been held continuously since that date;

22        (c) The spouse or family member holds or seeks a license that authorizes the retail sale of al-  
23 coholic liquor for off-premises consumption only; and

24        (d) The manufacturer or wholesaler does not directly or indirectly sell alcoholic liquor to the  
25 spouse or family member.

26        (4) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of  
27 a spouse or family member to the retail licensee if the manufacturer or wholesaler is licensed by the  
28 commission to sell alcoholic liquor at wholesale and does not directly or indirectly sell alcoholic  
29 liquor to the spouse or family member.

30        (5) Notwithstanding ORS 471.394, a manufacturer or wholesaler, and any officer, director or  
31 substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly or indi-  
32 rectly, an interest in a full or limited on-premises sales licensee, provided that the interest does not  
33 result in exercise of control over, or participation in the management of, the licensee's business or  
34 business decisions, and does not result in exclusion of any competitor's brand of alcoholic liquor.

35        (6) Notwithstanding ORS 471.394, a full or limited on-premises sales licensee, and any officer,  
36 director or substantial stockholder of any corporate full or limited on-premises sales licensee, may  
37 hold, directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest  
38 does not result in exercise of control over, or participation in the management of, the  
39 manufacturer's or wholesaler's business or business decisions, and does not result in exclusion of  
40 any competitor's brand of alcoholic liquor.

41        (7) Notwithstanding ORS 471.394, an institutional investor with a financial interest in a whole-  
42 saler or manufacturer may hold, directly or indirectly, an interest in a retail licensee unless the  
43 institutional investor controls, is controlled by, or is under common control with, a wholesaler or  
44 manufacturer. Notwithstanding ORS 471.394, an institutional investor with a financial interest in  
45 a retail licensee may hold, directly or indirectly, an interest in a wholesaler or manufacturer unless

1 the institutional investor controls, is controlled by, or is under common control with, a retail  
 2 licensee. The provisions of this subsection apply only to an institutional investor that is a state or  
 3 federally chartered bank, a state or federally chartered mutual savings bank, a mutual fund or  
 4 pension fund, or a private investment firm. The principal business activity of the institutional in-  
 5 vestor must be the investment of capital provided by depositors, participants or investors. The in-  
 6 stitutional investor must maintain a diversified portfolio of investments. The majority of the  
 7 institutional investor's investments may not be in businesses that manufacture, distribute or other-  
 8 wise sell alcoholic beverages. The institutional investor, and the officers, directors, substantial  
 9 shareholders, partners, employees and agents of the institutional investor, may not participate in  
 10 management decisions relating to the sale or purchase of alcoholic beverages made by a licensee in  
 11 which the institutional investor holds an interest.

12 (8) Notwithstanding ORS 471.394, a member of the board of directors of a parent company of a  
 13 corporation that is a manufacturer may serve on the board of directors of a parent company of a  
 14 corporation that is a retail licensee if:

15 (a) The manufacturer or parent company of a manufacturer is listed on a national security ex-  
 16 change;

17 (b) All purchases of alcoholic beverages by the retail licensee are made from holders of whole-  
 18 sale malt beverage and wine licenses, brewery licenses or winery licenses in this state;

19 (c) The interest of the member of the board of directors does not result in the exclusion of any  
 20 competitor's brand of alcoholic beverages on the licensed premises of the retail licensee; and

21 (d) The sale of goods and services other than alcoholic beverages by the retail licensee exceeds  
 22 50 percent of the gross receipts of the business conducted by the retail licensee on the licensed  
 23 premises.

24 **SECTION 226.** ORS 471.400 is amended to read:

25 471.400. (1) Notwithstanding ORS 471.394 and 471.398, a manufacturer or wholesaler may lease  
 26 or furnish picnic pumps, cold plates, tubs, refrigerated trailers, refrigerated vans and refrigerated  
 27 draft systems to a retail licensee if the equipment is leased or furnished for a special event, if a  
 28 reasonable rental or service fee is charged for the equipment and if the period that the equipment  
 29 is leased or furnished does not exceed 10 days.

30 (2) Notwithstanding ORS 471.394 and 471.398, the Oregon Liquor [*Control*] **and Cannabis** Com-  
 31 mission may specify by rule the manner and circumstances under which a manufacturer or whole-  
 32 saler may provide products and services to a nonprofit special licensee.

33 (3)(a) Notwithstanding ORS 471.394 and 471.398, the commission shall allow the sale of nonal-  
 34 coholic products in the manner in which the nonalcoholic product is sold by a manufacturer or  
 35 wholesaler not licensed by the commission. The commission may limit merchandising practices in-  
 36 volving nonalcoholic products if the commission finds that the limitations are necessary to prevent  
 37 abuses of ORS 471.394 and 471.398 by the industry as a whole.

38 (b) Any fixtures, equipment or furnishings provided by a manufacturer or wholesaler in  
 39 furtherance of the sale of nonalcoholic products may not be used by the retail licensee to store,  
 40 service, display, advertise, furnish or sell, or aid in the sale of, alcoholic products regulated by the  
 41 commission. All such fixtures, equipment or furnishings must be identified by the retail licensee as  
 42 being furnished by a licensed manufacturer or wholesaler.

43 **SECTION 227.** ORS 471.403 is amended to read:

44 471.403. (1) Except as provided in this section, a person may not brew, ferment, distill, blend or  
 45 rectify any alcoholic liquor unless licensed so to do by the Oregon Liquor [*Control*] **and Cannabis**

1 Commission.

2 (2) The holder of a brewery-public house license or a brewery license may allow patrons to brew  
3 malt beverages not to exceed 14 percent alcoholic content by volume if the brewing is conducted  
4 under the direct supervision of the licensee or employees of the licensee. Malt beverages produced  
5 under this subsection may not be sold by the patron.

6 (3) The holder of a winery license may allow patrons to make wine if the winemaking is con-  
7 ducted under the direct supervision of the licensee or employees of the licensee. Wine produced  
8 under this subsection may not be sold by the patron.

9 (4) A person may make homemade beer, wine and fermented fruit juice as authorized under ORS  
10 471.037. A person may provide assistance to another in making the homemade beer, wine or  
11 fermented fruit juice, if the person does not receive financial consideration as defined in ORS  
12 471.037 for providing the assistance.

13 **SECTION 228.** ORS 471.404 is amended to read:

14 471.404. (1) Alcoholic liquor may not be imported into this state by any person other than a  
15 holder of a brewery, winery, distillery or wholesaler's license, except as follows:

16 (a) Alcoholic liquor ordered by and en route to the Oregon Liquor [*Control*] **and Cannabis**  
17 Commission, under a certificate of approval issued by the commission.

18 (b) Wines for sacramental purposes according to rules adopted by the commission.

19 (c) Alcoholic liquor that is in transit on a common carrier to a destination outside Oregon.

20 (d) Alcoholic liquor coming into Oregon on a common carrier according to orders placed by a  
21 licensed brewery, winery or wholesaler.

22 (e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing, mechanical or indus-  
23 trial use, under a certificate of approval issued by the commission.

24 (f) Wine or cider that is sold and transported by the holder of a wine self-distribution permit to  
25 a retail licensee that has the endorsement described in ORS 471.274 (5).

26 (g) Malt beverages, wine or cider shipped directly to a resident of this state under a direct  
27 shipper permit issued pursuant to ORS 471.282.

28 (2) The commission may require importers of alcoholic liquor to pay a reasonable handling fee  
29 based on the quantity and type of alcoholic liquor being imported.

30 **SECTION 229.** ORS 471.405 is amended to read:

31 471.405. (1) No person shall peddle or deliver alcoholic beverages to or at any place, where,  
32 without a license, alcoholic beverages are sold or offered for sale. No licensee shall sell or offer for  
33 sale any alcoholic beverage in a manner, or to a person, other than the license permits the licensee  
34 to sell.

35 (2) No person shall purchase, possess, transport or import, except for sacramental purposes, an  
36 alcoholic beverage unless it is procured from or through the Oregon Liquor [*Control*] **and Cannabis**  
37 Commission, except as provided otherwise in the Liquor Control Act.

38 (3) No person not licensed under the Liquor Control Act shall sell, solicit, take orders for or  
39 peddle alcoholic beverages.

40 (4) Notwithstanding the provisions of subsection (2) of this section, an individual entering the  
41 state may have in possession an amount not to exceed four liters (135.2 fluid ounces) of distilled li-  
42 quor, two cases of wine or cider (620 fluid ounces) and two cases of malt beverages (576 fluid  
43 ounces). These quantities of alcoholic beverages are exempt from fees collected by the commission.

44 (5) Upon conviction for unlawfully purchasing or importing alcoholic beverages into this state,  
45 the person convicted shall forfeit to the commission the alcoholic beverage so purchased or im-



1 ported. The commission shall thereupon seize the forfeited beverage and it shall then become the  
 2 commission's property.

3 **SECTION 230.** ORS 471.410 is amended to read:

4 471.410. (1) A person may not sell, give or otherwise make available any alcoholic liquor to any  
 5 person who is visibly intoxicated.

6 (2) No one other than the person's parent or guardian may sell, give or otherwise make available  
 7 any alcoholic liquor to a person under the age of 21 years. A parent or guardian may give or oth-  
 8 erwise make alcoholic liquor available to a person under the age of 21 years only if the person is  
 9 in a private residence and is accompanied by the parent or guardian. A person violates this sub-  
 10 section who sells, gives or otherwise makes available alcoholic liquor to a person with the knowl-  
 11 edge that the person to whom the liquor is made available will violate this subsection.

12 (3)(a) A person who exercises control over private real property may not knowingly allow any  
 13 other person under the age of 21 years who is not a child or minor ward of the person to consume  
 14 alcoholic liquor on the property, or allow any other person under the age of 21 years who is not a  
 15 child or minor ward of the person to remain on the property if the person under the age of 21 years  
 16 consumes alcoholic liquor on the property.

17 (b) This subsection:

18 (A) Applies only to a person who is present and in control of the location at the time the con-  
 19 sumption occurs;

20 (B) Does not apply to the owner of rental property, or the agent of an owner of rental property,  
 21 unless the consumption occurs in the individual unit in which the owner or agent resides; and

22 (C) Does not apply to a person who exercises control over a private residence if the liquor  
 23 consumed by the person under the age of 21 years is supplied only by an accompanying parent or  
 24 guardian.

25 (4) This section does not apply to sacramental wine given or provided as part of a religious rite  
 26 or service.

27 (5) Except as provided in subsections (6) and (7) of this section, a person who violates subsection  
 28 (1) or (2) of this section commits a Class A misdemeanor. Upon violation of subsection (2) of this  
 29 section, the court shall impose at least a mandatory minimum sentence as follows:

30 (a) Upon a first conviction, a fine of at least \$500.

31 (b) Upon a second conviction, a fine of at least \$1,000.

32 (c) Upon a third or subsequent conviction, a fine of at least \$1,500 and not less than 30 days  
 33 of imprisonment.

34 (6)(a) A person who violates subsection (2) of this section is subject to the provisions of this  
 35 subsection if the person does not act knowingly or intentionally and:

36 (A) Is licensed or appointed under this chapter; or

37 (B) Is an employee of a person licensed or appointed under this chapter and holds a valid service  
 38 permit or has attended a program approved by the Oregon Liquor [*Control*] and Cannabis Commis-  
 39 sion that provides training to avoid violations of this section.

40 (b) For a person described in paragraph (a) of this subsection:

41 (A) A first conviction is a Class A violation.

42 (B) A second conviction is a specific fine violation, and the presumptive fine for the violation  
 43 is \$860.

44 (C) A third conviction is a Class A misdemeanor. The court shall impose a mandatory fine of  
 45 not less than \$1,000.

1 (D) A fourth or subsequent conviction is a Class A misdemeanor. The court shall impose a  
2 mandatory fine of not less than \$1,000 and a mandatory sentence of not less than 30 days of  
3 imprisonment.

4 (7) For an employee of an off-premises sales licensee who violates subsection (2) of this section  
5 while operating a checkout device and does not act knowingly or intentionally, a first conviction is  
6 a Class A violation.

7 (8) The court may waive an amount that is at least \$200 but not more than one-third of the fine  
8 imposed under subsection (5) of this section, if the violator performs at least 30 hours of community  
9 service.

10 (9) Except as provided in subsection (8) of this section, the court may not waive or suspend  
11 imposition or execution of the mandatory minimum sentence required by subsection (5) or (6) of this  
12 section. In addition to the mandatory sentence, the court may require the violator to make  
13 restitution for any damages to property where the alcoholic liquor was illegally consumed or may  
14 require participation in volunteer service to a community service agency.

15 (10)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection  
16 (3) of this section commits a Class A violation.

17 (b) A second or subsequent violation of subsection (3) of this section is a specific fine violation,  
18 and the presumptive fine for the violation is \$1,000.

19 (11) Nothing in this section prohibits any licensee under this chapter from allowing a person  
20 who is visibly intoxicated from remaining on the licensed premises so long as the person is not sold  
21 or served any alcoholic liquor.

22 **SECTION 231.** ORS 471.412 is amended to read:

23 471.412. (1) A licensee or permittee may not allow a person to consume or to continue to con-  
24 sume alcoholic beverages on the licensed premises after observing that the person is visibly  
25 intoxicated.

26 (2) A licensee or permittee is not in violation of subsection (1) of this section if the licensee or  
27 permittee makes a good faith effort to remove any unconsumed alcoholic beverages from the  
28 person's possession when the licensee or permittee observes that the person is visibly intoxicated.

29 (3) Nothing in this section applies to determining liability under ORS 471.565.

30 (4) Notwithstanding any other provision of law, the Oregon Liquor [*Control*] **and Cannabis**  
31 Commission shall only impose letters of reprimand for the first three violations of this section within  
32 a two-year period. For license renewal purposes, the first three violations of this section in a two-  
33 year period do not apply in determining the past record of compliance under ORS 471.313 (4)(g).

34 **SECTION 232.** ORS 471.425 is amended to read:

35 471.425. (1) No person shall make false representations or statements to the Oregon Liquor  
36 [*Control*] **and Cannabis** Commission in order to induce or prevent action by the commission.

37 (2) No licensee of the commission shall maintain a noisy, lewd, disorderly or insanitary estab-  
38 lishment or supply impure or otherwise deleterious alcoholic beverages.

39 (3) No licensee of the commission shall misrepresent to a customer or to the public any alcoholic  
40 liquor sold by such licensee.

41 **SECTION 233.** ORS 471.430 is amended to read:

42 471.430. (1) A person under 21 years of age may not attempt to purchase, purchase or acquire  
43 alcoholic beverages. Except when such minor is in a private residence accompanied by the parent  
44 or guardian of the minor and with such parent's or guardian's consent, a person under 21 years of  
45 age may not have personal possession of alcoholic beverages.

1 (2) For the purposes of this section, personal possession of alcoholic beverages includes the ac-  
2 ceptance or consumption of a bottle of such beverages, or any portion thereof or a drink of such  
3 beverages. However, this section does not prohibit the acceptance or consumption by any person  
4 of sacramental wine as part of a religious rite or service.

5 (3) Except as authorized by rule or as necessitated in an emergency, a person under 21 years  
6 of age may not enter or attempt to enter any portion of a licensed premises that is posted or oth-  
7 erwise identified as being prohibited to the use of minors.

8 (4)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection  
9 (1) or (3) of this section commits a Class B violation.

10 (b) A person commits a Class A violation if the person violates subsection (1) of this section by  
11 reason of personal possession of alcoholic beverages while the person is operating a motor vehicle,  
12 as defined in ORS 801.360.

13 (5) In addition to and not in lieu of any other penalty established by law, a person under 21  
14 years of age who violates subsection (1) of this section through misrepresentation of age may be  
15 required to perform community service and the court shall order that the person's driving privileges  
16 and right to apply for driving privileges be suspended for a period not to exceed one year. If a court  
17 has issued an order suspending driving privileges under this section, the court, upon petition of the  
18 person, may withdraw the order at any time the court deems appropriate. The court notification to  
19 the Department of Transportation under this subsection may include a recommendation that the  
20 person be granted a hardship permit under ORS 807.240 if the person is otherwise eligible for the  
21 permit.

22 (6) If a person cited under this section is at least 13 years of age but less than 21 years of age  
23 at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in  
24 addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to  
25 the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

26 (7) In addition to and not in lieu of any penalty established by law, the court may order a person  
27 who violates this section to undergo assessment and treatment as provided in ORS 471.432. The  
28 court shall order a person to undergo assessment and treatment as provided in ORS 471.432 if the  
29 person has previously been found to have violated this section.

30 (8) The prohibitions of this section do not apply to a person under 21 years of age who is acting  
31 under the direction of the Oregon Liquor [*Control*] **and Cannabis** Commission or under the direction  
32 of state or local law enforcement agencies for the purpose of investigating possible violations of  
33 laws prohibiting sales of alcoholic beverages to persons who are under 21 years of age.

34 (9) The prohibitions of this section do not apply to a person under 21 years of age who is acting  
35 under the direction of a licensee for the purpose of investigating possible violations by employees  
36 of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under 21 years  
37 of age.

38 (10)(a) A person under 21 years of age is not in violation of, and is immune from prosecution  
39 under, this section if:

40 (A) The person contacted emergency medical services or a law enforcement agency in order to  
41 obtain medical assistance for another person who was in need of medical assistance due to alcohol  
42 consumption and the evidence of the violation of this section was obtained as a result of the person's  
43 having contacted emergency medical services or a law enforcement agency; or

44 (B) The person was in need of medical assistance due to alcohol consumption and the evidence  
45 of the violation of this section was obtained as a result of the person's having sought or obtained

1 the medical assistance.

2 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result  
3 of a person's having sought medical assistance in proceedings for crimes or offenses other than a  
4 violation of this section.

5 **SECTION 234.** ORS 471.442 is amended to read:

6 471.442. (1) No wine or cider shall be sold or offered for sale within this state unless it complies  
7 with the minimum standards fixed pursuant to law.

8 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may require a manufacturer,  
9 importer or wholesaler to provide samples of a particular wine or cider, and to provide a laboratory  
10 analysis demonstrating to the satisfaction of the commission that the particular wine or cider com-  
11 plies with the minimum standards in this state.

12 (3) No wine or cider offered for sale within this state may be altered or tampered with in any  
13 way by any person not licensed to do so by the commission.

14 (4) The commission may prohibit the sale of any wine or cider for a reasonable period of time  
15 while it is determining whether the wine or cider complies with minimum standards in this state.

16 **SECTION 235.** ORS 471.446 is amended to read:

17 471.446. (1) No retail licensee shall purchase any wine or cider for resale except in sealed con-  
18 tainers, the seals of which shall remain unbroken when it is sold for consumption off the premises.

19 (2) The Oregon Liquor [*Control*] **and Cannabis** Commission may refuse to sell, or may prohibit  
20 any licensee from selling, any brand of alcoholic liquor which in its judgment is deceptively labeled  
21 or branded as to content, or contains injurious or adulterated ingredients.

22 **SECTION 236.** ORS 471.473 is amended to read:

23 471.473. (1) A person appointed to operate a store established by the Oregon Liquor [*Control*]  
24 **and Cannabis** Commission under ORS 471.750 qualifies for the payment of business loss compen-  
25 sation under this section if:

26 (a) The system for selling containers of distilled liquor at retail in this state changes after the  
27 person assumes operation of the store; and

28 (b) The system change results from a law that prohibits the commission from purchasing or  
29 selling distilled liquor.

30 (2) The purpose of business loss compensation is to offset the actual or presumed sales reduction  
31 and actual or perceived devaluation of a liquor store business following a system change described  
32 in subsection (1) of this section. The commission shall pay a person qualifying under this section  
33 business loss compensation equal to four percent of the average annual gross distilled liquor sales  
34 made by the store during the five years that preceded the system change, whether or not the person  
35 was the store operator during the entire five-year period. If the store has operated less than five  
36 years prior to the system change, the commission shall pay compensation equal to four percent of  
37 the average annual gross distilled liquor sales made by the store prior to the system change.

38 (3)(a) The commission shall pay any business loss compensation due under this section from the  
39 suspense account described in ORS 471.805. Except as otherwise required by federal or state law  
40 or by contract, the commission shall give the payment of business loss compensation priority over  
41 the payment of other debts from the suspense account.

42 (b) Notwithstanding ORS 279A.250 to 279A.290 or the revolving fund balance limit established  
43 in ORS 471.805, if a change in the system for selling containers of distilled liquor at retail in this  
44 state results in business loss compensation being payable under this section, and the commission  
45 declares within five years after the system change that a warehouse established by the commission

1 under ORS 471.750 or the inventory of the commission is surplus property, the net proceeds from  
2 sale of the warehouse or inventory remaining after deduction of sales costs shall be deposited to the  
3 suspense account described in ORS 471.805. All moneys deposited under this paragraph shall be kept  
4 in a subaccount within the suspense account that indicates the source of the moneys.  
5 Notwithstanding ORS 471.805, moneys deposited to the suspense account under this paragraph may  
6 not be transferred to the Oregon Liquor [*Control*] **and Cannabis** Commission Account if any busi-  
7 ness loss compensation is owed and remains unpaid. This paragraph does not restrict the source for  
8 paying business loss compensation from the suspense account or alter the priority of business loss  
9 compensation payment established in paragraph (a) of this subsection.

10 (4) If a person that receives business loss compensation under this section brings any action  
11 against the commission for damages resulting from a change in the system for selling containers of  
12 distilled liquor at retail in this state, the business loss compensation received by the person as a  
13 result of that system change shall be an offset against any damages awarded the person in the  
14 action. This subsection does not create any new cause of action.

15 (5) Business loss compensation received by a person under this section does not affect the  
16 claiming of any tax deduction by the person for depreciation of equipment, fixtures or other property  
17 improvements, but is ordinary business income of the person, taxable as provided by law.

18 **SECTION 237.** ORS 471.475 is amended to read:

19 471.475. No person who owns, operates or conducts a private or public club or place and who  
20 is not in possession of a license issued by the Oregon Liquor [*Control*] **and Cannabis** Commission  
21 permitting the mixing, storing and serving of alcoholic liquor at said premises, and no agent, servant  
22 or employee of such person, for a financial consideration by way of a charge for service, membership  
23 fee, admission fee, initiation fee, club dues, contributions, or other fee or charge, shall serve or  
24 permit to be served, or use or permit to be used, any room, place, bar, glasses, mixers, locker,  
25 storage place, chairs, tables, cash registers, music devices, furniture, furnishings, equipment or fa-  
26 cilities, for the mixing, storing, serving or drinking of alcoholic liquor.

27 **SECTION 238.** ORS 471.478 is amended to read:

28 471.478. On and after January 1, 1978:

29 (1) The Oregon Liquor [*Control*] **and Cannabis** Commission by rule shall require the identifica-  
30 tion of kegs of malt beverages sold directly to consumers who are not licensees of the commission  
31 and the signing of a receipt therefor by the purchaser in order to allow the kegs to be traced if the  
32 contents are consumed in violation of the Liquor Control Act. The keg identification shall be in the  
33 form of a numbered label prescribed and supplied by the commission which identifies the seller and  
34 which is removable or obliterated when the keg is processed for refilling. The receipt shall be on  
35 a form prescribed and supplied by the commission and shall include the name and address of the  
36 purchaser; motor vehicle operator's license number, if any; the automobile registration of the motor  
37 vehicle in which the keg was removed from the seller's premises, if any; and such other identifica-  
38 tion as the commission by rule may require. The receipt shall contain a statement that must be  
39 signed by the purchaser that, under penalty of false swearing, the purchaser will not allow con-  
40 sumption of any malt beverage in the keg in violation of ORS 471.410. A copy of the receipt shall  
41 be given to the purchaser and the seller shall retain the original receipt for such period as the  
42 commission by rule may require.

43 (2) Possession of a keg containing malt beverages which is not identified as required by sub-  
44 section (1) of this section is a Class A misdemeanor.

45 (3) A person who signs a receipt described in subsection (1) of this section in order to obtain a

1 keg, knowing the receipt to be false, or who falsifies any information required on the receipt, is  
2 guilty of false swearing as prescribed by ORS 162.075.

3 (4) As used in this section, “keg” means any brewery-sealed, individual container of malt  
4 beverage having a liquid capacity of more than seven gallons.

5 **SECTION 239.** ORS 471.480 is amended to read:

6 471.480. (1) Any employee 18 years of age or older of a person who holds an off-premises sales  
7 license from the Oregon Liquor [*Control*] **and Cannabis** Commission may sell any alcoholic liquor  
8 authorized by such license on the licensed premises.

9 (2) Any employee 18 years of age or older of a person who holds a wholesale malt beverage and  
10 wine license from the Oregon Liquor [*Control*] **and Cannabis** Commission may assist the licensee  
11 in the delivery of any alcoholic liquor authorized by such license.

12 (3) During any inspection of a licensed premises, the commission may require proof that a person  
13 performing work at the premises meets any applicable minimum age requirement created under this  
14 chapter or under commission rules. If the person does not provide the commission with acceptable  
15 proof of age upon request, the commission may require the person to immediately cease any activity  
16 that is subject to a minimum age requirement until the commission receives acceptable proof of age.  
17 If the activity is the sole lawful basis for the person to be present on the premises, the commission  
18 may require that the person leave the premises. This subsection does not apply to a person tempo-  
19 rarily at the premises to make a service, maintenance or repair call, to make a delivery or for other  
20 purposes independent of the premises operations.

21 (4) If a person performing work that is subject to a minimum age requirement has not provided  
22 proof of age requested by the commission under subsection (3) of this section, the commission may  
23 request that the licensee or a manager of the premises provide proof that the person meets any  
24 applicable minimum age requirement created under this chapter or under commission rules. Failure  
25 of the licensee or manager to respond to a request made under this subsection by providing ac-  
26 ceptable proof of age for a person is prima facie evidence that the licensee has allowed the person  
27 to perform work at the licensed premises in violation of a minimum age requirement.

28 **SECTION 240.** ORS 471.482 is amended to read:

29 471.482. (1) The holder of a license issued under this chapter may employ persons 18, 19 and 20  
30 years of age who may take orders for, serve and sell alcoholic liquor in any part of the licensed  
31 premises when that activity is incidental to the serving of food except in those areas classified by  
32 the Oregon Liquor [*Control*] **and Cannabis** Commission as being prohibited to the use of minors.  
33 However, no person who is 18, 19 or 20 years of age shall be permitted to mix, pour or draw alco-  
34 holic liquor except when pouring is done as a service to the patron at the patron’s table or drawing  
35 is done in a portion of the premises not prohibited to minors.

36 (2) A person who is 18, 19 or 20 years of age may enter areas classified by the commission as  
37 being prohibited to the use of minors only for the purpose of ordering and picking up alcoholic li-  
38 quor for service in other parts of the premises. However, the person shall not remain in the areas  
39 longer than is necessary to perform those duties.

40 (3) The commission by rule may permit access to prohibited areas by any minor for nonalcoholic  
41 liquor employment purposes as long as the minor does not remain longer than is necessary to per-  
42 form the duties.

43 (4) During any inspection of a licensed premises, the commission may require proof that a person  
44 performing work at the premises meets any applicable minimum age requirement created under this  
45 chapter or under commission rules. If the person does not provide the commission with acceptable

1 proof of age upon request, the commission may require the person to immediately cease any activity  
2 that is subject to a minimum age requirement until the commission receives acceptable proof of age.  
3 If the activity is the sole lawful basis for the person to be present on the premises, the commission  
4 may require that the person leave the premises. This subsection does not apply to a person tempo-  
5 rarily at the premises to make a service, maintenance or repair call, make a delivery or for other  
6 purposes independent of the premises operations.

7 (5) If a person performing work that is subject to a minimum age requirement has not provided  
8 proof of age requested by the commission under subsection (4) of this section, the commission may  
9 request that the licensee or a manager of the premises provide proof that the person meets any  
10 applicable minimum age requirement created under this chapter or under commission rules. Failure  
11 of the licensee or manager to respond to a request made under this subsection by providing ac-  
12 ceptable proof of age for a person is prima facie evidence that the licensee has allowed the person  
13 to perform work at the licensed premises in violation of a minimum age requirement.

14 **SECTION 241.** ORS 471.495 is amended to read:

15 471.495. Any wholesale licensee who receives a check, order, negotiable instrument or voucher  
16 in payment for malt beverages, cider or wine, who receives an instrument from a retail licensee  
17 which, upon presentation, is not paid by the party on whom it is drawn, shall report such fact  
18 forthwith to the Oregon Liquor [*Control*] **and Cannabis** Commission.

19 **SECTION 242.** ORS 471.500 is amended to read:

20 471.500. The provisions of ORS 471.485, 471.490 and 471.495 shall not apply to any common  
21 carrier licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission.

22 **SECTION 243.** ORS 471.510 is amended to read:

23 471.510. ORS 471.506 shall not prohibit the sale of pure alcohol for scientific or manufacturing  
24 purposes, or of wines to church officials for sacramental purposes, nor shall it prevent any person  
25 residing in the county or city from ordering and having delivered to the home of the person, for the  
26 personal use of self and family, alcoholic liquors purchased from the Oregon Liquor [*Control*] **and**  
27 **Cannabis** Commission or from persons duly licensed to sell them under the Liquor Control Act.

28 **SECTION 244.** ORS 471.541 is amended to read:

29 471.541. The Oregon Liquor [*Control*] **and Cannabis** Commission shall establish an Alcohol Ed-  
30 ucation Program. The Alcohol Education Program shall consist of all the duties of the commission  
31 in administering clerk training courses under ORS 471.341 and alcohol server education courses  
32 under ORS 471.542.

33 **SECTION 245.** ORS 471.542 is amended to read:

34 471.542. (1) Except as provided in subsection (2) of this section, the Oregon Liquor [*Control*] **and**  
35 **Cannabis** Commission shall require a person applying for issuance or renewal of a service permit  
36 or any license that authorizes the sale or service of alcoholic beverages for consumption on the  
37 premises to complete an approved alcohol server education course and examination as a condition  
38 of the issuance or renewal of the permit or license.

39 (2) A person applying for issuance or renewal of a license that authorizes the sale or service  
40 of alcoholic beverages for consumption on the premises need not complete an approved alcohol  
41 server education course and examination as a condition of the issuance or renewal of the license if:

42 (a) The license has been restricted by the commission to prohibit sale or service of alcoholic  
43 beverages for consumption on the premises; or

44 (b) The person applying for issuance or renewal of the license submits a sworn statement to the  
45 commission stating that the person will not engage in sale or service of alcoholic beverages for

1 consumption on the premises, will not directly supervise or manage persons who sell or serve alco-  
2 holic beverages on the premises, and will not participate in establishing policies governing the sale  
3 or service of alcoholic beverages on the premises.

4 (3) The commission by rule shall establish requirements that licensees and permittees must  
5 comply with as a condition of requalifying for a license or permit. The licensee or permittee must  
6 comply with those requirements once every five years after completing the initial alcohol server  
7 education course and examination. The requirements established by the commission to requalify for  
8 a license may include retaking the alcohol server education course and examination. The require-  
9 ments established by the commission to requalify for a service permit shall include retaking the al-  
10cohol server education course and examination.

11 (4) The commission may extend the time periods established by this section upon a showing of  
12 hardship. The commission by rule may exempt a licensee from the requirements of this section if the  
13 licensee does not participate in the management of the business.

14 (5) The standards and curriculum of alcohol server education courses shall include but not be  
15 limited to the following:

16 (a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.

17 (b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription,  
18 drugs and illegal drugs.

19 (c) Recognizing the problem drinker and community treatment programs and agencies.

20 (d) State alcohol beverage laws such as prohibition of sale to minors and sale to intoxicated  
21 persons, sale for on-premises or off-premises consumption, hours of operation and penalties for vio-  
22 lation of the laws.

23 (e) Drunk driving laws and liquor liability statutes.

24 (f) Intervention with the problem customer, including ways to cut off service, ways to deal with  
25 the belligerent customer and alternative means of transportation to get the customer safely home.

26 (g) Advertising and marketing for safe and responsible drinking patterns and standard operating  
27 procedures for dealing with customers.

28 (6) The commission shall impose a fee not to exceed \$2.60 a year for each license subject to the  
29 alcohol server education requirement, and a fee not to exceed \$13 for each service permit applica-  
30 tion. These fees shall be used for administrative costs of the Alcohol Education Program established  
31 under ORS 471.541 and shall be in addition to any other license or permit fees required by law or  
32 rule.

33 (7) The commission shall adopt rules to impose reasonable fees for administrative costs on al-  
34cohol server education course instructors and providers.

35 (8) The commission shall provide alcohol server education courses and examinations through  
36 independent contractors, private persons or private or public schools certified by the commission.  
37 The commission shall adopt rules governing the manner in which alcohol server education courses  
38 and examinations are made available to persons required to take the course. In adopting rules under  
39 this subsection, the commission shall consider alternative means of providing courses, including but  
40 not limited to providing courses through audiotapes, videotapes, the Internet and other electronic  
41 media.

42 **SECTION 246.** ORS 471.547 is amended to read:

43 471.547. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall establish an Alcohol  
44 Server Education Advisory Committee. The advisory committee shall consist of the following mem-  
45 bers:



- 1 (a) One person who represents the commission.  
 2 (b) One person who represents the Oregon State Police.  
 3 (c) One person who represents the Oregon District Attorneys Association.  
 4 (d) One person who represents the Oregon Health Authority.  
 5 (e) One person who represents the Department of Transportation.  
 6 (f) One person who represents a nonprofit organization the purpose of which is to reduce the  
 7 incidence of drunk driving.  
 8 (g) One person who has general expertise in education.  
 9 (h) One person who has expertise in health education.  
 10 (i) One person who represents classroom alcohol server education providers.  
 11 (j) One person who represents online alcohol server education providers.  
 12 (k) At least one person who is a service permittee under ORS 471.360.  
 13 (L) Not more than two persons who represent insurance companies.  
 14 (m) Not more than three persons who represent retail licensees.  
 15 (2) The purpose of the advisory committee is to assist in the development of:  
 16 (a) The standards, curriculum and materials for the alcohol server education courses required  
 17 under ORS 471.542;  
 18 (b) The examination required by ORS 471.542, and procedures for administering that examina-  
 19 tion;  
 20 (c) The certification procedures, enforcement policies and penalties for alcohol server education  
 21 course instructors and providers; and  
 22 (d) The time requirements for completion of an alcohol server education course and examination  
 23 and the conditions for probationary extension.  
 24 **SECTION 247.** ORS 471.549 is amended to read:  
 25 471.549. In addition to such other sanctions as may be authorized by law, the Oregon Liquor  
 26 [Control] and Cannabis Commission may impose a civil penalty not to exceed \$1,000 against any  
 27 alcohol server education course instructor or provider who violates a rule promulgated by the  
 28 commission pursuant to ORS 471.542. The civil penalty may be in addition to or in lieu of any sus-  
 29 pension, revocation or cancellation of the certification of an alcohol server education course in-  
 30 structor or provider.  
 31 **SECTION 248.** ORS 471.551 is amended to read:  
 32 471.551. (1) Any person in possession of a valid retail liquor license, who sells liquor by the  
 33 drink for consumption on the premises or sells for consumption off the premises, shall post a sign  
 34 informing the public of the effects of alcohol consumption during pregnancy.  
 35 (2) The sign shall:  
 36 (a) Contain the message: "Pregnancy and alcohol do not mix. Drinking alcoholic beverages, in-  
 37 cluding wine, coolers and beer, during pregnancy can cause birth defects."  
 38 (b) Be either:  
 39 (A) A large sign, no smaller than eight and one-half inches by 11 inches in size with lettering  
 40 no smaller than five-eighths of an inch in height; or  
 41 (B) A reduced sign, five by seven inches in size with lettering of the same proportion as the  
 42 large sign described in paragraph (a) of this subsection.  
 43 (c) Contain a graphic depiction of the message to assist nonreaders in understanding the mes-  
 44 sage. The depiction of a pregnant female shall be universal and shall not reflect a specific race or  
 45 culture.

1 (d) Be in English unless a significant number of the patrons of the retail premises use a lan-  
 2 guage other than English as a primary language. In such cases, the sign shall be worded in both  
 3 English and the primary language or languages of the patrons.

4 (e) Be displayed on the premises of all licensed retail liquor premises as either a large sign at  
 5 the point of entry, or a reduced sized sign at points of sale.

6 (3) The person described in subsection (1) of this section shall be encouraged to also post signs  
 7 of any size at places where alcoholic beverages are displayed.

8 (4) Notwithstanding ORS 471.561, the holder of a retail liquor license may produce the sign re-  
 9 quired by this section insofar as the sign is consistent with the standards established pursuant to  
 10 this section, ORS 616.286 and 624.060 and the Oregon Liquor [*Control*] **and Cannabis** Commission,  
 11 and is displayed in accordance with subsection (2)(e) of this section.

12 **SECTION 249.** ORS 471.553 is amended to read:

13 471.553. The Oregon Liquor [*Control*] **and Cannabis** Commission shall consult with represen-  
 14 tatives of business and industry as well as interested citizens groups, including the March of Dimes  
 15 and the Junior League, to determine the most cost-effective, convenient method to produce and post  
 16 the sign described in ORS 471.551, which shall be distributed by the commission.

17 **SECTION 250.** ORS 471.557 is amended to read:

18 471.557. The Oregon Liquor [*Control*] **and Cannabis** Commission may solicit private funds, if  
 19 necessary, to produce and distribute the signs.

20 **SECTION 251.** ORS 471.559 is amended to read:

21 471.559. (1) If no warning sign is posted:

22 (a) The Oregon Liquor [*Control*] **and Cannabis** Commission shall furnish a warning sign.

23 (b) The retailer shall have five days from the receipt of the warning sign to post it appropriately.

24 (2) If there is a violation of this section or of ORS 471.551, the violator shall be subject to:

25 (a) A written warning from the commission for the first violation accompanied by a copy of the  
 26 sign.

27 (b) A civil penalty of not to exceed \$25 payable to the commission for a second violation.

28 (c) A civil penalty of not to exceed \$25 for the third and subsequent violations for each day the  
 29 sign is not posted.

30 (3) The civil penalty imposed under subsection (2) of this section shall be separate from any  
 31 other sanction or penalty imposed by the commission and shall not be used in any progressive vio-  
 32 lation schedule.

33 (4) The penalty provided by this section shall be the sole penalty for violation of this section  
 34 or ORS 471.551 or the rules adopted under section 1, chapter 324, Oregon Laws 1991.

35 (5) Violation of this section or ORS 471.551 or the rules adopted under section 1, chapter 324,  
 36 Oregon Laws 1991, shall not be grounds for refusal to issue a license, cancellation of a license or  
 37 suspension of a license issued under this chapter.

38 (6) Nothing in this section or ORS 471.551 or the rules adopted under section 1, chapter 324,  
 39 Oregon Laws 1991, creates any new cause of action or any private right of any person.

40 **SECTION 252.** ORS 471.561 is amended to read:

41 471.561. By June 30, 1992, the Oregon Liquor [*Control*] **and Cannabis** Commission shall produce  
 42 and complete distribution of the warning signs, free of charge, to all holders of retail liquor licenses.  
 43 The commission shall produce and distribute additional signs as liquor licenses are granted.

44 **SECTION 253.** ORS 471.565 is amended to read:

45 471.565. (1) A patron or guest who voluntarily consumes alcoholic beverages served by a person

1 licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission, a person holding a permit issued  
2 by the commission or a social host does not have a cause of action, based on statute or common law,  
3 against the person serving the alcoholic beverages, even though the alcoholic beverages are served  
4 to the patron or guest while the patron or guest is visibly intoxicated. The provisions of this sub-  
5 section apply only to claims for relief based on injury, death or damages caused by intoxication and  
6 do not apply to claims for relief based on injury, death or damages caused by negligent or inten-  
7 tional acts other than the service of alcoholic beverages to a visibly intoxicated patron or guest.

8 (2) A person licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission, person holding  
9 a permit issued by the commission or social host is not liable for damages caused by intoxicated  
10 patrons or guests unless the plaintiff proves by clear and convincing evidence that:

11 (a) The licensee, permittee or social host served or provided alcoholic beverages to the patron  
12 or guest while the patron or guest was visibly intoxicated; and

13 (b) The plaintiff did not substantially contribute to the intoxication of the patron or guest by:

14 (A) Providing or furnishing alcoholic beverages to the patron or guest;

15 (B) Encouraging the patron or guest to consume or purchase alcoholic beverages or in any other  
16 manner; or

17 (C) Facilitating the consumption of alcoholic beverages by the patron or guest in any manner.

18 (3) Except as provided in subsection (4) of this section, an action for damages caused by  
19 intoxicated patrons or guests off the premises of a person licensed by the Oregon Liquor [*Control*]  
20 **and Cannabis** Commission, a person holding a permit issued by the commission or a social host may  
21 be brought only if the person asserting the claim has given the licensee, permittee or social host the  
22 notice required by subsection (5) of this section within the following time periods:

23 (a) If a claim is made for damages arising out of wrongful death, notice must be given within  
24 one year after the date of death, or within one year after the date that the person asserting the  
25 claim discovers or reasonably should have discovered the existence of a claim under this section,  
26 whichever is later.

27 (b) If a claim is made for damages for injuries other than wrongful death, notice must be given  
28 within 180 days after the injury occurs, or within 180 days after the person asserting the claim  
29 discovers or reasonably should have discovered the existence of a claim under this section, which-  
30 ever is later.

31 (4) The time provided for the giving of notice under subsection (3) of this section does not in-  
32 clude any period during which:

33 (a) The claimant is under 18 years of age;

34 (b) The claimant is unable to give notice by reason of the injury or by reason of being finan-  
35 cially incapable, as defined in ORS 125.005, or is incapacitated, as defined in ORS 125.005; or

36 (c) The claimant is unable to determine that the licensee, permittee or social host is liable be-  
37 cause the patron or guest who caused the damages asserts a right against self-incrimination and  
38 cannot be compelled to reveal the identity of the licensee, permittee or social host, or cannot be  
39 compelled to reveal facts that would establish the liability of the licensee, permittee or social host.

40 (5) A licensee, permittee or social host shall be considered to have been given notice for the  
41 purposes of this section if:

42 (a) The licensee, permittee or social host is given formal notice in the manner specified in sub-  
43 section (6) of this section;

44 (b) The licensee, permittee or social host receives actual notice as described in subsection (7)  
45 of this section;

1 (c) An action is commenced by or on behalf of the claimant within the period of time specified  
 2 by subsections (3) and (4) of this section; or

3 (d) Any payment on the claim is made to the claimant by or on behalf of the licensee, permittee  
 4 or social host.

5 (6) Formal notice of a claim subject to this section must be in writing, must be mailed to the  
 6 licensee, permittee or social host, or personally served on the licensee, permittee or social host, and  
 7 must contain all of the following:

8 (a) A statement that a claim for damages is made against the licensee, permittee or social host.

9 (b) A description of the time, place and circumstances giving rise to the claim, so far as known  
 10 to the claimant.

11 (c) The name of the claimant and mailing address for the claimant to which correspondence re-  
 12 garding the claim may be mailed.

13 (7) For the purposes of this section, “actual notice” means any communication to a licensee,  
 14 permittee or social host that gives the licensee, permittee or social host actual knowledge of the  
 15 time, place and circumstances of the claim, if the communication is such that a reasonable person  
 16 would conclude that a particular person intends to assert a claim against the licensee, permittee or  
 17 social host.

18 **SECTION 254.** ORS 471.567 is amended to read:

19 471.567. (1) Notwithstanding ORS 471.130 and 471.565, no licensee, permittee or social host shall  
 20 be liable to third persons injured by or through persons under the age of 21 years who obtained  
 21 alcoholic beverages from the licensee, permittee or social host unless it is demonstrated that a  
 22 reasonable person would have determined that identification should have been requested or that the  
 23 identification exhibited was altered or did not accurately describe the person to whom the alcoholic  
 24 liquor was sold or served.

25 (2) A person who is under 21 but at least 18 years of age and who through misrepresentation  
 26 of age causes an Oregon Liquor [*Control*] **and Cannabis** Commission licensee to be fined or have a  
 27 license suspended or revoked shall be civilly liable for damages sustained by the licensee. The court  
 28 may award reasonable attorney fees to the prevailing party in an action under this subsection.

29 (3) Subsection (2) of this section does not apply to a person under the age of 21 years who is  
 30 acting under the direction of the Oregon Liquor [*Control*] **and Cannabis** Commission or under the  
 31 direction of state or local law enforcement agencies for the purpose of investigating possible vio-  
 32 lations of laws prohibiting sales of alcoholic beverages to persons who are under the age of 21 years.

33 (4) Subsection (2) of this section does not apply to a person under the age of 21 years who is  
 34 acting under the direction of a licensee for the purpose of investigating possible violations by em-  
 35 ployees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the  
 36 age of 21 years.

37 **SECTION 255.** ORS 471.605 is amended to read:

38 471.605. The state police, sheriffs, constables and all police officers within the State of Oregon  
 39 shall enforce all provisions of the Liquor Control Act and assist the Oregon Liquor [*Control*] **and**  
 40 **Cannabis** Commission in detecting violations of that statute and apprehending offenders. Each such  
 41 enforcing officer having notice, knowledge or reasonable ground of suspicion of any violation of that  
 42 statute shall immediately notify the district attorney, and furnish the district attorney with names  
 43 and addresses of any witnesses, or other information within the officer’s knowledge, of such vio-  
 44 lation.

45 **SECTION 256.** ORS 471.610 is amended to read:

1 471.610. Whenever any officer arrests any person for violation of the Liquor Control Act, the  
2 officer may take into possession all alcoholic liquor and other property which the person so arrested  
3 has in possession, or on the premises, which is apparently being used in violation of that statute.  
4 If the person so arrested is convicted, and it is found that the liquor and other property has been  
5 used in violation of the law, the same shall be forfeited to the Oregon Liquor [*Control*] **and**  
6 **Cannabis** Commission, and shall be delivered by the court or officer to the commission. The com-  
7 mission is authorized to destroy or make such other disposition thereof as it considers to be in the  
8 public interest. In any such case, all alcoholic liquor purchased or acquired from any source, and  
9 all property, including bars, glasses, mixers, lockers, chairs, tables, cash registers, music devices,  
10 gambling devices, furniture, furnishings, equipment and facilities for the mixing, storing, serving or  
11 drinking of alcoholic liquor shall be confiscated and forfeited to the state, and the clear proceeds  
12 shall be deposited with the State Treasury in the Common School Fund in the manner provided in  
13 this section.

14 **SECTION 257.** ORS 471.615 is amended to read:

15 471.615. The county courts, district attorneys and municipal authorities, immediately upon the  
16 conviction of any licensee of the Oregon Liquor [*Control*] **and Cannabis** Commission of a violation  
17 of any provision of the Liquor Control Act or the violation of any other law of this state or ordi-  
18 nance of any municipality therein, in which violation alcoholic liquor had any part, shall notify the  
19 commission thereof. Such officials shall notify the commission of any acts, practices or other conduct  
20 of any such licensee which may be subversive of the general welfare or contrary to the spirit of the  
21 Liquor Control Act and shall recommend such action on the part of the commission as will remove  
22 the evil.

23 **SECTION 258.** ORS 471.630 is amended to read:

24 471.630. The Attorney General, the Oregon Liquor [*Control*] **and Cannabis** Commission or its  
25 administrators, or the district attorney of the county wherein a nuisance as defined in ORS 471.620  
26 exists, or where it has existed but has temporarily ceased and there is good and sufficient cause to  
27 believe that it will be maintained in the future, may institute an action in the circuit court for such  
28 county in the name of the state to abate, and to temporarily and permanently enjoin, such nuisance.  
29 The court has the right to make temporary and final orders as in other injunction proceedings. The  
30 plaintiff shall not be required to give bond in such action.

31 **SECTION 259.** ORS 471.645 is amended to read:

32 471.645. If a temporary injunction is granted, the court may issue further restraining orders as  
33 described in ORS 471.635; and forthwith may issue an order closing such place against its use for  
34 any purpose until the final decision, or the court may allow such place to be occupied or used during  
35 the pendency of the injunction proceedings by requiring the defendants to furnish an irrevocable  
36 letter of credit issued by an insured institution as defined in ORS 706.008 or a bond with sufficient  
37 surety, to be approved by the court, in the penal sum of not less than \$2,500, payable to the state.  
38 The bond or letter of credit shall be conditioned that alcoholic liquor will not be manufactured,  
39 possessed, sold, served, bartered, or given away, or furnished, or otherwise disposed of thereon or  
40 therein, or kept thereon or therein with the intent to sell, barter, serve, or give away, or otherwise  
41 dispose of alcoholic liquor contrary to law, and that the defendants will pay all fines, costs and  
42 damages assessed against them for any violation of such conditions. The State of Oregon in an  
43 action brought by the Attorney General, the Oregon Liquor [*Control*] **and Cannabis** Commission or  
44 its administrators, or the district attorney, may take whatever steps necessary to recover the whole  
45 amount as a penalty for the use of the county wherein the premises are situated.

1        **SECTION 260.** ORS 471.666 is amended to read:

2        471.666. (1) The court, upon conviction of the person arrested under ORS 471.660, shall order the  
 3 alcoholic liquor delivered to the Oregon Liquor [*Control*] **and Cannabis** Commission, and shall,  
 4 subject to the ownership rights of innocent third parties, order a sale at public auction by the sheriff  
 5 of the county of the property seized. The sheriff, after deducting the expense of keeping the property  
 6 and the cost of sale, shall pay all the liens, according to their priorities, which are established by  
 7 intervention or otherwise at such hearing or in other proceedings brought for that purpose, and  
 8 shall pay the balance of the proceeds into the general fund of the county. No claim of ownership  
 9 or of any right, title or interest in or to such vehicle that is otherwise valid shall be held invalid  
 10 unless the state shows to the satisfaction of the court, by clear and convincing evidence, that the  
 11 claimant had knowledge that the vehicle was used or to be used in violation of law. All liens against  
 12 property sold under this section shall be transferred from the property to the proceeds of the sale.

13        (2) If no person claims the vehicle or conveyance, the taking of the same and the description  
 14 thereof shall be advertised in some daily newspaper published in the city or county where taken,  
 15 or if no daily newspaper is published in such city or county, in a newspaper having weekly circu-  
 16 lation in the city or county, once a week for two weeks and by handbills posted in three public  
 17 places near the place of seizure, and shall likewise notify by mail the legal owner, in the case of  
 18 an automobile, if licensed by the State of Oregon, as shown by the name and address in the vehicle  
 19 registration records of the Department of Transportation. If no claimant appears within 10 days af-  
 20 ter the last publication of the advertisement, the property shall be sold and the proceeds, after de-  
 21 ducting the expenses and costs, shall be paid into the general fund of the county.

22        **SECTION 261.** ORS 471.695 is amended to read:

23        471.695. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may require each applicant  
 24 for a full or limited on-premises sales license to submit to fingerprinting. If the applicant is a cor-  
 25 poration, the fingerprints of each officer, director and major stockholder of the corporation may be  
 26 required by the commission. Prior to approving any change in officers, directors or major stock-  
 27 holders, the commission may require the fingerprints of the new officials.

28        (2) The commission shall require that all employees of the commission who work in the licensing  
 29 or enforcement divisions or who have access to criminal background information be fingerprinted.

30        (3) Fingerprints acquired under this section may be used for the purpose of requesting state or  
 31 nationwide criminal records checks under ORS 181A.195.

32        (4) As used in this section, “major stockholder” means any person who owns, directly or indi-  
 33 rectly, more than 10 percent of any class of any equity security of the corporation.

34        **SECTION 262.** ORS 471.700 is amended to read:

35        471.700. In carrying out its duties under ORS 471.315, the Oregon Liquor [*Control*] **and**  
 36 **Cannabis** Commission shall not suspend or cancel a license on grounds of any violation of ORS  
 37 167.108 to 167.164 until:

38        (1) The licensee has been convicted thereof in a court of competent jurisdiction; or

39        (2) An employee of the licensee has been convicted thereof in a court of competent jurisdiction  
 40 and the violation occurred on the licensed premises.

41        **SECTION 263.** ORS 471.703 is amended to read:

42        471.703. (1) The police shall notify the Oregon Liquor [*Control*] **and Cannabis** Commission of the  
 43 name of the alleged provider of alcoholic liquor when:

44        (a) The police investigate any motor vehicle accident where someone other than the operator  
 45 is injured or incurs property damage;

1 (b) The operator appears to have consumed alcoholic liquor;

2 (c) A citation is issued against the operator that is related to the consumption of alcoholic li-  
 3 quor or could have been issued if the operator had survived; and

4 (d) The provider of the alcoholic liquor is alleged to be a licensee or permittee of the commis-  
 5 sion.

6 (2) The notice shall include the name and address of the operator involved and the name and  
 7 address of the person who named the alleged provider, if the person is other than the operator.

8 (3) Upon receipt of the notice described in subsection (1) of this section, the commission shall  
 9 cause the licensee or permittee named as the alleged provider to be notified of receipt of the notice  
 10 and of its content. A copy of the notice shall be retained in the files of the commission and shall  
 11 be open to inspection by the person injured or damaged by the motor vehicle operator or a repre-  
 12 sentative of the person.

13 (4) The police shall notify the alleged social host when the circumstances described in sub-  
 14 section (1) of this section occur and the alleged social host is named as the provider of the alcoholic  
 15 liquor. The notice shall include the information described in subsection (2) of this section.

16 **SECTION 264.** ORS 471.710 is amended to read:

17 471.710. (1) The Governor may remove any commissioner for inefficiency, neglect of duty, or  
 18 misconduct in office, giving to the commissioner a copy of the charges made and an opportunity of  
 19 being publicly heard in person or by counsel, in the commissioner's own defense, upon not less than  
 20 10 days' notice. If such commissioner is removed, the Governor shall file in the office of the Secre-  
 21 tary of State a complete statement of all charges made against such commissioner, the findings  
 22 thereon, and a complete record of the proceedings.

23 (2) No person, other than the *[member]* **commissioners** appointed in accordance with ORS  
 24 471.705 who *[is]* **are** designated from the food and alcoholic beverage retail industry **and from the**  
 25 **cannabis retail industry**, is eligible to hold the office of commissioner, or to be employed by the  
 26 Oregon Liquor *[Control]* **and Cannabis** Commission if:

27 (a) The person has any financial interest in any business licensed by the commission or in any  
 28 business which manufactures alcoholic beverages sold in Oregon;

29 (b) Anyone in the person's household or immediate family has a financial interest described in  
 30 paragraph (a) of this subsection;

31 (c) Anyone in the person's household or immediate family is employed by a business licensed by  
 32 the commission, unless the person is not in a position to take action or make decisions which could  
 33 affect the licensed business; or

34 (d) The person or anyone in the person's household or immediate family has a business con-  
 35 nection with any business licensed by the commission, unless the person is not in a position to take  
 36 action or make decisions which could affect the licensed business.

37 (3)(a) A retail sales agent appointed by the commission, or a person in the household or imme-  
 38 diate family of a retail sales agent, may not have any financial interest in or business connection  
 39 with:

40 (A) A person or business that is licensed as a distillery;

41 (B) A person or business that holds a full on-premises sales license[; or]

42 (C) A distillery whose products are sold in Oregon; **or**

43 **(D) A person or business that holds a license issued under ORS 475B.070, 475B.090 or**  
 44 **475B.100.**

45 (b) Paragraph (a) of this subsection does not apply to a distillery retail outlet agent appointed

1 by the commission under ORS 471.230.

2 (4) Nothing in this section prohibits a person from having a financial interest resulting from  
 3 investments made by the Public Employees Retirement System or through mutual funds, blind trusts  
 4 or similar investments where the person does not exercise control over the nature, amount or timing  
 5 of the investment.

6 (5) The commission by rule may establish additional restrictions to prohibit potential conflicts  
 7 of interest. The commission by rule shall define “immediate family” and “business connection” as  
 8 used in this section.

9 **SECTION 265.** ORS 471.715 is amended to read:

10 471.715. (1) The [*member*] **commissioners** from the food and alcoholic beverage retail industry  
 11 **and from the cannabis retail industry** shall not serve as chairperson. The chairperson shall pre-  
 12 side at all meetings of the Oregon Liquor [*Control*] **and Cannabis** Commission or, in the  
 13 chairperson’s absence, some other [*member*] **commissioner** may serve as chairperson.

14 (2) The commission shall meet at such times and places within this state as it determines. A  
 15 majority of the commissioners constitutes a quorum for the transaction of any business, for the  
 16 performance of any duty or for the exercise of any power of the commission.

17 **SECTION 266.** ORS 471.720 is amended to read:

18 471.720. The Oregon Liquor [*Control*] **and Cannabis** Commission shall appoint an administrator  
 19 who shall serve at its discretion. The administrator shall be subject to policy direction by the  
 20 commissioners, and shall be the secretary of the commission and custodian of commission records.  
 21 The administrator shall manage the commission, administer the laws, and appoint, assign and coor-  
 22 dinate personnel of the commission within budget limitations and the State Personnel Relations Law.

23 **SECTION 267.** ORS 471.725 is amended to read:

24 471.725. The function, duties and powers of the Oregon Liquor [*Control*] **and Cannabis** Com-  
 25 mission include the following:

26 (1) To buy, have in its possession, bottle, blend, rectify, transport and sell, for present or future  
 27 delivery, in its own name, alcoholic liquor in the manner set forth in this chapter.

28 (2) To purchase, acquire, rent, lease or occupy any building, rooms, stores or land and acquire,  
 29 own, lease and sell equipment and fixtures required for its operations.

30 (3) To lease or sublet to others property which it acquires or owns and which is not immediately  
 31 required for its operations. However, no real property shall be purchased without the consent and  
 32 approval of the Governor.

33 (4) To borrow money, guarantee the payment thereof and of the interest thereon, by the transfer  
 34 or pledge of goods or in any other manner required or permitted by law.

35 (5) To issue, sign, indorse and accept checks, promissory notes, bills of exchange and other ne-  
 36 gotiable instruments.

37 (6) In the event the United States Government provides any plan or method whereby the taxes  
 38 upon alcoholic liquors are collected at the source, to enter into any and all contracts and comply  
 39 with all regulations, even to the extent of partially or wholly abrogating any statutory provisions  
 40 which might be in conflict with federal law or regulations, to the end that the commission receives  
 41 the portion thereof allocated to this state, to be distributed as provided by statute.

42 (7) To secure and pay for such policies of insurance as may be necessary to adequately protect  
 43 it from loss by fire, theft or other casualty.

44 **SECTION 268.** ORS 471.730 is amended to read:

45 471.730. The function, duties and powers of the Oregon Liquor [*Control*] **and Cannabis** Com-



1 mission include the following:

2 (1) To control the manufacture, possession, sale, purchase, transportation, importation and de-  
3 livery of alcoholic liquor in accordance with the provisions of this chapter and ORS 474.105 and  
4 474.115.

5 (2) To grant, refuse, suspend or cancel licenses and permits for the sale or manufacture of al-  
6 coholic liquor, or other licenses and permits in regard thereto, and to permit, in its discretion, the  
7 transfer of a license of any person.

8 (3) To collect the taxes and duties imposed by statutes relating to alcoholic liquors, and to issue,  
9 and provide for cancellation, stamps and other devices as evidence of payment of such taxes or du-  
10 ties.

11 (4) To investigate and aid in the prosecution of every violation of statutes relating to alcoholic  
12 liquors, to seize alcoholic liquor manufactured, sold, kept, imported or transported in contravention  
13 of this chapter and ORS 474.105 and 474.115, and apply for the confiscation thereof, whenever re-  
14 quired by statute, and cooperate in the prosecution of offenders before any court of competent ju-  
15 risdiction.

16 (5) To adopt such regulations as are necessary and feasible for carrying out the provisions of  
17 this chapter and ORS 474.105 and 474.115 and to amend or repeal such regulations. When such  
18 regulations are adopted they shall have the full force and effect of law.

19 (6) To exercise all powers incidental, convenient or necessary to enable it to administer or carry  
20 out any of the provisions of this chapter and ORS 474.105 and 474.115.

21 (7) To control, regulate and prohibit any advertising by manufacturers, wholesalers or retailers  
22 of alcoholic liquor by the medium of newspapers, letters, billboards, radio or otherwise.

23 (8) To sell, license, regulate and control the use of alcohol for scientific, pharmaceutical, man-  
24 ufacturing, mechanical, industrial and other purposes, and to provide by regulation for the sale  
25 thereof for such uses.

26 **SECTION 269.** ORS 471.732 is amended to read:

27 471.732. (1) The Legislative Assembly finds and declares that the regulation of health and sani-  
28 tation matters in premises licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission under  
29 this chapter can best be performed by the Oregon Health Authority and the State Department of  
30 Agriculture.

31 (2) It is the policy of the Legislative Assembly and the intent of ORS 471.333 and 624.010 and  
32 this section that premises licensed by the Oregon Liquor [*Control*] **and Cannabis** Commission under  
33 this chapter shall be subject to the laws governing health and sanitation matters, including any  
34 applicable licensing requirements, and to the rules adopted thereunder by the authority and the  
35 department.

36 **SECTION 270.** ORS 471.735 is amended to read:

37 471.735. The Oregon Liquor [*Control*] **and Cannabis** Commission shall have the power to inves-  
38 tigate by sample or chemical analysis, the quality of all wines manufactured, imported, sold or of-  
39 fered for sale within this state, and to seize, confiscate and destroy all wines sold or offered for sale  
40 within this state which do not conform in all respects to the minimum standards provided for by the  
41 laws of this state.

42 **SECTION 271.** ORS 471.740 is amended to read:

43 471.740. Except as provided in this chapter, the Oregon Liquor [*Control*] **and Cannabis** Com-  
44 mission is vested with the exclusive right to purchase, sell, have in possession for sale, import or  
45 transport alcoholic beverages.

1        **SECTION 272.** ORS 471.745 is amended to read:

2        471.745. The Oregon Liquor [*Control*] **and Cannabis** Commission shall fix the prices at which  
3 alcoholic liquors containing over five percent alcohol by volume may be purchased from it, and has  
4 power to bottle, blend, rectify, manufacture or sell alcoholic liquors for itself, or for or to any person  
5 or commission within or without this state.

6        **SECTION 273.** ORS 471.747 is amended to read:

7        471.747. (1) As used in this section, “granulated alcohol” means powders, crystals or other dry  
8 preparations designed to produce an alcoholic beverage when added to a liquid.

9        (2) Granulated alcohol may not be sold at retail in this state. Granulated alcohol may be sold  
10 at wholesale only for scientific, industrial, manufacturing or other purposes identified by the Oregon  
11 Liquor [*Control*] **and Cannabis** Commission under terms and conditions the commission considers  
12 appropriate to safeguard against the misuse of granulated alcohol.

13        **SECTION 274.** ORS 471.750 is amended to read:

14        471.750. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall establish such stores  
15 and warehouses in such places in the state as in its judgment are required by public convenience  
16 or necessity, for the sale of spirituous liquors, wines and other alcoholic liquors containing over five  
17 percent alcohol by volume, in sealed containers for consumption off the premises. The commission  
18 shall keep on hand in such stores or warehouses such quantities and kinds of alcoholic liquors as  
19 are reasonably required to supply the public demand.

20        (2) Any person qualified to purchase such liquors from the commission has the right to present  
21 to the commission, or at any of its stores, an application for any kind or brand of alcoholic liquor  
22 that the person may desire and that may be manufactured or obtainable in any place in the United  
23 States, and the commission shall obtain such liquor and sell it to the applicant. The commission may  
24 not require that an application for a kind or brand of alcoholic liquor include a commitment to  
25 purchase a minimum amount of the liquor or require that a purchase be for more than one container  
26 of a kind or brand of alcoholic liquor if the liquor:

27        (a) Except as provided in subsection (5) of this section, has a retail sales price of \$30 or more  
28 per container;

29        (b) Is available through a distributor in the United States that does not require the commission  
30 to acquire more than one case of the distilled liquor in a single transaction;

31        (c) Is not regularly stocked by the commission; and

32        (d) Is ordered in a 750 milliliter container size if available in that size.

33        (3) The commission may not establish a store in any county or incorporated city of this state  
34 where a local prohibitory law is in effect. The commission shall adopt rules governing advertising  
35 by stores operated by the commission. The commission may appoint agents in the sale of said liquor  
36 under such agreement as the commission may negotiate with said agents or their representative.

37        (4) Rules relating to advertising adopted by the commission under subsection (3) of this section  
38 shall allow signs and displays within its stores for the purpose of supplying consumer information  
39 to customers, including but not limited to discounts, sales and other specials. Commission discretion  
40 with respect to those signs and displays shall be limited to regulation of the content, size, number  
41 per brand, type and duration of the sign or display. Signs and displays may be supplied by man-  
42 ufacturers, wholesalers or distributors, and may bear the name of a particular distillery, supplier  
43 or brand of liquor. The use of signs and displays shall be optional with the agent appointed by the  
44 commission. Signs or displays authorized by the commission may not be placed in positions within  
45 the store where the sign or display would be readily visible from outside of the store.

1 (5) The commission may annually adjust the price threshold established in subsection (2)(a) of  
 2 this section by a percentage equal to the percentage change in the Portland-Salem, OR-WA Con-  
 3 sumer Price Index for All Urban Consumers for All Items as published by the Bureau of Labor  
 4 Statistics of the United States Department of Labor. However, the commission may not adjust the  
 5 price threshold to be less than \$30.

6 **SECTION 275.** ORS 471.752 is amended to read:

7 471.752. (1) An agent appointed under ORS 471.750 may participate in a health benefit plan  
 8 available to state employees pursuant to ORS 243.105 to 243.285 at the expense of the agent and  
 9 may participate in the state deferred compensation plan established under ORS 243.401 to 243.507.  
 10 For such purposes, agents shall be considered eligible state employees.

11 (2) A person who is the surviving spouse or child of a deceased agent or the spouse or child of  
 12 an agent of the Oregon Liquor [*Control*] **and Cannabis** Commission who has a disability shall be  
 13 given preference in the appointment of a successor agent, if otherwise qualified, the spouse having  
 14 greater preference. The experience of such applicant in the business operation of the deceased agent  
 15 or the agent who has a disability shall be the primary consideration in determining the qualifica-  
 16 tions of the applicant.

17 **SECTION 276.** ORS 471.754 is amended to read:

18 471.754. The Oregon Liquor [*Control*] **and Cannabis** Commission shall develop recycling educa-  
 19 tion materials for distribution through stores established by the commission under ORS 471.750 that  
 20 encourage the patrons of the store to recycle bottles sold through the stores.

21 **SECTION 277.** ORS 471.757 is amended to read:

22 471.757. (1) At such times as the Oregon Liquor [*Control*] **and Cannabis** Commission may pre-  
 23 scribe and upon forms furnished by the commission, any license applicant or licensee of the com-  
 24 mission may be required to submit a sworn statement to the commission showing the name, address  
 25 and the nature and extent of the financial interest of each person, individual and corporate, having  
 26 a financial interest in the business operated under the license.

27 (2) The commission shall review the statement and may refuse to issue a license to any license  
 28 applicant, or may suspend, cancel or refuse to renew the license of any licensee, when conditions  
 29 exist in relation to any person having a financial interest in the business or in the place of business  
 30 which would constitute grounds for refusing to issue a license or for cancellation or suspension of  
 31 a license if such person were the license applicant or licensee. However, in cases where the finan-  
 32 cial interest is held by a corporation, only the officers and directors of the corporation, any indi-  
 33 vidual or combination of individuals who own a controlling financial interest in the business and  
 34 any manager of the business shall be considered persons having a financial interest within the  
 35 meaning of this subsection.

36 **SECTION 278.** ORS 471.760 is amended to read:

37 471.760. Each member of the Oregon Liquor [*Control*] **and Cannabis** Commission, or any of its  
 38 authorized agents, shall, for the purposes contemplated by this chapter and ORS 474.105 and 474.115,  
 39 have power to issue subpoenas, compel the attendance of witnesses, administer oaths, certify to of-  
 40 ficial acts, take depositions within or without this state, as provided by law, and compel the pro-  
 41 duction of pertinent books, payrolls, accounts, papers, records, documents and testimony.

42 **SECTION 279.** ORS 471.765 is amended to read:

43 471.765. If a person in attendance before the Oregon Liquor [*Control*] **and Cannabis** Commission  
 44 or a commissioner refuses, without reasonable cause, to be examined or to answer a legal and per-  
 45 tinent question, or to produce a book or paper when ordered so to do by the commission, the com-

1 mission may apply to the judge of the circuit court of any county where such person is in  
 2 attendance, upon proof by affidavit of the fact, for a rule or order returnable in not less than two  
 3 nor more than five days, directing such person to show cause before the judge who made the order,  
 4 or any other judge of such county, why the person should not be punished for contempt. Upon the  
 5 return of such order, the judge shall examine such person under oath and the person shall be given  
 6 an opportunity to be heard. If the judge determines that such person has refused, without reasonable  
 7 cause or legal excuse, to be examined or to answer a legal or pertinent question, or to produce a  
 8 book or paper which the person was ordered to bring or produce, the judge may forthwith punish  
 9 the offender for contempt of court.

10 **SECTION 280.** ORS 471.770 is amended to read:

11 471.770. No person shall be excused from testifying or from producing any books, papers or  
 12 documents in any investigation or inquiry by or upon any hearing before the Oregon Liquor  
 13 [Control] and Cannabis Commission or any commissioner when ordered so to do by the commission  
 14 or any of its authorized agents, upon the ground that the testimony, evidence, books, papers or  
 15 documents required of the person may tend to incriminate the person or subject the person to pen-  
 16 alty or forfeiture. No person shall be prosecuted, punished or subjected to any penalty or forfeiture  
 17 for or on account of any act, transaction, matter or thing concerning which the person shall, under  
 18 oath, have, by order of the commission, or a commissioner, or any of its authorized agents, testified  
 19 to or produced documentary evidence of; but no person so testifying shall be exempt from prose-  
 20 cution or punishment for any perjury committed by the person in testimony.

21 **SECTION 281.** ORS 471.775, as amended by section 20, chapter 24, Oregon Laws 2016, is  
 22 amended to read:

23 471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of  
 24 the Oregon Liquor [Control] and Cannabis Commission or any of its authorized agents.

25 (2) Subject to subsection (3) of this section, regulatory specialists have authority as provided  
 26 under this chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to  
 27 133.739, 161.235, 161.239, 161.245, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to  
 28 475B.655 and chapter 743, Oregon Laws 1971, to conduct inspections or investigations, make arrests  
 29 and seizures, aid in prosecutions for offenses, issue criminal citations and citations for violations  
 30 and otherwise enforce this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.395, 475B.550  
 31 to 475B.590 and 475B.600 to 475B.655, commission rules and any other laws of this state that the  
 32 commission considers related to alcoholic liquor, marijuana and marijuana-derived products, includ-  
 33 ing but not limited to laws regarding the production, processing, manufacture, importation, trans-  
 34 portation, possession, distribution, sale or consumption of alcoholic beverages, the manufacture or  
 35 use of false identification or the entry of premises licensed to sell alcoholic liquor, marijuana or  
 36 marijuana-derived products.

37 (3) A regulatory specialist may not:

38 (a) Be sworn in as a federal law enforcement official and act in that capacity while performing  
 39 duties under subsection (2) of this section;

40 (b) Carry a firearm;

41 (c) Conduct inspections and investigations of a primary residence or for purposes of ensuring  
 42 compliance with ORS 475B.245 and 475B.375; or

43 (d) Except as provided under the provisions of ORS 475B.010 to 475B.395, conduct inspections  
 44 and investigations for purposes of ensuring compliance with ORS 475B.400 to 475B.525.

45 **SECTION 282.** ORS 471.790 is amended to read:

1       471.790. No member of the Oregon Liquor [*Control*] **and Cannabis** Commission may be sued for  
2 doing or omitting to do any act in the performance of duties as prescribed in the Liquor Control  
3 Act. No member of the commission personally shall be liable for any loss caused by the default or  
4 failure of the depository of funds of the commission. All funds of the commission deposited in any  
5 bank or trust company are entitled to priority of payment as public funds of the state, if the com-  
6 mission funds are only kept in depositories designated by the State Treasurer and under security  
7 of the same character required by law for depositories of state funds.

8       **SECTION 283.** ORS 471.795 is amended to read:

9       471.795. No provision of the Liquor Control Act prevents any member or employee of the Oregon  
10 Liquor [*Control*] **and Cannabis** Commission from purchasing and keeping in possession, for the per-  
11 sonal use of self or members of the family of the member or employee, any alcoholic liquor in the  
12 same manner as it may be purchased or kept by any other person under that statute.

13       **SECTION 284.** ORS 471.800 is amended to read:

14       471.800. If by the laws of another state or by the rules and regulations of any administrative  
15 body or authorized agency thereof or therein, market restrictions are imposed that prevent or tend  
16 to prevent the sale of wine manufactured in Oregon in free and unrestricted competition with like  
17 kinds of wine manufactured in such other state, the Oregon Liquor [*Control*] **and Cannabis** Com-  
18 mission is authorized and directed to impose similar restrictions in Oregon upon such wine manu-  
19 factured in such other state and offered for sale in Oregon.

20       **SECTION 285.** ORS 471.805 is amended to read:

21       471.805. (1) Except as otherwise provided in ORS 471.810 (2), all money collected by the Oregon  
22 Liquor [*Control*] **and Cannabis** Commission under this chapter and ORS chapter 473 and privilege  
23 taxes shall be remitted to the State Treasurer who shall credit it to a suspense account of the  
24 commission. Whenever the commission determines that moneys have been received by it in excess  
25 of the amount legally due and payable to the commission or that it has received money to which it  
26 has no legal interest, or that any license fee or deposit is properly refundable, the commission is  
27 authorized and directed to refund such money by check drawn upon the State Treasurer and charged  
28 to the suspense account of the commission. After withholding refundable license fees and such sum,  
29 not to exceed \$250,000, as it considers necessary as a revolving fund for a working cash balance for  
30 the purpose of paying travel expenses, advances, other miscellaneous bills and extraordinary items  
31 which are payable in cash immediately upon presentation, the commission shall direct the State  
32 Treasurer to transfer the money remaining in the suspense account to the Oregon Liquor [*Control*]  
33 **and Cannabis** Commission Account in the General Fund. Moneys in the Oregon Liquor [*Control*]  
34 **and Cannabis** Commission Account are continuously appropriated to the commission to be distrib-  
35 uted and used as required or allowed by law.

36       (2) All necessary expenditures of the commission incurred in carrying out the purposes required  
37 of the commission by law, including the salaries of its employees, purchases made by the commission  
38 and such sums necessary to reimburse the \$250,000 revolving fund, shall be audited and paid from  
39 the Oregon Liquor [*Control*] **and Cannabis** Commission Account in the General Fund, upon warrants  
40 drawn by the Oregon Department of Administrative Services, pursuant to claims duly approved by  
41 the commission.

42       **SECTION 286.** ORS 471.810 is amended to read:

43       471.810. (1) At the end of each month, the Oregon Liquor [*Control*] **and Cannabis** Commission  
44 shall certify the amount of moneys available for distribution in the Oregon Liquor [*Control*] **and**  
45 **Cannabis** Commission Account and, after withholding such moneys as it may deem necessary to pay

1 its outstanding obligations, shall within 35 days of the month for which a distribution is made direct  
2 the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of  
3 Administrative Services, as follows:

4 (a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this  
5 section, credited to the General Fund available for general governmental purposes wherein it shall  
6 be considered as revenue during the quarter immediately preceding receipt;

7 (b) Twenty percent to the cities of the state in such shares as the population of each city bears  
8 to the population of the cities of the state, as determined by Portland State University last preceding  
9 such apportionment, under ORS 190.510 to 190.610;

10 (c) Ten percent to counties in such shares as their respective populations bear to the total  
11 population of the state, as estimated from time to time by Portland State University; and

12 (d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and  
13 this section.

14 (2) The commission shall direct the Oregon Department of Administrative Services to transfer  
15 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health  
16 Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS  
17 430.380.

18 (3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding  
19 month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute  
20 the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d)  
21 and (2) of this section and the amounts that would have been paid or transferred under subsections  
22 (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct  
23 the Oregon Department of Administrative Services to pay or transfer amounts equal to the differ-  
24 ences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to  
25 the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

26 (4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal  
27 year an amount less than the amount distributed to the city or county in accordance with ORS  
28 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the  
29 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census.  
30 If the population declined, the per capita distribution to the city or county shall be not less than  
31 the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to  
32 maintain the level of distribution under this subsection shall be paid from funds credited under  
33 subsection (1)(a) of this section.

34 (5) Notwithstanding subsection (1) of this section, amounts to be distributed from the Oregon  
35 Liquor [*Control*] **and Cannabis** Commission Account that are attributable to a per bottle surcharge  
36 imposed by the Oregon Liquor [*Control*] **and Cannabis** Commission, shall be credited to the General  
37 Fund.

38 **SECTION 287.** ORS 471.817 is amended to read:

39 471.817. Each nonprofit organization formed by licensees to provide alternative transportation  
40 for patrons of the licensees shall report annually to the Oregon Liquor [*Control*] **and Cannabis**  
41 Commission. The commission may acknowledge receipt of the notice and shall keep a list of such  
42 organizations that have given notice. The commission shall provide information to the Department  
43 of Revenue on request for purposes of sections 2 and 4, chapter 700, Oregon Laws 1985.

44 **SECTION 288.** ORS 473.020 is amended to read:

45 473.020. The Oregon Liquor [*Control*] **and Cannabis** Commission shall administer this chapter,

1 and shall prescribe forms and make such rules and regulations as it deems necessary to enforce its  
2 provisions.

3 **SECTION 289.** ORS 473.030 is amended to read:

4 473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or  
5 as an importing distributor of malt beverages at the rate of \$2.60 per barrel of 31 gallons on all such  
6 beverages.

7 (2) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an im-  
8 porting distributor of wines at the rate of 65 cents per gallon on all such beverages.

9 (3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an im-  
10 porting distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the  
11 rate of 10 cents per gallon.

12 (4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer  
13 or an importing distributor of wines shall be taxed at the rate of two cents per gallon.  
14 Notwithstanding any other provision of law, all moneys collected by the Oregon Liquor [*Control*]  
15 **and Cannabis** Commission pursuant to this subsection shall be paid into the account established  
16 by the Oregon Wine Board under ORS 182.470.

17 (5) The rates of tax imposed by this section upon malt beverages apply proportionately to  
18 quantities in containers of less capacity than those quantities specified in this section.

19 (6) The taxes imposed by this section shall be measured by the volume of wine or malt beverages  
20 produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold  
21 and in the possession of the producer at the plant where it was produced, no tax imposed or levied  
22 by this section is required to be paid until the wine or malt beverage has become sufficiently aged  
23 for marketing at retail, but this subsection shall not be construed so as to alter or affect any pro-  
24 vision of this chapter relating to tax liens or the filing of statements.

25 **SECTION 290.** ORS 473.045 is amended to read:

26 473.045. (1) A tax is hereby imposed upon the sale or use of all agricultural products used in a  
27 winery for making wine.

28 (2) The amount of the tax shall be \$25 per ton of grapes of the vinifera varieties, whether true  
29 or hybrid.

30 (3) An equivalent tax is imposed upon the sale or use of vinifera or hybrid grape products im-  
31 ported for use in a winery licensed under ORS chapter 471 for making wine. Such tax shall be \$25  
32 per ton of grapes used to produce the imported grape product. The tax shall be determined on the  
33 basis of one ton of grapes for each 150 gallons of wine made from such vinifera or hybrid grape  
34 products.

35 (4) A tax on the sale or use of products that are not subject to subsection (2) or (3) of this  
36 section that are used to make wine in this state shall be imposed at a rate of \$.021 per gallon of  
37 wine made from those products.

38 (5) In the case of vinifera or hybrid grape products harvested in this state, \$12.50 of such tax  
39 shall be levied and assessed against the person selling or providing such grape products to the  
40 winery. If the purchasing winery is licensed under ORS chapter 471, that winery shall deduct the  
41 tax levied under this subsection from the price paid to the seller. If the purchasing winery is not  
42 licensed under ORS chapter 471, the seller shall report all sales on forms provided by the Oregon  
43 Liquor [*Control*] **and Cannabis** Commission and pay \$12.50 per ton as a tax directly to the com-  
44 mission.

45 (6) Taxes paid by sellers under subsection (5) of this section shall be collected by the Oregon

1 Liquor [*Control*] and Cannabis Commission on behalf of the Oregon Wine Board. The commission  
2 may retain an amount sufficient to cover the cost of collecting the taxes paid under subsection (5)  
3 of this section and shall transfer the remainder of those taxes to the board for deposit as provided  
4 in ORS 576.775. Failure to pay a tax imposed under subsection (5) of this section subjects the vi-  
5 olator to the penalty provided in ORS 473.992.

6 (7) Except for the tax specified in subsection (4) of this section the taxes specified under this  
7 section shall be levied and assessed to the licensed winery at the time of purchase of the product  
8 by the winery or of importation of the product, whichever is later. The tax specified in subsection  
9 (4) of this section shall be levied and assessed to the licensed winery at the time the wine is made.

10 (8) The taxes imposed by this section shall be paid by the licensed winery and collected by the  
11 commission subject to the same powers as taxes imposed and collected under ORS chapter 473. The  
12 tax obligation for a calendar year shall be paid in two installments. Half shall be due on December  
13 31 of the current calendar year. The remaining half shall be due the following June 30.

14 **SECTION 291.** ORS 473.047 is amended to read:

15 473.047. (1) As used in this section, “qualified marketing activity” means marketing activity:

16 (a) That promotes the sale of wine or wine products;

17 (b) That does not promote specific brands of wine or wine products or exclusively promote the  
18 products of any particular winery; and

19 (c) That has been approved by the Oregon Wine Board.

20 (2) A credit against the privilege tax otherwise due under ORS 473.030 (2) is allowed to a man-  
21 ufacturer or importing distributor of wine for the qualified marketing activity expenditures made by  
22 the manufacturer or importing distributor in the calendar year prior to the year for which the credit  
23 is claimed.

24 (3) The credit allowed under this section shall be 28 percent of the sum of the following:

25 (a) One hundred percent of the cost of qualified marketing activity to the extent that the cost  
26 of the activity does not exceed the amount of taxes the manufacturer or importing distributor of  
27 wine owed under ORS 473.030 (2) on the first 40,000 gallons, or 151,000 liters, of wine sold annually  
28 in Oregon; and

29 (b) Twenty-five percent of the tax owed under ORS 473.030 (2) for qualified marketing activity  
30 on wine sales above 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon.

31 (4) The credit allowed under this section may not exceed the tax liability of the manufacturer  
32 or importing distributor of wine under ORS 473.030 (2) for the calendar year following the year in  
33 which qualified marketing activity occurred.

34 (5) A manufacturer or importing distributor of wine that wishes to claim the credit allowed un-  
35 der this section shall submit with the manufacturer’s or importing distributor’s tax return form a  
36 certificate issued by the board verifying that the marketing activity was a qualified marketing ac-  
37 tivity. The credit shall be claimed on the form and include the information required by the Oregon  
38 Liquor [*Control*] and Cannabis Commission by rule.

39 (6) The credit shall be claimed against the taxes reported on the return filed under ORS 473.060  
40 for each month in the calendar year following the year in which the qualified marketing activity  
41 occurred, until the credit is completely used or the year ends, whichever occurs first.

42 (7) The board shall by rule further define, consistent with the definition in subsection (1) of this  
43 section, the marketing activities that constitute qualified marketing activity.

44 **SECTION 292.** ORS 473.050 is amended to read:

45 473.050. In computing any privilege tax imposed by ORS 473.030 or 473.035:



1 (1) No malt beverage, cider or wine is subject to tax more than once.

2 (2) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine sold to  
3 the Oregon Liquor [*Control*] **and Cannabis** Commission or exported from the state.

4 (3) No tax shall be levied, collected or imposed upon any malt beverage given away and con-  
5 sumed on the licensed premises of a brewery licensee, or sold to or by a voluntary nonincorporated  
6 organization of army, air corps or navy personnel operating a place for the sale of goods pursuant  
7 to regulations promulgated by the proper authority of each such service.

8 (4) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine deter-  
9 mined by the commission to be unfit for human consumption or unsalable.

10 (5) No tax shall be levied, collected or imposed upon the first 40,000 gallons, or 151,000 liters,  
11 of wine sold annually in Oregon from a United States manufacturer of wines producing less than  
12 100,000 gallons, or 379,000 liters, annually.

13 **SECTION 293.** ORS 473.060 is amended to read:

14 473.060. (1) The privilege taxes imposed by ORS 473.030 and 473.035 shall be paid to the Oregon  
15 Liquor [*Control*] **and Cannabis** Commission. The taxes covering the periods for which statements  
16 are required to be rendered by ORS 473.070 shall be paid before the time for filing such statements  
17 expires or, as concerns wines, on or before the 20th day of the month after such wines have been  
18 withdrawn from federal bond. If not so paid, a penalty of 10 percent and interest at the rate of one  
19 percent a month or fraction of a month shall be added and collected. The commission may refund  
20 any tax payment imposed upon or paid in error by any licensee, and may waive the collection or  
21 refund the payment of any tax imposed and collected on wine, cider or malt beverages subsequently  
22 exported from this state, sold to a federal instrumentality or to the commission, or determined by  
23 the commission to be unfit for human consumption or unsalable.

24 (2) The commission may waive any interest or penalty assessed to a manufacturer subject to the  
25 tax imposed under ORS 473.030 or 473.035 if the commission, in its discretion, determines that the  
26 manufacturer has made a good faith attempt to comply with the requirements of this chapter.

27 (3) Except in the case of fraud, the commission may not assess any interest or penalty on any  
28 tax due under ORS 473.030 or 473.035 following the expiration of 36 months from the date on which  
29 was filed the statement required under ORS 473.070 reporting the quantity of wine, cider or malt  
30 beverages upon which the tax is due.

31 (4) A manufacturer may appeal a tax imposed under ORS 473.030 or 473.035 in the manner of a  
32 contested case under ORS chapter 183.

33 **SECTION 294.** ORS 473.065 is amended to read:

34 473.065. (1) If a manufacturer's total tax liability under ORS 473.030 (1) in the previous calendar  
35 year was less than \$1,000, the manufacturer may deposit with the Oregon Liquor [*Control*] **and**  
36 **Cannabis** Commission an amount in cash equal to the manufacturer's total tax liability under ORS  
37 473.030 (1) for the previous calendar year in lieu of the bond required by ORS 471.155 (1).

38 (2) If a manufacturer's actual tax liability under ORS 473.030 (1) is less than the amount de-  
39 posited under subsection (1) of this section, the manufacturer may request that the commission re-  
40 fund the excess funds or may apply those funds toward the manufacturer's tax liability under ORS  
41 473.030 (1) for the next calendar year.

42 (3) If a manufacturer's actual tax liability under ORS 473.030 (1) is greater than the amount  
43 deposited under subsection (1) of this section, the manufacturer shall pay to the commission the  
44 additional amount owed in the manner required under ORS 473.060.

45 (4) Unless the commission determines that a winery, grower sales privilege or warehouse

1 licensee or direct shipper or wine self-distribution permit holder presents an unusual risk for non-  
2 payment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or  
3 interest imposed under this chapter or ORS chapter 471, the commission shall waive the bond re-  
4 quired under ORS 471.155 (1) for the licensee or permit holder if:

5 (a) The licensee or permit holder was not liable for a privilege tax under this chapter in the  
6 immediately preceding calendar year and does not expect to be liable for a privilege tax under this  
7 chapter in the current calendar year; or

8 (b) The licensee or permit holder of a business established during the current calendar year does  
9 not expect to be liable for a privilege tax under this chapter in the current calendar year. As used  
10 in this paragraph, "business" means:

11 (A) A winery.

12 (B) A business operated pursuant to a license issued under ORS 471.227.

13 (C) A warehouse.

14 (D) A business operated pursuant to a permit issued under ORS 471.274.

15 (E) A business operated pursuant to a permit issued under ORS 471.282.

16 **SECTION 295.** ORS 473.070 is amended to read:

17 473.070. (1) On or before the 20th day of each month, every manufacturer shall file with the  
18 Oregon Liquor [*Control*] and Cannabis Commission a statement of the quantity of wine, cider and  
19 malt beverages produced, purchased or received by the manufacturer during the preceding calendar  
20 month.

21 (2) Notwithstanding subsection (1) of this section, a manufacturer of wine that was not liable for  
22 a privilege tax under this chapter in the prior calendar year and that does not expect to be liable  
23 for a privilege tax under this chapter in the current calendar year, or a manufacturer of wine that  
24 is newly established during the current calendar year and that does not expect to be liable for a  
25 privilege tax under this chapter in the current calendar year, may file a single annual statement of  
26 the quantity of wine produced, purchased or received by the manufacturer during the current cal-  
27 endar year. The annual statement shall be filed with the commission on or before January 20 of the  
28 following year.

29 **SECTION 296.** ORS 473.080 is amended to read:

30 473.080. If any manufacturer fails, neglects or refuses to file a statement required by ORS  
31 473.070 or files a false statement, the Oregon Liquor [*Control*] and Cannabis Commission shall es-  
32 timate the amount of wine, cider and malt beverages produced, purchased or received by the man-  
33 ufacturer and assess the privilege tax thereon. The manufacturer shall be estopped from complaining  
34 of the amount so estimated.

35 **SECTION 297.** ORS 473.100 is amended to read:

36 473.100. (1) Whenever any manufacturer is delinquent in the payment of the privilege tax pro-  
37 vided for in ORS 473.030 and 473.035, the Oregon Liquor [*Control*] and Cannabis Commission or its  
38 duly authorized representative shall seize any property subject to the tax and sell, at public auction,  
39 property so seized, or a sufficient portion thereof to pay the privilege tax due, together with any  
40 penalties imposed under ORS 473.060 for such delinquency and all costs incurred on account of the  
41 seizure and sale.

42 (2) Written notice of the intended sale and the time and place thereof, shall be given to such  
43 delinquent manufacturer and to all persons appearing of record to have an interest in the property,  
44 at least 10 days before the date set for the sale. The notice shall be enclosed in an envelope ad-  
45 dressed to the manufacturer at the last-known residence or place of business of the manufacturer

1 in this state, if any; and in the case of any person appearing of record to have an interest in such  
2 property, addressed to such person at the last-known place of residence of the person, if any. The  
3 envelope shall be deposited in the United States mail, postage prepaid. In addition, notice shall be  
4 published for at least 10 days before the date set for such sale, in a newspaper of general circulation  
5 published in the county in which the property seized is to be sold. If there is no newspaper of gen-  
6 eral circulation in such county, the notice shall be posted in three public places in such county for  
7 the 10-day period. The notice shall contain a description of the property to be sold, a statement of  
8 the amount of the privilege taxes, penalties and costs, the name of the manufacturer and the further  
9 statement that, unless the privilege taxes, penalties and costs are paid on or before the time fixed  
10 in the notice for the sale, the property, or so much thereof as may be necessary, will be sold in  
11 accordance with law and the notice.

12 **SECTION 298.** ORS 473.110 is amended to read:

13 473.110. At the sale, the property shall be sold by the Oregon Liquor [*Control*] **and Cannabis**  
14 Commission or by its duly authorized agent in accordance with law and the notice. The commission  
15 shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real  
16 property so sold. The bill of sale or deed vests title in the purchaser. The unsold portion of any  
17 property seized under ORS 473.100 may be left at the place of sale at the risk of the manufacturer.  
18 If upon any such sale, the money received exceeds the amount of all privilege taxes, penalties and  
19 costs due the state from the manufacturer, the excess shall be returned to the manufacturer, and a  
20 receipt therefor obtained. However, if any person having an interest in or lien upon the property  
21 has filed with the commission, prior to the sale, notice of interest or lien, the commission shall  
22 withhold any such excess pending a determination of the rights of the respective parties thereto by  
23 a court of competent jurisdiction. If the receipt of the manufacturer is not available, the commission  
24 shall deposit such excess money with the State Treasurer, as trustee for the owner, subject to the  
25 order of the manufacturer, the heirs, successors or assigns of the manufacturer.

26 **SECTION 299.** ORS 473.120 is amended to read:

27 473.120. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission shall immediately transmit  
28 notice of the delinquency mentioned in ORS 473.100 to the Attorney General. The Attorney General  
29 shall at once proceed to collect all sums due to the state from the manufacturer under this chapter  
30 by bringing suit against the necessary parties to effect forfeiture of the bonds of the manufacturer,  
31 reducing any deficiency to judgment against the manufacturer.

32 (2) The remedies of the state provided in ORS 473.090 to 473.120 are cumulative and no action  
33 taken by the commission or Attorney General constitutes an election on the part of the state or any  
34 of its officers to pursue one remedy to the exclusion of any other remedy provided in this chapter.

35 **SECTION 300.** ORS 473.130 is amended to read:

36 473.130. In any suit brought to enforce the rights of the state, the assessment made by the  
37 Oregon Liquor [*Control*] **and Cannabis** Commission under ORS 473.080, or a copy of so much thereof  
38 as is applicable in such suit, duly certified by the commission and showing unpaid privilege taxes  
39 assessed against any manufacturer, is prima facie evidence:

40 (1) Of the assessment of the privilege tax and the delinquency thereof.

41 (2) Of the amount of the privilege tax, interest, penalties and costs due and unpaid to the state.

42 (3) That the manufacturer is indebted to this state in the amount of such privilege tax, interest  
43 and penalties therein appearing unpaid.

44 (4) That the law relating to assessment and levy of such privilege tax has been fully complied  
45 with by all persons required to perform administrative duties under this chapter.

**SECTION 301.** ORS 473.140 is amended to read:

473.140. Every manufacturer shall keep a complete and accurate record of all sales of wine, cider and malt beverages, a complete and accurate record of the number of gallons imported, produced, purchased, manufactured, brewed or fermented, and the date of importation, production, purchase, manufacturing, brewing or fermentation. The records shall be in such form and contain such other information as the Oregon Liquor [*Control*] **and Cannabis** Commission may prescribe. The commission, by rule or regulation, may require the delivery of statements by distributors to purchasers, with wine, cider and malt beverages, and prescribe the matters to be contained therein. Such records and statements shall be preserved by the distributor and the purchaser respectively, for a period of two years, and shall be offered for inspection at any time upon oral or written demand by the commission or its duly authorized agents.

**SECTION 302.** ORS 473.150 is amended to read:

473.150. (1) The Oregon Liquor [*Control*] **and Cannabis** Commission may, at any time, examine the books and records of a holder of a wine self-distribution permit or of any manufacturer of wine, cider or malt beverages, and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties under this section.

(2) Every holder of a wine self-distribution permit and every manufacturer shall maintain and keep for two years all records, books and accounts required by this chapter and shall provide copies of those records, books and accounts to the commission when requested by the commission.

**SECTION 303.** ORS 473.160 is amended to read:

473.160. Every person transporting wine, cider or malt beverages within this state, whether such transportation originates within or without this state, shall keep a true and accurate record of wine, cider or malt beverages transported. The record shall include ingredients which may be used in the manufacture, production, brewing or fermentation of the wine, cider or malt beverages, showing such facts with relation to those beverages, their ingredients and their transportation, as the Oregon Liquor [*Control*] **and Cannabis** Commission may require. The records shall be open to inspection by the representative of the commission at any time. The commission may require from any such person sworn returns of all or any part of the information shown by the records.

**SECTION 304.** ORS 473.170 is amended to read:

473.170. (1) No manufacturer shall:

- (a) Fail to pay the privilege tax prescribed in ORS 473.030 and 473.035 when it is due; or
- (b) Falsify the statement required by ORS 473.070.

(2) No person shall:

- (a) Refuse to permit the Oregon Liquor [*Control*] **and Cannabis** Commission or any of its representatives to make an inspection of the books and records authorized by ORS 473.140 to 473.160;
- (b) Fail to keep books of account prescribed by the commission or required by this chapter;
- (c) Fail to preserve the books for two years for inspection of the commission; or
- (d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any record required by this chapter to be made, maintained or preserved.

**SECTION 305.** ORS 474.115 is amended to read:

474.115. (1) It shall be unlawful for any wholesaler to sell any brand of malt beverage in this state except in the territory described in an agreement with the manufacturer or importer authorizing sale by the wholesaler of the brand within a designated territory. Within the designated territory the wholesaler must service as provided in subsection (2) of this section all of the customers without discrimination. The territorial agreement must be in writing and must specify the brand or

1 brands it covers. Where a manufacturer or importer sells several brands, the agreement need not  
 2 apply to all brands sold by the manufacturer or importer and may apply only to one brand. No  
 3 manufacturer or importer shall provide by the written agreement for the distribution of a brand to  
 4 more than one distributor for all or any part of the designated territory. All such agreements shall  
 5 be filed with the Oregon Liquor [*Control*] **and Cannabis** Commission.

6 (2) Every malt beverage wholesaler licensed shall service for the purpose of quality control all  
 7 of the malt beverages it sells to its customers. Each wholesaler shall provide quality control services  
 8 and comply with quality control standards as are specified in writing from time to time by the owner  
 9 of the trademark of the brand or brands of malt beverage if:

10 (a) These services or standards are reasonable and are reasonably related to the maintenance  
 11 of quality control; and

12 (b) The wholesaler has received written notice of them.

13 (3) An exclusive territorial designation in any agreement shall be changed only upon the written  
 14 notice of the manufacturer and shall be filed pursuant to this section and ORS 474.105. The com-  
 15 mission shall require the manufacturer to verify that the level of service within the designated ter-  
 16 ritory will not be affected by the change. The notice shall only be given after recognizing all rights  
 17 of the wholesaler and duties of the manufacturer contained in any written agreement between them.  
 18 However, if a wholesaler is prevented from servicing the territory due to fire, flood, labor disputes  
 19 or other causes beyond reasonable control, and if first given permission by the duly licensed exclu-  
 20 sive wholesaler of that area and approved by the manufacturer and the commission, another licensed  
 21 wholesaler not within the designated area may sell the specified brands of malt beverage in that  
 22 designated area.

23 (4)(a) It shall be unlawful for any wholesaler, either directly or indirectly, to grant or to afford  
 24 a quantity discount in connection with the sale of malt beverages to any retailer in this state.

25 (b) No provision of any agreement between any manufacturer and importer shall expressly or  
 26 by implication, or in its operation, establish or maintain the resale price of any brand or brands of  
 27 malt beverage by the wholesaler.

28 **SECTION 306.** ORS 565.515 is amended to read:

29 565.515. The state fair director may authorize the conducting of any lawful business at  
 30 fairground properties and facilities. A business operating on fairground properties or facilities under  
 31 authorization from the state fair director is not required to obtain a local business license for the  
 32 operation. However, nothing in this section shall interfere with the laws of this state requiring a  
 33 license for the operation of a restaurant or requiring a license to be obtained from the Oregon Li-  
 34 quor [*Control*] **and Cannabis** Commission for the sale or distribution of alcoholic liquors.

35 **SECTION 307.** ORS 576.768 is amended to read:

36 576.768. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a  
 37 description of the long term strategic plan created by the board and a description of the progress  
 38 made in implementing the statewide strategic objectives of the board during the most recent  
 39 biennium.

40 (2) Notwithstanding ORS 182.462:

41 (a) The board shall prepare and submit annual plans and a budget recommended by the board  
 42 for promotion and for research during the next fiscal year.

43 (b) The board shall adopt rules specifying the procedures, criteria and timelines for the prepa-  
 44 ration and approval of the annual plans and budget for promotion and for research.

45 (c) The Director of the Oregon Business Development Department shall review the budget and

1 plans submitted under this section. In reviewing the annual plans and budget, the director shall  
 2 consider whether the information supplied by the board is factual and consistent with ORS 576.750  
 3 to 576.775 and the positive development of the Oregon wine grape growing and wine making indus-  
 4 tries. The director shall either approve the budget and plans prior to the commencement of the next  
 5 fiscal year or disapprove and return the budget and plans to the board with conditions necessary  
 6 for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans,  
 7 the director may consult with and receive coordinated support from:

- 8 (A) The State Department of Agriculture;
- 9 (B) The Oregon Tourism Commission;
- 10 (C) Oregon State University;
- 11 (D) The Office of Community Colleges and Workforce Development; and
- 12 (E) The Oregon Liquor [*Control*] **and Cannabis** Commission.

13 **SECTION 308.** ORS 576.771 is amended to read:

14 576.771. (1) If a person selling or providing grape product to a winery performs part of the pro-  
 15 cessing function of a winery, the person shall report the sale or provision of the grape product and  
 16 pay the tax imposed under ORS 473.045 (5).

17 (2) A person or winery required to pay a tax under ORS 473.045 (5) shall keep accurate records  
 18 sufficient to enable the Oregon Liquor [*Control*] **and Cannabis** Commission to determine by in-  
 19 spection and audit the accuracy of the taxes paid or due the Oregon Wine Board and of reports  
 20 made or due to the commission.

21 (3) The commission or a designee of the commission may inspect and audit the records referred  
 22 to in subsection (2) of this section for the purpose referred to in subsection (2) of this section.

23 (4) A person or winery may not refuse to permit an inspection and audit under subsection (3)  
 24 of this section during business hours.

25 (5) In addition to the penalties prescribed in ORS 473.992, a person or winery that delays  
 26 transmittal of tax payments under ORS 473.045 (5) beyond the due date specified in ORS 473.045  
 27 shall pay five percent of the overdue amount for the first full or partial month of delay and one  
 28 percent of the overdue amount for each full or partial month of delay thereafter.

29 (6) If a winery willfully refuses to turn over tax moneys withheld under ORS 473.045 (5), the  
 30 winery shall pay an additional amount equal to twice the amount of the tax moneys not turned over.

31 **SECTION 309.** ORS 659A.320 is amended to read:

32 659A.320. (1) Except as provided in subsection (2) of this section, it is an unlawful employment  
 33 practice for an employer to obtain or use for employment purposes information contained in the  
 34 credit history of an applicant for employment or an employee, or to refuse to hire, discharge, de-  
 35 mote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard  
 36 to promotion, compensation or the terms, conditions or privileges of employment based on informa-  
 37 tion in the credit history of the applicant or employee.

38 (2) Subsection (1) of this section does not apply to:

- 39 (a) Employers that are federally insured banks or credit unions;
- 40 (b) Employers that are required by state or federal law to use individual credit history for em-  
 41 ployment purposes;
- 42 (c) The application for employment or the employment of a public safety officer who will be or  
 43 who is:
  - 44 (A) A member of a law enforcement unit;
  - 45 (B) Employed as a peace officer commissioned by a city, port, school district, mass transit dis-

1 trict, county, university under ORS 352.121 or 353.125, Indian reservation, the Superintendent of  
2 State Police under ORS 181A.340, the Criminal Justice Division of the Department of Justice, the  
3 Oregon State Lottery Commission or the Governor or employed as a regulatory specialist by the  
4 Oregon Liquor [Control] and Cannabis Commission; and

5 (C) Responsible for enforcing the criminal laws of this state or laws or ordinances related to  
6 airport security; or

7 (d) The obtainment or use by an employer of information in the credit history of an applicant  
8 or employee because the information is substantially job-related and the employer's reasons for the  
9 use of such information are disclosed to the employee or prospective employee in writing.

10 (3) An employee or an applicant for employment may file a complaint under ORS 659A.820 for  
11 violations of this section and may bring a civil action under ORS 659A.885 and recover the relief  
12 as provided by ORS 659A.885 (1) and (2).

13 (4) As used in this section, "credit history" means any written or other communication of any  
14 information by a consumer reporting agency that bears on a consumer's creditworthiness, credit  
15 standing or credit capacity.

16 **SECTION 310.** ORS 802.250 is amended to read:

17 802.250. (1) An eligible public employee may request that any driver or vehicle record kept by  
18 the Department of Transportation that contains or is required to contain the eligible employee's  
19 residence address contain instead the address of the public agency employing the eligible employee.  
20 A request under this section shall:

21 (a) Be in a form specified by the department that provides for verification of the eligible  
22 employee's employment.

23 (b) Contain verification by the employing public agency of the eligible employee's employment  
24 with the public agency.

25 (2) Upon receipt of a request and verification under subsection (1) of this section, the depart-  
26 ment shall remove the eligible employee's residence address from its records, if necessary, and sub-  
27 stitute therefor the address of the public agency employing the eligible employee. The department  
28 shall indicate on the records that the address shown is an employment address. While the request  
29 is in effect, the eligible employee may enter the address of the public agency employing the eligible  
30 employee on any driver or vehicle form issued by the department that requires an address.

31 (3) A public agency that verifies an eligible employee's employment under subsection (1) of this  
32 section shall notify the department within 30 days if the eligible employee ceases to be employed  
33 by the public agency. The eligible employee shall notify the department of a change of address as  
34 provided in ORS 803.220 or 807.560.

35 (4) If an eligible employee is killed in the line of duty, a person who is a household member of  
36 the eligible employee may request that any driver or vehicle record kept by the department that  
37 contains or is required to contain the household member's residence address continue to contain the  
38 address of the public agency that employed the eligible employee for up to four years after the date  
39 of the death of the eligible employee. On or before the date on which the four-year period ends, the  
40 household member shall notify the department of a change of address as provided in ORS 803.220  
41 or 807.560. A request under this subsection shall be in a form specified by the department.

42 (5) As used in this section, "eligible employee" means:

43 (a) A member of the State Board of Parole and Post-Prison Supervision.

44 (b) The Director of the Department of Corrections and an employee of an institution defined in  
45 ORS 421.005 as Department of Corrections institutions, whose duties, as assigned by the super-

1 intendent, include the custody of persons committed to the custody of or transferred to the institu-  
 2 tion.

3 (c) A parole and probation officer employed by the Department of Corrections and an employee  
 4 of the Department of Corrections Release Center whose duties, as assigned by the Chief of the Re-  
 5 lease Center, include the custody of persons committed to the custody of or transferred to the Re-  
 6 lease Center.

7 (d) A police officer appointed under ORS 276.021 or 276.023.

8 (e) An employee of the State Department of Agriculture who is classified as a brand inspector  
 9 by the Director of Agriculture.

10 (f) An investigator of the Criminal Justice Division of the Department of Justice.

11 (g) A corrections officer as defined in ORS 181A.355.

12 (h) A federal officer. As used in this paragraph, "federal officer" means a special agent or law  
 13 enforcement officer employed by:

14 (A) The Federal Bureau of Investigation;

15 (B) The United States Secret Service;

16 (C) The United States Citizenship and Immigration Services;

17 (D) The United States Marshals Service;

18 (E) The Drug Enforcement Administration;

19 (F) The United States Postal Service;

20 (G) The United States Customs and Border Protection;

21 (H) The United States General Services Administration;

22 (I) The United States Department of Agriculture;

23 (J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;

24 (K) The Internal Revenue Service;

25 (L) The United States Department of the Interior; or

26 (M) Any federal agency if the person is empowered to effect an arrest with or without warrant  
 27 for violations of the United States Code and is authorized to carry firearms in the performance of  
 28 duty.

29 (i) An employee of the Department of Human Services or the Oregon Health Authority whose  
 30 duties include personal contact with clients or patients of the department or the authority.

31 (j) Any judge of a court of this state.

32 (k) An employee of the Oregon Youth Authority whose duties include personal contact with  
 33 persons committed to the legal or physical custody of the authority.

34 (L) A district attorney, as defined in ORS 131.005, or deputy district attorney.

35 (m) An employee who provides educational services to persons who are clients or patients of the  
 36 Department of Human Services or the Oregon Health Authority, who are under the jurisdiction of  
 37 the Psychiatric Security Review Board or who are under the custody or supervision of the Depart-  
 38 ment of Corrections, the State Board of Parole and Post-Prison Supervision, a community corrections  
 39 agency, the Oregon Youth Authority or a juvenile department. As used in this paragraph, "employee  
 40 who provides educational services" means a person who provides instruction, or services related to  
 41 the instruction, of a subject usually taught in an elementary school, a secondary school or a com-  
 42 munity college or who provides special education and related services in other than a school setting  
 43 and who works for:

44 (A) An education service district or a community college district; or

45 (B) A state officer, board, commission, bureau, department or division in the executive branch



1 of state government that provides educational services.

2 (n) An employee of the Oregon Liquor [*Control*] **and Cannabis** Commission who is:

3 (A) A regulatory specialist; or

4 (B) A regulatory manager.

5 (o) A police officer as defined in ORS 801.395.

6 (p) An employee whose duties include personal contact with criminal offenders and who is em-  
7 ployed by a law enforcement unit, as defined in ORS 181A.355.

8 (q) A civil code enforcement officer, as defined in ORS 192.501.

9 **SECTION 311.** Section 4, chapter 106, Oregon Laws 2013, is amended to read:

10 **Sec. 4.** Report. No later than March 1 of each odd-numbered year, the Oregon Liquor [*Control*]  
11 **and Cannabis** Commission shall submit a report to the Legislative Assembly regarding beverage  
12 container redemption centers approved pursuant to the provisions of ORS 459A.737. The report must  
13 include, for the two previous calendar years:

14 (1) The number of beverage containers that are returned for refund value as a percentage of the  
15 total number of beverage containers sold in this state.

16 (2) The number of beverage container redemption centers operating in this state and the number  
17 of redemption centers for which applications are pending with the commission.

18 (3) The number of beverage containers that are returned for refund value in areas designated  
19 by the commission and the number of beverage containers returned for refund value in each area  
20 in the year before the beverage container redemption center began operation.

21 (4) The number of beverage containers that are returned for refund value to beverage container  
22 redemption centers in this state and the number of beverage containers that are returned for refund  
23 value to dealers in this state.

24 **SECTION 312.** Section 1, chapter 221, Oregon Laws 2015, is amended to read:

25 **Sec. 1.** (1) As used in this section, “tax-exempt” means recognized as tax-exempt under section  
26 501(c) of the Internal Revenue Code.

27 (2) A tax-exempt nonprofit organization may supply to the Oregon Liquor [*Control*] **and**  
28 **Cannabis** Commission copies of informational materials about human trafficking. The organization  
29 may not charge the commission for the materials. The form of the materials may include, but need  
30 not be limited to, adhesive stickers. The materials may not include information on topics other than  
31 human trafficking. The materials must be limited in content to objectively verifiable information,  
32 except that the materials may include logos, symbols, graphics or similar devices and may include  
33 a cover letter to commission licensees to urge the licensees to post the adhesive materials or other  
34 materials at the licensees’ premises.

35 (3) Except as provided in this subsection, if a tax-exempt nonprofit organization supplies the  
36 commission with informational materials as described in subsection (2) of this section, the commis-  
37 sion shall include a copy of the materials with each license renewal notice that the commission  
38 sends to an on-premises sales, off-premises sales or brewery-public house licensee. The number of  
39 copies of the materials that the commission sends to licensees may not exceed the number of copies  
40 that the organization supplies to the commission. If the commission determines that the informa-  
41 tional materials have offensive or inappropriate content, the commission may refuse to include the  
42 materials with license renewal notices or otherwise assist in distributing the materials.

43  
44 **REGULATION OF MARIJUANA AS A CROP**  
45 **EFFECTIVE 91st DAY AFTER ADJOURNMENT SINE DIE**

