

Requested by Senator FERRIOLI

**PROPOSED AMENDMENTS TO  
SENATE BILL 307**

1 On page 1 of the printed bill, line 2, after “amending” delete the rest of  
2 the line and lines 3 through 10 and insert “ORS 475B.015, 475B.025, 475B.033,  
3 475B.035, 475B.040, 475B.045, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068,  
4 475B.070, 475B.075, 475B.125, 475B.130, 475B.135, 475B.140, 475B.150, 475B.160,  
5 475B.170, 475B.180, 475B.190, 475B.200, 475B.205, 475B.210, 475B.215, 475B.218,  
6 475B.230, 475B.233, 475B.235, 475B.255, 475B.260, 475B.280, 475B.290, 475B.295,  
7 475B.298, 475B.300, 475B.305, 475B.310, 475B.315, 475B.325, 475B.340, 475B.345,  
8 475B.355, 475B.358, 475B.365, 475B.370, 475B.399, 475B.575, 475B.635 and  
9 475B.645 and section 22, chapter 24, Oregon Laws 2016, and sections 2 and  
10 3, chapter 97, Oregon Laws 2016; and prescribing an effective date.”.

11 Delete lines 12 through 22 and delete pages 2 through 33 and insert:  
12

13 **“SOCIAL CONSUMPTION**

14 **“(Venues)**

15  
16 **“SECTION 1. Section 2 of this 2017 Act is added to and made a part**  
17 **of ORS 475B.010 to 475B.395.**

18 **“SECTION 2. (1) The consumption of marijuana items at a venue**  
19 **is subject to regulation by the Oregon Liquor Control Commission.**

20 **“(2) To provide for the consumption of marijuana items at a venue,**  
21 **a person must have a license issued by the commission for the prem-**

1 ises at which the consumption occurs. To hold a license under this  
2 section:

3 “(a) The applicant:

4 “(A) Must apply for the license in the manner described in ORS  
5 475B.040; and

6 “(B) Must provide proof that the applicant is 21 years of age or  
7 older;

8 “(b) The premises at which the venue is located:

9 “(A) May not be located in an area that is zoned exclusively for  
10 residential use; and

11 “(B) May not be located within 1,000 feet of:

12 “(i) A public elementary or secondary school for which attendance  
13 is compulsory under ORS 339.020; or

14 “(ii) A private or parochial elementary or secondary school, teach-  
15 ing children as described in ORS 339.030 (1)(a); and

16 “(c) The applicant and the premises at which the venue is located  
17 must meet the requirements of any rule adopted by the commission  
18 under subsection (3) of this section.

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

20 “(a) Require a person that holds a license issued under this section  
21 to renew the license annually;

22 “(b) Establish application, licensure and renewal of licensure fees  
23 for a license issued under this section;

24 “(c) Require marijuana items sold on a premises for which a license  
25 has been issued under this section to be sold by a marijuana retailer  
26 that holds a license issued under ORS 475B.110;

27 “(d) Allow the consumption of marijuana items that are inhalants  
28 in designated areas of a premises for which a license has been issued  
29 under this section;

30 “(e) Prohibit the consumption of marijuana items that are

1 **inhalants in public places, as defined in ORS 433.835, located on a**  
2 **premises for which a license has been issued under this section, except**  
3 **as permitted under ORS 433.850;**

4 **“(f) Prohibit the consumption and sale of marijuana items that are**  
5 **not inhalants, alcoholic beverages and tobacco products on a premises**  
6 **for which a license has been issued under this section; and**

7 **“(g) Require a premises for which a license has been issued under**  
8 **this section to meet any public health and safety standards and in-**  
9 **dustry best practices established by the commission by rule.**

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

11 **“(a) May not exceed, together with other fees collected under ORS**  
12 **475B.010 to 475B.395, the cost of administering ORS 475B.010 to**  
13 **475B.395; and**

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

16 **“(5) The provisions of this section are subject to a city or county**  
17 **adopting ordinances allowing the consumption of marijuana items at**  
18 **venues as described in section 4 of this 2017 Act.**

19

20 **“(Exceptions to Public Use Restriction)**

21

22 **“SECTION 3. ORS 475B.280 is amended to read:**

23 **“475B.280. (1)(a) Except as provided in paragraph (b) of this sub-**  
24 **section, it is unlawful for any person to engage in the use of marijuana**  
25 **items in a public place.**

26 **“(b) A person 21 years of age or older may engage in the use of**  
27 **marijuana items in designated areas of a premises for which a license**  
28 **has been issued under section 2 of this 2017 Act.**

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

30

1 “(Local Option)  
2

3 **“SECTION 4. (1) The Oregon Liquor Control Commission may not**  
4 **issue a license under section 2 of this 2017 Act to an applicant applying**  
5 **for the license if the premises for which the application for licensure**  
6 **has been made will be located:**

7 **“(a) Within a city that has not adopted an ordinance allowing the**  
8 **consumption of marijuana items at venues as described in section 2**  
9 **of this 2017 Act; or**

10 **“(b) Within the unincorporated area of a county that has not**  
11 **adopted an ordinance allowing the consumption of marijuana items**  
12 **at venues as described in section 2 of this 2017 Act.**

13 **“(2) If the governing body of a city or county adopts an ordinance**  
14 **under this section, the governing body must provide the text of the**  
15 **ordinance to the commission, in the manner prescribed by the com-**  
16 **mission.**

17  
18 **“DELIVERY AND RECEIPT OF MARIJUANA ITEMS**  
19

20 **“SECTION 5. ORS 475B.160, as amended by section 23, chapter 23,**  
21 **Oregon Laws 2016, section 65, chapter 24, Oregon Laws 2016, and section 12,**  
22 **chapter 83, Oregon Laws 2016, is amended to read:**

23 **“475B.160. (1)(a) Except as provided in section 22, chapter 23, Oregon**  
24 **Laws 2016, and section 2, chapter 83, Oregon Laws 2016, a marijuana pro-**  
25 **ducer that holds a license issued under ORS 475B.070, a marijuana**  
26 **processor that holds a license issued under ORS 475B.090 or a marijuana**  
27 **wholesaler that holds a license issued under ORS 475B.100 may deliver**  
28 **marijuana items only to or on a premises for which a license has been**  
29 **issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.**

30 **“(b) A marijuana retailer that holds a license issued under ORS**

1 **475B.110 may deliver marijuana items only to or on the premises for**  
2 **which a license has been issued under ORS 475B.070, 475B.090, 475B.100**  
3 **or 475B.110 or section 2 of this 2017 Act.**

4 “(2)(a) [*A premises*] **A licensee to which marijuana items may be de-**  
5 **livered under subsection (1)(a) of this section** may receive marijuana  
6 items only from:

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

10 “(A) **A marijuana producer that holds a license issued under ORS**  
11 **475B.070, marijuana processor that holds a license issued under ORS**  
12 **475B.090, marijuana wholesaler that holds a license issued under ORS**  
13 **475B.100 or a marijuana retailer that holds a license issued under ORS**  
14 **475B.110;**

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

20 “[*(c)*] (C) **A marijuana grow site registered under ORS 475B.420,**  
21 **marijuana processing site registered under ORS 475B.435, or a medical**  
22 **marijuana dispensary registered under ORS 475B.450, acting in accordance**  
23 **with procedures adopted by the Oregon Liquor Control Commission under**  
24 **section 25, chapter 24, Oregon Laws 2016.**

25 “(b) **A licensee to which marijuana items may be delivered under**  
26 **subsection (1)(b) of this section may receive marijuana items only**  
27 **from a marijuana retailer that holds a license issued under ORS**  
28 **475B.110.**

29 “(3) **The sale of marijuana items by a marijuana retailer that holds a li-**  
30 **cence issued under ORS 475B.110 must be restricted to the premises [*de-***

1 *scribed in the license*] **for which the license has been issued**, but deliveries  
2 may be made by [*the*] a marijuana retailer to consumers pursuant to a bona  
3 fide order received at the premises prior to delivery.

4

5

## “TECHNICAL AMENDMENTS

6

7 **“SECTION 6.** ORS 475B.015, as amended by section 63, chapter 24,  
8 Oregon Laws 2016, and section 11, chapter 83, Oregon Laws 2016, is amended  
9 to read:

10 “475B.015. As used in ORS 475B.010 to 475B.395:

11 “(1) ‘Cannabinoid’ means any of the chemical compounds that are the  
12 active constituents of marijuana.

13 “(2) ‘Cannabinoid concentrate’ means a substance obtained by separating  
14 cannabinoids from marijuana by:

15 “(a) A mechanical extraction process;

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

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

22 “(d) Any other process identified by the Oregon Liquor Control Commis-  
23 sion, in consultation with the Oregon Health Authority, by rule.

24 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a  
25 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or  
26 flowers have been incorporated.

27 “(4) ‘Cannabinoid extract’ means a substance obtained by separating  
28 cannabinoids from marijuana by:

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

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

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

5 “(5)(a) ‘Cannabinoid product’ means a cannabinoid edible and any other  
6 product intended for human consumption or use, including a product in-  
7 tended to be applied to the skin or hair, that contains cannabinoids or dried  
8 marijuana leaves or flowers.

9 “(b) ‘Cannabinoid product’ does not include:

10 “(A) Usable marijuana by itself;

11 “(B) A cannabinoid concentrate by itself;

12 “(C) A cannabinoid extract by itself; or

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

14 “(6) ‘Consumer’ means a person who purchases, acquires, owns, holds or  
15 uses marijuana items other than for the purpose of resale.

16 “(7) **‘Designated primary caregiver’ has the meaning given that**  
17 **term in ORS 475B.410.**

18 “[~~(7)(a)~~] (8)(a) ‘Financial consideration’ means value that is given or re-  
19 ceived either directly or indirectly through sales, barter, trade, fees, charges,  
20 dues, contributions or donations.

21 “(b) ‘Financial consideration’ does not include marijuana, cannabinoid  
22 products or cannabinoid concentrates that are delivered within the scope of  
23 and in compliance with ORS 475B.245.

24 “[~~(8)~~] (9) ‘Homegrown’ means grown by a person 21 years of age or older  
25 for noncommercial purposes.

26 “[~~(9)~~] (10) ‘Household’ means a housing unit and any place in or around  
27 a housing unit at which the occupants of the housing unit are producing,  
28 processing, possessing or storing homegrown marijuana, cannabinoid pro-  
29 ducts, cannabinoid concentrates or cannabinoid extracts.

30 “[~~(10)~~] (11) ‘Housing unit’ means a house, an apartment or a mobile home,

1 or a group of rooms or a single room that is occupied as separate living  
2 quarters, in which the occupants live and eat separately from any other  
3 persons in the building and that has direct access from the outside of the  
4 building or through a common hall.

5 “[~~(11)~~] **(12)** ‘Immature marijuana plant’ means a marijuana plant that is  
6 not flowering.

7 “[~~(12)~~] **(13)** ‘Licensee’ means a person [*who*] **that** holds a license issued  
8 under ORS 475B.070, 475B.090, [~~475B.100 or 475B.110~~] **475B.100 or 475B.110**  
9 **or section 2 of this 2017 Act.**

10 “[~~(13)~~] **(14)** ‘Licensee representative’ means an owner, director, officer,  
11 manager, employee, agent or other representative of a licensee, to the extent  
12 that the person acts in a representative capacity.

13 “[~~(14)(a)~~] **(15)(a)** ‘Marijuana’ means the plant Cannabis family  
14 Cannabaceae, any part of the plant Cannabis family Cannabaceae and [*the*  
15 *seeds of the plant Cannabis family Cannabaceae*] **marijuana seeds.**

16 “(b) ‘Marijuana’ does not include industrial hemp, as defined in ORS  
17 571.300.

18 “[~~(15)~~] **(16)** ‘Marijuana flowers’ means the flowers of the plant genus  
19 Cannabis within the plant family Cannabaceae.

20 “[~~(16)~~] **(17)** ‘Marijuana items’ means marijuana, cannabinoid products,  
21 cannabinoid concentrates and cannabinoid extracts.

22 “[~~(17)~~] **(18)** ‘Marijuana leaves’ means the leaves of the plant genus  
23 Cannabis within the plant family Cannabaceae.

24 “[~~(18)~~] **(19)** ‘Marijuana processor’ means a person [*who*] **that** processes  
25 marijuana items in this state.

26 “[~~(19)~~] **(20)** ‘Marijuana producer’ means a person [*who*] **that** produces  
27 marijuana in this state.

28 “[~~(20)~~] **(21)** ‘Marijuana retailer’ means a person [*who*] **that** sells  
29 marijuana items to a consumer in this state.

30 “**(22)(a) ‘Marijuana seeds’ means the seeds of the plant Cannabis**



1 **family Cannabaceae.**

2 **“(b) ‘Marijuana seeds’ does not include the seeds of industrial**  
3 **hemp, as defined in ORS 571.300.**

4 “[~~21~~] (23) ‘Marijuana wholesaler’ means a person [*who*] **that** purchases  
5 marijuana items in this state for resale to a person other than a consumer.

6 “[~~22~~] (24) ‘Mature marijuana plant’ means a marijuana plant that is not  
7 an immature marijuana plant.

8 “[~~23~~] (25) ‘Medical grade cannabinoid product, cannabinoid concentrate  
9 or cannabinoid extract’ means a cannabinoid product, cannabinoid concen-  
10 trate or cannabinoid extract that has a concentration of  
11 tetrahydrocannabinol that is permitted under ORS 475B.625 in a single  
12 serving of the cannabinoid product, cannabinoid concentrate or cannabinoid  
13 extract for consumers who hold a valid registry identification card issued  
14 under ORS 475B.415.

15 “[~~24~~] (26) ‘Medical purpose’ means a purpose related to using usable  
16 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid  
17 extracts to mitigate the symptoms or effects of a debilitating medical condi-  
18 tion, as defined in ORS 475B.410.

19 “[~~25~~] (27) ‘Noncommercial’ means not dependent or conditioned upon the  
20 provision or receipt of financial consideration.

21 “[~~26(a)~~] (28)(a) ‘Premises’ [*or ‘licensed premises’*] includes the following  
22 areas of a location licensed under ORS [~~475B.070, 475B.090, 475B.100 or~~  
23 ~~475B.110~~] **475B.010 to 475B.395:**

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

27 “(B) All areas outside a building that the commission has specifically li-  
28 censed for the processing, wholesale sale or retail sale of marijuana items;  
29 and

30 “(C) For a location that the commission has specifically licensed for the

1 production of marijuana outside a building, that portion of the location used  
2 to produce marijuana.

3 “(b) ‘Premises’ [*or ‘licensed premises’*] does not include a primary resi-  
4 dence.

5 “[~~(27)(a)~~] **(29)(a)** ‘Processes’ means the processing, compounding or con-  
6 version of marijuana into cannabinoid products, cannabinoid concentrates  
7 or cannabinoid extracts.

8 “(b) ‘Processes’ does not include packaging or labeling.

9 “[~~(28)(a)~~] **(30)(a)** ‘Produces’ means the manufacture, planting, cultivation,  
10 growing or harvesting of marijuana.

11 “(b) ‘Produces’ does not include:

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

14 “(B) The cultivation and growing of an immature marijuana plant by a  
15 marijuana processor, marijuana wholesaler or marijuana retailer if the  
16 marijuana processor, marijuana wholesaler or marijuana retailer purchased  
17 or otherwise received the plant from a licensed marijuana producer.

18 “[~~(29)~~] **(31)** ‘Propagate’ means to grow immature marijuana plants or to  
19 breed or produce [*the seeds of the plant Cannabis family Cannabaceae*]  
20 **marijuana seeds.**

21 “[~~(30)~~] **(32)** ‘Public place’ means a place to which the general public has  
22 access and includes, but is not limited to, hallways, lobbies and other parts  
23 of apartment houses and hotels not constituting rooms or apartments de-  
24 signed for actual residence, and highways, streets, schools, places of  
25 amusement, parks, playgrounds and areas used in connection with public  
26 passenger transportation.

27 “**(33) ‘Registry identification cardholder’ has the meaning given that**  
28 **term in ORS 475B.410.**

29 “[~~(31)(a)~~] **(34)(a)** ‘Usable marijuana’ means the dried leaves and flowers  
30 of marijuana.

1 “(b) ‘Usable marijuana’ does not include:

2 “(A) **Marijuana seeds;**

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

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

6 “**SECTION 7.** ORS 475B.025 is amended to read:

7 “475B.025. (1) The Oregon Liquor Control Commission has the [*powers*  
8 *and*] duties, **functions and powers** specified in ORS 475B.010 to 475B.395  
9 and the powers necessary or proper to enable the commission to carry out  
10 the commission’s duties, functions and powers under ORS 475B.010 to  
11 475B.395. The jurisdiction, supervision, duties, functions and powers of the  
12 commission extend to any person [*who buys, sells,*] **that** produces, processes,  
13 transports [*or delivers any marijuana items within*], **delivers, sells or pur-**  
14 **chases a marijuana item in** this state. The commission may sue and be  
15 sued.

16 “(2) The duties, functions and powers of the commission **specified** in ORS  
17 475B.010 to 475B.395 include the following:

18 “(a) To regulate the [*purchase, sale,*] production, processing, transporta-  
19 tion [*and*], delivery, **sale and purchase** of marijuana items in accordance  
20 with the provisions of ORS 475B.010 to 475B.395.

21 “(b) To [*grant, refuse, suspend or cancel*] **issue, renew, suspend, revoke**  
22 **or refuse to issue or renew** licenses for the [*sale, processing or*]  
23 production, **processing or sale** of marijuana items, or other licenses [*in re-*  
24 *gard to*] **related to the consumption of** marijuana items, and to permit, in  
25 the commission’s discretion, the transfer of a license between persons.

26 “[*c*] *To investigate and aid in the prosecution of every violation of the*  
27 *statutory laws of this state relating to marijuana items and to cooperate in the*  
28 *prosecution of offenders before any state court of competent jurisdiction.*]

29 “[*d*] (c) To adopt, amend or repeal rules as necessary to carry out the  
30 intent and provisions of ORS 475B.010 to 475B.395, including rules that the

1 commission considers necessary to protect the public health and safety.

2 “[*e*] (d) To exercise all powers incidental, convenient or necessary to  
3 enable the commission to administer or carry out the provisions of ORS  
4 475B.010 to 475B.395 or any other law of this state that charges the com-  
5 mission with a duty, function or power related to marijuana. Powers de-  
6 scribed in this paragraph include, but are not limited to:

7 “(A) Issuing subpoenas;

8 “(B) Compelling the attendance of witnesses;

9 “(C) Administering oaths;

10 “(D) Certifying official acts;

11 “(E) Taking depositions as provided by law;

12 “(F) Compelling the production of books, payrolls, accounts, papers, re-  
13 cords, documents and testimony; and

14 “(G) Establishing fees in addition to the application, licensing and re-  
15 newal fees described in ORS [475B.070, 475B.090, 475B.100 and 475B.110]  
16 **475B.010 to 475B.395**, provided that any fee established by the commission  
17 is reasonably calculated not to exceed the cost of the activity for which the  
18 fee is charged.

19 “[*f*] (e) To adopt rules regulating and prohibiting [*marijuana producers,*  
20 *marijuana processors, marijuana wholesalers and marijuana retailers from*]  
21 advertising marijuana items in a manner:

22 “(A) That is appealing to minors;

23 “(B) That promotes excessive use;

24 “(C) That promotes illegal activity; or

25 “(D) That otherwise presents a significant risk to public health and  
26 safety.

27 “[*g*] (f) To regulate the use of marijuana items for [*scientific, pharma-*  
28 *ceutical, manufacturing, mechanical, industrial and*] other purposes **as**  
29 **deemed necessary or appropriate by the commission.**

30 “(3) Fees collected pursuant to subsection [(2)(*e*)(G)] **(2)(d)(G)** of this

1 section shall be deposited in the Marijuana Control and Regulation Fund  
2 established under ORS 475B.240.

3 **“SECTION 8.** ORS 475B.033 is amended to read:

4 “475B.033. The Oregon Liquor Control Commission may, by **rule or** order,  
5 provide for the manner and conditions under which:

6 “(1) Marijuana items left by a deceased, insolvent or bankrupt person or  
7 licensee, or subject to a security interest, may be foreclosed, sold under ex-  
8 ecution or otherwise disposed.

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

12 “(3) A secured party, as defined in ORS 79.0102, may continue to operate  
13 **at** a [*business*] **premises** for which a license has been issued under ORS  
14 [*475B.070, 475B.090, 475B.100 or 475B.110*] **475B.010 to 475B.395** for a rea-  
15 sonable period after default on the indebtedness by the debtor.

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

17 “475B.035. The Oregon Liquor Control Commission may limit the quantity  
18 of marijuana items purchased at any one time by a consumer [*so as*  
19 *effectually to*] **if the commission determines that the limitation is nec-**  
20 **essary to** prevent the resale of marijuana items.

21 **“SECTION 10.** ORS 475B.040 is amended to read:

22 “475B.040. (1) An applicant for a license or renewal of a license **issued**  
23 under ORS 475B.010 to 475B.395 shall apply to the Oregon Liquor Control  
24 Commission in the form required by the commission **by rule**, showing the  
25 name and address of the applicant, location of the [*place of business*] **prem-**  
26 **ises** that is to be operated under the license and other pertinent information  
27 required by the commission. The commission may not [*grant*] **issue** or renew  
28 a license until the applicant has complied with the provisions of ORS  
29 475B.010 to 475B.395 and [*the rules of the commission*] **rules adopted under**  
30 **ORS 475B.010 to 475B.395.**

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

6       “(3) Except as provided in subsection (2) of this section, a revocation of,  
7 or a refusal to issue or renew, a license **issued** under ORS 475B.010 to  
8 475B.395 is subject to the requirements for contested case proceedings under  
9 ORS chapter 183.

10       “**SECTION 11.** ORS 475B.045 is amended to read:

11       “475B.045. (1) The Oregon Liquor Control Commission may not license an  
12 applicant under the provisions of ORS 475B.010 to 475B.395 if the applicant  
13 is under 21 years of age.

14       “(2) The commission may refuse to license an applicant under the pro-  
15 visions of ORS 475B.010 to 475B.395 if the commission [*has reasonable ground*  
16 *to believe*] **makes a finding** that the applicant:

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

19       “(b) Has made false statements to the commission.

20       “(c) Is incompetent or physically unable to carry on the management of  
21 the establishment proposed to be licensed.

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

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

27       “(f) Does not have a good record of compliance with ORS 475B.010 to  
28 475B.395 or any rule [*of the commission*] adopted under ORS 475B.010 to  
29 475B.395.

30       “(g) Is not the legitimate owner of the [*business*] **premises** proposed to

1 be licensed, or **has not disclosed that** other persons have ownership inter-  
2 ests in the [*business that have not been disclosed.*] **premises proposed to**  
3 **be licensed.**

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

7 “(i) Is unable to understand the laws of this state relating to marijuana  
8 **items** or the rules [*of the commission relating to marijuana*] **adopted under**  
9 **ORS 475B.010 to 475B.395.**

10 “(3) Notwithstanding subsection (2)(d) of this section, in determining  
11 whether the commission may refuse to license an applicant, the commission  
12 may not consider the prior conviction of the applicant or any owner, direc-  
13 tor, officer, manager, employee, agent or other representative of the appli-  
14 cant for:

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

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

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

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

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

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

25 “(c) The possession of marijuana.

26 “**SECTION 12.** ORS 475B.055 is amended to read:

27 “475B.055. A license [*granted*] **issued** under ORS 475B.010 to 475B.395:

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

29 “[2] *Is valid for the period stated in the license.*]

30 “[3] (2) Is renewable in the manner provided in ORS 475B.040, except for

1 a cause that would be grounds for refusal to issue the license under ORS  
2 475B.045.

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

4 “[5] (4) Is transferable from the premises for which the license was ori-  
5 ginally issued to another premises subject to the provisions of ORS 475B.010  
6 to 475B.395, applicable rules [*of the Oregon Liquor Control Commission*]  
7 **adopted under ORS 475B.010 to 475B.395** and applicable local ordinances.

8 “[6] (5) **If the license was issued to an individual**, expires upon the  
9 death of the licensee, except as provided in ORS 475B.033.

10 “[7] (6) Does not constitute property.

11 “[8] (7) Is not alienable.

12 “[9] (8) Is not subject to attachment or execution.

13 “[10] (9) Does not descend by the laws of testate or intestate devolution.

14 **“SECTION 13.** ORS 475B.060 is amended to read:

15 “475B.060. (1) The Oregon Liquor Control Commission shall approve or  
16 deny an application to [*produce, process and sell marijuana under ORS*  
17 *475B.070, 475B.090, 475B.100 and 475B.110*] **be licensed under ORS 475B.010**  
18 **to 475B.395**. Upon receiving an application **under ORS 475B.040**, the com-  
19 mission may not unreasonably delay processing, approving or denying the  
20 application or, if the application is approved, issuing the license.

21 “(2) The licenses described in ORS [*475B.070, 475B.090, 475B.100 and*  
22 *475B.110*] **475B.010 to 475B.395** must be issued by the commission, subject to  
23 the provisions of ORS 475B.010 to 475B.395 and [*the*] rules adopted under  
24 ORS 475B.010 to 475B.395.

25 “(3) The commission may not license a premises that does not have de-  
26 fined boundaries. A [*licensed*] premises does not need to be enclosed by a  
27 wall, fence or other structure, but the commission may require [*that*] a [*li-*  
28 *icensed*] premises **to** be enclosed as a condition of issuing or renewing a li-  
29 cense. The commission may not license **a** mobile premises.

30 **“SECTION 13a.** ORS 475B.063, as amended by section 11, chapter 24,



1 Oregon Laws 2016, is amended to read:

2 “475B.063. (1) Prior to receiving a license under ORS [475B.070, 475B.090,  
3 475B.100 or 475B.110,] **475B.010 to 475B.395**, an applicant shall request a  
4 land use compatibility statement from the city or county that authorizes the  
5 land use. The land use compatibility statement must demonstrate that the  
6 requested license is for a land use that is allowable as a permitted or con-  
7 ditional use within the given zoning designation where the land is located.  
8 The Oregon Liquor Control Commission may not issue a license if the land  
9 use compatibility statement shows that the proposed land use is prohibited  
10 in the applicable zone.

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

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

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

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

22 “(4) A city or county action concerning a land use compatibility state-  
23 ment under this section is not a land use decision for purposes of ORS  
24 chapter 195, 196, 197, 215 or 227.

25 “**SECTION 14.** ORS 475B.065 is amended to read:

26 “475B.065. Licensees and licensee representatives may produce, deliver  
27 and possess marijuana items subject to the provisions of ORS 475B.010 to  
28 475B.395 **and rules adopted under ORS 475B.010 to 475B.395**. The pro-  
29 duction, delivery [*and*] **or** possession of marijuana items by a licensee or a  
30 licensee representative in compliance with ORS 475B.010 to 475B.395 **and**

1 **rules adopted under ORS 475B.010 to 475B.395** does not constitute a  
2 criminal or civil offense under the laws of this state.

3 **“SECTION 15.** ORS 475B.068 is amended to read:

4 “475B.068. *[The same person may hold one or more production licenses, one*  
5 *or more processor licenses, one or more wholesale licenses and one or more*  
6 *retail licenses.]* **A person may hold:**

7 **“(1) Multiple licenses to conduct at different premises the same**  
8 **activity for which a license is required under ORS 475B.010 to 475B.395;**  
9 **and**

10 **“(2) Multiple types of licenses to conduct at the same or different**  
11 **premises different activities for which a license is required under ORS**  
12 **475B.010 to 475B.395.**

13 **“SECTION 16.** ORS 475B.070, as amended by section 1, chapter 24,  
14 Oregon Laws 2016, and section 7, chapter 83, Oregon Laws 2016, is amended  
15 to read:

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

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

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

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

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

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

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

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

30 “(c) Require marijuana produced by marijuana producers to be tested in

1 accordance with ORS 475B.555;

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

7 “(e) Allow a marijuana producer registered under section 2, chapter 83,  
8 Oregon Laws 2016, to produce marijuana for medical purposes in the same  
9 manner that rules adopted under ORS 475B.010 to 475B.395 allow a  
10 marijuana producer to produce marijuana for nonmedical purposes, excepting  
11 those circumstances where differentiating between the production of  
12 marijuana for medical purposes and the production of marijuana for non-  
13 medical purposes is necessary to protect the public health and safety;

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

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

20 “(i) The production of marijuana; or

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

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

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

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

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

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

2 “(a) May not exceed, together with other fees collected under ORS  
3 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395;

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

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

9 “**SECTION 17.** ORS 475B.075, as amended by section 10, chapter 24,  
10 Oregon Laws 2016, is amended to read:

11 “475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor  
12 Control Commission shall adopt rules restricting the size of mature  
13 marijuana plant grow canopies at premises for which a license has been is-  
14 sued under ORS 475B.070. In adopting rules under this subsection, the com-  
15 mission shall:

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

21 “(b) Adopt a tiered system under which the permitted size of a marijuana  
22 producer’s mature marijuana plant grow canopy increases at the time of  
23 licensure renewal under ORS 475B.070, except that the permitted size of a  
24 marijuana producer’s mature marijuana plant grow canopy may not increase  
25 following any year during which the commission disciplined the marijuana  
26 producer for violating a provision of ORS 475B.010 to 475B.395 or a rule  
27 adopted under *[a provision of]* ORS 475B.010 to 475B.395.

28 “(c) Take into consideration the market demand for marijuana items in  
29 this state, the number of *[persons]* **marijuana producers** applying for a li-  
30 cense under ORS 475B.070, *[and to whom a license has been issued]* **the**

1 **number of marijuana producers that hold a license issued** under ORS  
2 475B.070[,] and whether the availability of marijuana items in this state is  
3 commensurate with the market demand.

4 “(2) This section:

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

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

11 **“SECTION 18.** ORS 475B.125 is amended to read:

12 “475B.125. The Oregon Liquor Control Commission may adopt rules es-  
13 tablishing the circumstances under which the commission may require a  
14 marijuana retailer that holds a license issued under ORS 475B.110 **or a**  
15 **person that holds a license issued under section 2 of this 2017 Act** to  
16 use an age verification scanner or any other equipment used to verify a  
17 person’s age for the purpose of ensuring that the marijuana retailer does not  
18 sell marijuana items to a person under 21 years of age. [*The marijuana*  
19 *retailer may not retain any*] Information obtained under this section **may not**  
20 **be retained** after verifying a person’s age. [*The marijuana retailer may not*  
21 *use any information obtained under this section*] **and may not be used** for  
22 any purpose other than verifying a person’s age.

23 **“SECTION 19.** ORS 475B.130 is amended to read:

24 “475B.130. (1) The Oregon Liquor Control Commission [*has the right after*  
25 *72 hours’ notice to the owner or the agent of the owner to*] **may, after 72**  
26 **hours’ notice,** make an examination of the books [*and*] **of a licensee for**  
27 **the purpose of determining compliance with ORS 475B.010 to 475B.395**  
28 **and rules adopted under ORS 475B.010 to 475B.395.**

29 “(2) **The commission** may at any time make an examination of [*the*] **a**  
30 premises [*of any person licensed*] **for which a license has been issued** under

1 ORS 475B.010 to 475B.395 for the purpose of determining compliance with  
2 ORS 475B.010 to 475B.395 and *[the rules of the commission]* **rules adopted**  
3 **under ORS 475B.010 to 475B.395.**

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

6 “[3] (4) This section does not authorize the commission to make an ex-  
7 amination of *[the]* a premises of a person registered under ORS 475B.400 to  
8 475B.525.

9 **“SECTION 20.** ORS 475B.135 is amended to read:

10 “475B.135. As is necessary to protect the public health and safety, the  
11 Oregon Liquor Control Commission may require a premises licensed under  
12 ORS *[475B.070, 475B.090, 475B.100 or 475B.110]* **475B.010 to 475B.395** to be  
13 segregated into separate areas:

14 “(1) For conducting the activities permitted under each license, if the  
15 licensee holds more than one license issued under ORS *[475B.070, 475B.090,*  
16 *475B.100 or 475B.110]* **475B.010 to 475B.395 for the same premises;** or

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

22 **“SECTION 21.** ORS 475B.140 is amended to read:

23 “475B.140. As is necessary to protect the public health and safety, the  
24 Oregon Liquor Control Commission may require a *[person that holds a license*  
25 *under ORS 475B.070, 475B.090, 475B.100 or 475B.110]* **licensee** to maintain  
26 general liability insurance in an amount that the commission determines is  
27 reasonably affordable and available for the purpose of protecting the  
28 *[person]* **licensee** against damages resulting from a cause of action related  
29 to activities undertaken pursuant to the license **held by the licensee.**

30 **“SECTION 22.** ORS 475B.150, as amended by section 64, chapter 24,

1 Oregon Laws 2016, is amended to read:

2 “475B.150. (1) The Oregon Liquor Control Commission shall develop and  
3 maintain a system for tracking the transfer of marijuana items between  
4 premises **for which licenses have been issued under ORS 475B.010 to**  
5 **475B.395.**

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

8 “(a) Preventing the diversion of marijuana items to criminal enterprises,  
9 gangs, cartels and other states;

10 “(b) Preventing persons from substituting or tampering with marijuana  
11 items;

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

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

15 “(e) Ensuring compliance with [*the provisions of*] ORS 475B.010 to  
16 475B.395, rules adopted under [*the provisions of*] ORS 475B.010 to 475B.395  
17 and any other law of this state that charges the commission with a duty,  
18 function or power related to marijuana.

19 “(3) The system developed and maintained under this section must be ca-  
20 pable of tracking, at a minimum:

21 “(a) The propagation of immature marijuana plants and the production  
22 of marijuana by a marijuana producer;

23 “(b) The processing of marijuana by a marijuana processor;

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

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

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

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

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

4 **“SECTION 23.** ORS 475B.170 is amended to read:

5 “475B.170. (1) Subject to subsection (2) of this section, a licensee or  
6 licensee representative, before selling or providing a marijuana item to an  
7 other person, must require the person to produce one of the following pieces  
8 of identification:

9 “(a) The person’s passport.

10 “(b) The person’s driver license, **issued by the State of Oregon or an-**  
11 **other state of the United States** [*whether issued in this state or by any*  
12 *other state, as long as the license has a picture of the person*].

13 “(c) An identification card issued under ORS 807.400.

14 “(d) A United States military identification card.

15 “(e) Any other identification card issued by a state that bears a picture  
16 of the person, the name of the person, the person’s date of birth and a  
17 physical description of the person.

18 “(2) The Oregon Liquor Control Commission may adopt rules exempting  
19 a licensee or licensee representative from this section.

20 **“SECTION 24.** ORS 475B.180 is amended to read:

21 “475B.180. (1) A licensee may not employ [*any*] **a person under 21 years**  
22 **of age** [*in any part of any licensed premises*] **at a premises for which a li-**  
23 **cence has been issued under ORS 475B.010 to 475B.395.**

24 “(2) During [*any*] **an inspection of a** [*licensed*] **premises for which a li-**  
25 **cence has been issued under ORS 475B.010 to 475B.395,** the Oregon Liquor  
26 Control Commission may require proof that a person performing work at the  
27 premises is 21 years of age or older. If the person does not provide the  
28 commission with acceptable proof of age upon request, the commission may  
29 require the person to immediately cease any activity and leave the premises  
30 until the commission receives acceptable proof of age. This subsection does



1 not apply to a person temporarily at the premises to make a service, main-  
2 tenance or repair call or for other purposes independent of the premises op-  
3 erations.

4 “(3) If a person performing work has not provided proof of age requested  
5 by the commission under subsection (2) of this section, the commission may  
6 request that the licensee provide proof that the person is 21 years of age or  
7 older. Failure of the licensee to respond to a request made under this sub-  
8 section by providing acceptable proof of age for a person is prima facie evi-  
9 dence that the licensee has allowed the person to perform work at the  
10 [licensed] premises **for which a license has been issued under ORS**  
11 **475B.010 to 475B.395** in violation of the minimum age requirement.

12 **“SECTION 25.** ORS 475B.315 is amended to read:

13 “475B.315. (1) Except where other punishment is specifically provided for  
14 in ORS 475B.010 to 475B.395, violation of any provision of ORS 475B.010 to  
15 475B.395 is a Class A misdemeanor.

16 “(2) Subject to ORS 153.022, violation of a rule adopted under ORS  
17 475B.025 [(2)(d)] **(2)(c)** is a Class C violation.

18 **“SECTION 26.** ORS 475B.190 is amended to read:

19 “475B.190. (1) A licensee may not use or allow the use of a mark or label  
20 on the container of a marijuana item that is kept for sale if the [container]  
21 **mark or label** does not precisely and clearly indicate the nature of the  
22 container’s contents or **if the mark or label** in any way might deceive a  
23 customer [as to] **about** the nature, composition, quantity, age or quality of  
24 the [marijuana item.] **container’s contents.**

25 “(2) The Oregon Liquor Control Commission may prohibit a licensee from  
26 selling any brand of marijuana item that in the commission’s judgment is  
27 deceptively **branded or** labeled [or *branded as to content*] or contains  
28 injurious or adulterated ingredients.

29 **“SECTION 27.** ORS 475B.200 is amended to read:

30 “475B.200. (1) Except for a [licensed marijuana producer and the producer’s

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

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

7 **“SECTION 28.** ORS 475B.205 is amended to read:

8 “475B.205. (1) A person may not make false representations or statements  
9 to the Oregon Liquor Control Commission in order to induce or prevent  
10 action by the commission.

11 “(2) A licensee [*of the commission*] may not maintain a noisy, lewd, dis-  
12 orderly or insanitary establishment or supply impure or otherwise deleteri-  
13 ous marijuana items.

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

16 **“SECTION 29.** ORS 475B.210 is amended to read:

17 “475B.210. The Oregon Liquor Control Commission may revoke or suspend  
18 a license issued under ORS 475B.010 to 475B.395 if the commission finds or  
19 has reasonable ground to believe any of the following to be true:

20 “(1) That the licensee:

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

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

25 “(c) Is insolvent or incompetent or physically unable to carry on the  
26 management of the establishment of the licensee.

27 “(d) Is in the habit of using alcoholic liquor, habit-forming drugs,  
28 marijuana or controlled substances to excess.

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

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

5       “(2) That there is any other reason that, in the opinion of the commission,  
6 based on public convenience or necessity, warrants [*canceling*] **revoking** or  
7 suspending the license.

8       “**SECTION 30.** ORS 475B.215, as amended by section 16, chapter 23,  
9 Oregon Laws 2016, is amended to read:

10       “475B.215. (1) An individual who performs work for or on behalf of a  
11 [*person who holds a license under ORS 475B.070, 475B.090, 475B.100 or*  
12 *475B.110*] **licensee** must have a valid permit issued by the Oregon Liquor  
13 Control Commission under ORS 475B.218 if the individual participates in:

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

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

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

21       “(2) A [*person who holds a license under ORS 475B.070, 475B.090, 475B.100*  
22 *or 475B.110*] **licensee** must verify that an individual has a valid permit is-  
23 sued under ORS 475B.218 before allowing the individual to perform any work  
24 described in subsection (1) of this section at the premises for which the li-  
25 cense has been issued.

26       “**SECTION 31.** ORS 475B.218, as amended by section 13, chapter 24,  
27 Oregon Laws 2016, is amended to read:

28       “475B.218. (1) The Oregon Liquor Control Commission shall issue permits  
29 to qualified applicants to perform work described in ORS 475B.215. The  
30 commission shall adopt rules establishing:

1       “(a) The qualifications for performing work described in ORS 475B.215;  
2       “(b) The term of a permit issued under this section;  
3       “(c) Procedures for applying for and renewing a permit issued under this  
4 section; and  
5       “(d) Reasonable application, issuance and renewal fees for a permit issued  
6 under this section.  
7       “(2)(a) The commission may require an individual applying for a permit  
8 under this section to successfully complete a course, made available by or  
9 through the commission, through which the individual receives training on:  
10       “(A) Checking identification;  
11       “(B) Detecting intoxication;  
12       “(C) Handling marijuana items;  
13       **“(D) If applicable, producing and propagating marijuana;**  
14       **“(E) If applicable, processing marijuana;**  
15       “~~[(D)]~~ **(F)** The content of ORS 475B.010 to 475B.395 and rules adopted  
16 under ORS 475B.010 to 475B.395; *[and]* **or**  
17       “~~[(E)]~~ **(G)** Any matter deemed necessary by the commission to protect the  
18 public health and safety.  
19       “(b) The commission or other provider of *[the]* a course may charge a  
20 reasonable fee for the course.  
21       “(c) The commission may not require an individual to successfully com-  
22 plete *[the]* a course more than once, except that:  
23       “(A) As part of a final order suspending a permit issued under this sec-  
24 tion, the commission may require a permit holder to successfully complete  
25 the course as a condition of lifting the suspension; and  
26       “(B) As part of a final order revoking a permit issued under this section,  
27 the commission shall require an individual to successfully complete the  
28 course prior to applying for a new permit.  
29       “(3) The commission shall conduct a criminal records check under ORS  
30 181A.195 on an individual applying for a permit under this section.

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

4 “(a) Is convicted of a felony or is convicted of an offense under ORS  
5 475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395, except that the  
6 commission may not consider a conviction for an offense under ORS 475.856,  
7 475.858, 475.860, 475.862 or 475B.010 to 475B.395 if the date of the conviction  
8 is two or more years before the date of the application or renewal;

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

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

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

15 **“SECTION 32.** ORS 475B.230 is amended to read:

16 “475B.230. (1) An employee of a [*person licensed under ORS 475B.070,*  
17 *475B.090, 475B.100 or 475B.110*] **licensee** has the right to form, join and  
18 participate in the activities of a labor organization of the employee’s own  
19 choosing for the purpose of securing representation and collective bargaining  
20 for matters concerning employment relations with the [*person licensed under*  
21 *ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**.

22 “(2) For purposes of this section, the provisions of ORS chapters 661 to  
23 663 apply to relations between employees of [*persons licensed under ORS*  
24 *475B.070, 475B.090, 475B.100 and 475B.110*] **licensees** and employers that are  
25 [*licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensees** in  
26 the same manner that those provisions apply to other employment relations.

27 **“SECTION 33.** ORS 475B.233 is amended to read:

28 “475B.233. (1) It is an unlawful employment practice for a [*person that*  
29 *holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110*] **licensee**  
30 to discharge, demote, suspend or in any manner discriminate or retaliate

1 against an employee of the [person] **licensee** with regard to promotion,  
2 compensation or other terms, conditions or privileges of employment on the  
3 basis that the employee has in good faith reported information to the Oregon  
4 Liquor Control Commission that the employee believes is evidence of a vio-  
5 lation of [a provision of] ORS 475B.010 to 475B.395 or a rule adopted under  
6 [a provision of] ORS 475B.010 to 475B.395.

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

8 **“SECTION 34.** ORS 475B.235, as amended by section 24, chapter 23,  
9 Oregon Laws 2016, and section 12, chapter 24, Oregon Laws 2016, is amended  
10 to read:

11 “475B.235. (1) The Oregon Liquor Control Commission, in consultation  
12 with the Oregon Health Authority and the State Department of Agriculture,  
13 shall establish a program for the purpose of identifying and certifying pri-  
14 vate and public researchers of cannabis.

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

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

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

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

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

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

27 “(d) Procedures for tracking marijuana, usable marijuana, cannabinoid  
28 products, cannabinoid concentrates and cannabinoid extracts received by and  
29 disposed or otherwise made use of by a person [certified] **that holds a cer-**  
30 **tificate issued** under this section; and

1 “(e) Procedures for disposing or otherwise making use of marijuana, usa-  
2 ble marijuana, cannabinoid products, cannabinoid concentrates and  
3 cannabinoid extracts.

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

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

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

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

12 “(5) In adopting procedures under subsection (3)(d) and (e) of this section  
13 with respect to making use of marijuana, usable marijuana, cannabinoid  
14 products, cannabinoid concentrates and cannabinoid extracts, the commission  
15 shall also adopt procedures by which a person [*certified*] **that holds a cer-**  
16 **tificate issued** under this section may transfer limited amounts of  
17 marijuana, usable marijuana, cannabinoid products, cannabinoid concen-  
18 trates and cannabinoid extracts to another person [*certified*] **that holds a**  
19 **certificate issued** under this section or to a premises for which a license  
20 has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110.

21 “(6) In adopting procedures under subsection (3)(d) and (e) of this section  
22 with respect to making use of marijuana, usable marijuana, cannabinoid  
23 products, cannabinoid concentrates and cannabinoid extracts, the commission  
24 shall also adopt procedures by which a person [*certified*] **that holds a cer-**  
25 **tificate issued** under this section may give, devise or bequest usable  
26 marijuana, immature marijuana plants, **marijuana** seeds, cannabinoid pro-  
27 ducts, cannabinoid concentrates and cannabinoid extracts to a medical  
28 marijuana dispensary registered with the authority under ORS 475B.450 and  
29 owned by a nonprofit corporation organized under ORS chapter 65 for pur-  
30 poses described in section 22, chapter 23, Oregon Laws 2016.

1 “(7) A person [*certified*] **that holds a certificate issued** under this sec-  
2 tion:

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

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

10 “(8) Except as otherwise provided by the commission by rule, rules  
11 adopted [*by the commission for the purpose of administering and enforcing*]  
12 **under** ORS 475B.010 to 475B.395 with respect to licensees and licensee rep-  
13 resentatives apply to persons [*certified*] **that hold a certificate issued** under  
14 this section and persons employed by or who otherwise perform work for  
15 persons [*certified*] **that hold a certificate issued** under this section.

16 “(9) A person [*who is certified*] **that holds a certificate issued** under this  
17 section, and an employee of or other person who performs work for a person  
18 [*certified*] **that holds a certificate issued** under this section, is exempt from  
19 the criminal laws of this state for possession, delivery or manufacture of  
20 marijuana, aiding and abetting another in the possession, delivery and man-  
21 ufacture of marijuana, or any other criminal offense in which possession,  
22 delivery or manufacture of marijuana is an element, while performing activ-  
23 ities related to conducting research as described in this section.

24 “**SECTION 35.** ORS 475B.255, as amended by section 38, chapter 24,  
25 Oregon Laws 2016, is amended to read:

26 “475B.255. A person other than a [*person*] **marijuana processor** that  
27 holds a license **issued** under ORS 475B.090 may not process cannabinoid ex-  
28 tracts into a cannabinoid product.

29 “**SECTION 36.** ORS 475B.260 is amended to read:

30 “475B.260. (1)(a) A person under 21 years of age may not attempt to pur-



1 chase, purchase or acquire a marijuana item.

2 “(b) For purposes of this subsection, purchasing a marijuana item includes  
3 accepting a marijuana item, and acquiring a marijuana item includes con-  
4 suming a marijuana item, provided that the consumption of the marijuana  
5 item occurred no more than 24 hours before the determination that the per-  
6 son consumed the marijuana item.

7 “(2) Except as authorized by the Oregon Liquor Control Commission by  
8 rule, or as necessary in an emergency, a person under 21 years of age may  
9 not enter or attempt to enter any portion of a [*licensed*] premises that is  
10 posted or otherwise identified as being prohibited to the use of persons under  
11 21 years of age.

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

14 “(4) In addition to and not in lieu of any other penalty established by law,  
15 a court may require a person under 21 years of age who violates subsection  
16 (1) of this section through misrepresentation of age to perform community  
17 service, and the court may order that the person’s driving privileges and  
18 right to apply for driving privileges be suspended for a period not to exceed  
19 one year. If a court has issued an order suspending driving privileges under  
20 this section, the court, upon petition of the person, may withdraw the order  
21 at any time the court deems appropriate. The court notification to the De-  
22 partment of Transportation under this subsection may include a recommen-  
23 dation that the person be granted a hardship permit under ORS 807.240 if the  
24 person is otherwise eligible for the permit.

25 “(5) If a person cited under this section is at least 13 years of age but less  
26 than 21 years of age at the time the person is found in default under ORS  
27 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of  
28 any other penalty, the court shall issue notice under ORS 809.220 to the de-  
29 partment for the department to suspend the person’s driving privileges under  
30 ORS 809.280 (4).

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

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

9 “(8) The prohibitions of this section do not apply to a person under 21  
10 years of age who is acting under the direction of a licensee for the purpose  
11 of investigating possible violations by employees of the licensee of laws  
12 prohibiting sales of marijuana items to persons who are under 21 years of  
13 age.

14 “(9)(a) A person under 21 years of age is not in violation of, and is im-  
15 mune from prosecution under, this section if:

16 “(A) The person contacted emergency medical services or a law enforce-  
17 ment agency in order to obtain medical assistance for another person who  
18 was in need of medical assistance because that person consumed a marijuana  
19 item and the evidence of the violation of this section was obtained as a re-  
20 sult of the person’s having contacted emergency medical services or a law  
21 enforcement agency; or

22 “(B) The person was in need of medical assistance because the person  
23 consumed a marijuana item and the evidence of the violation of this section  
24 was obtained as a result of the person’s having sought or obtained the med-  
25 ical assistance.

26 “(b) Paragraph (a) of this subsection does not exclude the use of evidence  
27 obtained as a result of a person’s having sought medical assistance in pro-  
28 ceedings for crimes or offenses other than a violation of this section.

29 **“SECTION 37.** ORS 475B.290 is amended to read:

30 “475B.290. For purposes of ORS 475B.010 to 475B.395, the provisions of

1 ORS 183.440 apply to subpoenas issued by the Oregon Liquor Control Com-  
2 mission and [*any*] **to subpoenas issued by an** authorized agent of the com-  
3 mission.

4 **“SECTION 38.** ORS 475B.295 is amended to read:

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

13 **“SECTION 39.** ORS 475B.298 is amended to read:

14 “475B.298. If [*it is proved that*] the owner of a building or premises  
15 knowingly has used the building or premises **for**, or allowed the building or  
16 premises to be occupied for, the [*manufacture, sale or possession*] **pro-**  
17 **duction, processing, sale or use** of marijuana items contrary to the pro-  
18 visions of ORS 475B.010 to 475B.395, **475B.400 to 475B.525, 475B.550 to**  
19 **475B.590 or 475B.600 to 475B.655, or contrary to the provisions of any**  
20 **other state law or local ordinance regulating the production, process-**  
21 **ing, sale or use of marijuana items**, the building or premises [*are*] **is**  
22 subject to a lien for, and may be sold to pay all fines and costs assessed  
23 against [*their occupants for,*] **the occupants of the building or premises**  
24 **for**, any violation of ORS 475B.010 to 475B.395, **475B.400 to 475B.525,**  
25 **475B.550 to 475B.590 or 475B.600 to 475B.655, or any other state law or**  
26 **local ordinance regulating the production, processing, sale or use of**  
27 **marijuana items**. The lien must be enforced immediately by civil action in  
28 [*any*] **a court that has jurisdiction over the area in which the building**  
29 **or premises is located**, by the district attorney of the county in which the  
30 building or premises [*are*] **is** located.

1       **“SECTION 40.** ORS 475B.300 is amended to read:

2       “475B.300. The [*state police, sheriffs and police*] **law enforcement** officers  
3 of this state may enforce ORS 475B.010 to 475B.395 and assist the Oregon  
4 Liquor Control Commission in detecting violations of ORS 475B.010 to  
5 475B.395 and apprehending offenders. [*An enforcing*] **A law enforcement**  
6 officer who has notice, knowledge or reasonable ground of suspicion of a  
7 violation of ORS 475B.010 to 475B.395 shall immediately notify the district  
8 attorney **who has jurisdiction over the violation** and furnish the district  
9 attorney **who has jurisdiction over the violation** with names and ad-  
10 dresses of any witnesses[,] **to the violation** or other information [*within the*  
11 *officer’s knowledge, of*] **related to** the violation.

12       **“SECTION 41.** ORS 475B.305 is amended to read:

13       “475B.305. (1) When [*an*] **a law enforcement** officer arrests a person for  
14 [*violation of*] **violating** ORS 475B.010 to 475B.395, the **law enforcement** of-  
15 ficer may take into possession all marijuana items and other property that  
16 the **arrested** person [*so arrested*] has in possession, or that is on the prem-  
17 ises, that [*is*] apparently **is** being used in violation of ORS 475B.010 to  
18 475B.395.

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

22       “(a) The marijuana items must be forfeited to an appropriate state or lo-  
23 cal law enforcement agency and must be delivered by the court or **law**  
24 **enforcement** officer, at the direction of the court, to the law enforcement  
25 agency; and

26       “(b) Subject to **any** other applicable law, the other property must be for-  
27 feited to the Oregon Liquor Control Commission, and must be delivered by  
28 the court or **law enforcement** officer, **at the direction of the court,** to the  
29 commission.

30       “(3) The commission is authorized to destroy or [*make such other dispo-*

1 *tion*] **otherwise dispose** of any property *[it]* **the commission** receives under  
2 subsection (2)(b) of this section *[as it considers to be in the public interest.*  
3 *In any such case, all such]*, **provided that if the commission elects to sell**  
4 **the** property, including furniture, furnishings, **and** equipment and facilities  
5 for the storing, serving or using of marijuana items *[must be confiscated and*  
6 *forfeited to the state, and]*, the clear proceeds **of the sale** must be *[deposited*  
7 *with]* **credited to** the State Treasury **and deposited** in the Common School  
8 Fund.

9 **“SECTION 42.** ORS 475B.310 is amended to read:

10 “475B.310. The county courts, district attorneys and municipal authori-  
11 ties, immediately upon the conviction of *[any]* **a licensee** *[of the Oregon Li-*  
12 *quor Control Commission]* of a violation of *[any provision of]* ORS 475B.010  
13 to 475B.395, or *[the]* **of a** violation of any other law of this state or ordinance  
14 of *[any municipality]* **a city or county located** in this state*[, in which vio-*  
15 *lation marijuana had any part,]* **an element of which is the possession,**  
16 **delivery or manufacture of a marijuana item,** shall notify the **Oregon**  
17 **Liquor Control** Commission of the conviction. *[The county courts, district*  
18 *attorneys and municipal authorities shall notify the commission of any acts,*  
19 *practices or other conduct of a licensee convicted as described in this section*  
20 *that may be subversive of the general welfare or contrary to the spirit of ORS*  
21 *475B.010 to 475B.395 and shall recommend such action on the part of the*  
22 *commission as will remove the evil.]*

23 **“SECTION 43.** ORS 475B.325 is amended to read:

24 “475B.325. (1) The governing body of a city or a county, when a petition  
25 is filed as provided in this section, shall order an election on the question  
26 **as to** whether the operation of *[licensed]* premises **for which a license has**  
27 **been issued under ORS 475B.010 to 475B.395** should be prohibited in the  
28 city or county.

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

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

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

5       “(3) A petition under this section:

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

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

10       “(4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county  
11 or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the  
12 requirements for preparing, circulating and filing a petition under this sec-  
13 tion must be as provided for an initiative petition under the county or city  
14 charter or an ordinance adopted under the county or city charter.

15       “(5) A signature is not valid unless signed within 180 days before the pe-  
16 tition is filed.

17       “(6) An election under this section must be held at the time of the next  
18 statewide general election.

19       “(7) An election under this section must be conducted under ORS chapters  
20 246 to 260.

21       “**SECTION 44.** ORS 475B.340, as amended by section 4, chapter 23,  
22 Oregon Laws 2016, and section 66, chapter 24, Oregon Laws 2016, is amended  
23 to read:

24       “475B.340. (1) For purposes of this section, ‘reasonable regulations’ in-  
25 cludes:

26       “(a) Reasonable conditions on the manner in which a marijuana producer  
27 [*licensed*] **that holds a license issued** under ORS 475B.070 may produce  
28 marijuana or in which a [*person who*] **researcher of cannabis that** holds  
29 a certificate issued under ORS 475B.235 may produce marijuana or propagate  
30 immature marijuana plants;

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

5 “(c) Reasonable conditions on the manner in which a marijuana whole-  
6 saler [*licensed*] **that holds a license issued** under ORS 475B.100 may sell  
7 marijuana at wholesale;

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

11 “(e) **Reasonable conditions on the manner in which a person that**  
12 **holds a license issued under section 2 of this 2017 Act may provide for**  
13 **the consumption of marijuana items;**

14 “[*e*] (f) Reasonable limitations on the hours during which a premises for  
15 which a license has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
16 *475B.110*] **475B.010 to 475B.395** may operate;

17 “[*f*] (g) Reasonable requirements related to the public’s access to a  
18 premises for which a license or certificate has been issued under ORS  
19 [*475B.070, 475B.090, 475B.100, 475B.110 or 475B.235*] **475B.010 to 475B.395;**  
20 and

21 “[*g*] (h) Reasonable limitations on where a premises for which a license  
22 or certificate may be issued under ORS [*475B.070, 475B.090, 475B.100,*  
23 *475B.110 or 475B.235*] **475B.010 to 475B.395** may be located.

24 “(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing  
25 body of a city or county may adopt ordinances that impose reasonable regu-  
26 lations on the operation of businesses located at premises for which a license  
27 **or certificate** has been issued under ORS [*475B.070, 475B.090, 475B.100 or*  
28 *475B.110, or for which a certificate has been issued under ORS 475B.235,*]  
29 **475B.010 to 475B.395** if the premises are located in the area subject to the  
30 jurisdiction of the city or county, except that the governing body of a city

1 or county may not:

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

6 “(b) Adopt an ordinance [*after January 1, 2015,*] that imposes a setback  
7 requirement for an agricultural building used to produce marijuana located  
8 on a premises for which a license has been issued under ORS 475B.070 if the  
9 agricultural building:

10 “(A) Was constructed on or before July 1, 2015, in compliance with all  
11 applicable land use and building code requirements at the time of con-  
12 struction;

13 “(B) Is located at an address where a marijuana grow site first registered  
14 with the Oregon Health Authority under ORS 475B.420 on or before January  
15 1, 2015;

16 “(C) Was used to produce marijuana pursuant to the provisions of ORS  
17 475B.400 to 475B.525 on or before January 1, 2015; and

18 “(D) Has four opaque walls and a roof.

19 “**SECTION 45.** ORS 475B.345, as amended by section 3, chapter 91,  
20 Oregon Laws 2016, is amended to read:

21 “475B.345. [(1) *As used in this section, ‘designated primary caregiver’ and*  
22 *‘registry identification cardholder’ have the meanings given those terms in*  
23 *ORS 475B.410.*]

24 “[*(2)(a)*] **(1)(a)** Except as expressly authorized by this section, the au-  
25 thority to impose a tax or fee on the production, processing or sale of  
26 marijuana items in this state is vested solely in the Legislative Assembly.

27 “(b) Except as expressly authorized by this section, a county, city or other  
28 municipal corporation or district may not adopt or enact ordinances impos-  
29 ing a tax or fee on the production, processing or sale of marijuana items in  
30 this state.



1       “[(3)] (2) Subject to subsection [(5)] (4) of this section, the governing body  
2 of a city or county may adopt an ordinance to be referred to the electors of  
3 the city or county as described in subsection [(4)] (3) of this section that  
4 imposes a tax or a fee on the sale of marijuana items that are sold in the  
5 area subject to the jurisdiction of the city or the unincorporated area subject  
6 to the jurisdiction of a county by a [person] **marijuana retailer** that holds  
7 a license **issued** under ORS 475B.110.

8       “[(4)] (3) If the governing body of a city or county adopts an ordinance  
9 under this section, the governing body shall refer the measure of the ordi-  
10 nance to the electors of the city or county for approval at the next statewide  
11 general election.

12       “[(5)] (4) An ordinance adopted under this section may not impose a tax  
13 or fee:

14       “(a) In excess of three percent; or

15       “(b) On a registry identification cardholder or on a designated primary  
16 caregiver who is purchasing a marijuana item for a registry identification  
17 cardholder.

18       “**SECTION 46.** ORS 475B.355 is amended to read:

19       “475B.355. (1) The Oregon Liquor Control Commission, the State Depart-  
20 ment of Agriculture and the Oregon Health Authority may not refuse to  
21 perform any duty under ORS 475B.010 to 475B.395 on the basis that manu-  
22 facturing, distributing, dispensing, possessing or using marijuana is prohib-  
23 ited by federal law.

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

28       “**SECTION 47.** ORS 475B.358 is amended to read:

29       “475B.358. A person may not sue the Oregon Liquor Control Commission  
30 or a member of the commission, the State Department of Agriculture or the

1 Oregon Health Authority, or any employee of the commission, department  
2 or authority, for performing or omitting to perform any duty, function or  
3 power of the commission, department or authority set forth in ORS 475B.010  
4 to 475B.395 or in any other law of this state requiring the commission, de-  
5 partment or authority to perform a duty, function or power related to  
6 marijuana **items**.

7 **“SECTION 48.** ORS 475B.365 is amended to read:

8 “475B.365. In case of invasion, disaster, insurrection or riot, or imminent  
9 danger of invasion, disaster, insurrection or riot, the Governor may, for the  
10 duration of the invasion, disaster, insurrection or riot, or imminent danger,  
11 immediately **and without notice** suspend, [*without notice any license*] in the  
12 area involved, [*granted*] **any license, certificate or permit issued** under  
13 ORS 475B.010 to 475B.395.

14 **“SECTION 49.** ORS 475B.370, as amended by section 3, chapter 23,  
15 Oregon Laws 2016, is amended to read:

16 “475B.370. (1) Marijuana is:

17 “(a) A crop for the purposes of ‘farm use’ as defined in ORS 215.203;

18 “(b) A crop for purposes of a ‘farm’ and ‘farming practice,’ both as defined  
19 in ORS 30.930;

20 “(c) A product of farm use as described in ORS 308A.062; and

21 “(d) The product of an agricultural activity for purposes of ORS 568.909.

22 “(2) Notwithstanding ORS chapters 195, 196, 197, 215 and 227, the follow-  
23 ing are not permitted uses on land designated for exclusive farm use:

24 “(a) A new dwelling used in conjunction with a marijuana crop;

25 “(b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used  
26 in conjunction with a marijuana crop; and

27 “(c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283  
28 (2)(a), carried on in conjunction with a marijuana crop.

29 “(3) A county may allow the production of marijuana as a farm use on  
30 land zoned for farm or forest use in the same manner as the production of

1 marijuana is allowed in exclusive farm use zones under this section and ORS  
2 215.213, 215.283 and 475B.063.

3 “(4) This section applies to:

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

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

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

12 **“SECTION 50.** ORS 475B.399 is amended to read:

13 “475B.399. (1) As used in this section, ‘marijuana’ and ‘marijuana item’  
14 have the meanings given those terms in ORS 475B.015.

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

24 **“SECTION 51.** ORS 475B.575 is amended to read:

25 “475B.575. Subject to the applicable provisions of ORS chapter 183, if an  
26 applicant or licensee violates a provision of ORS 475B.550 to 475B.590 or a  
27 rule adopted under a provision of ORS 475B.550 to 475B.590, the Oregon Li-  
28 quor Control Commission may refuse to issue or renew, or may suspend or  
29 revoke, a license issued under ORS [*475B.070, 475B.090, 475B.100 or*  
30 *475B.110*] **475B.010 to 475B.395.**

1        **“SECTION 52.** ORS 475B.635 is amended to read:

2        “475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any  
3 rule adopted under ORS 475B.600 to 475B.655, the Oregon Liquor Control  
4 Commission may inspect the premises of a person that holds a license **issued**  
5 under ORS [475B.070, 475B.090, 475B.100 or 475B.110] **475B.010 to 475B.395.**

6        **“SECTION 53.** ORS 475B.645 is amended to read:

7        “475B.645. Subject to the applicable provisions of ORS chapter 183, if the  
8 applicant or licensee violates [*a provision of*] ORS 475B.600 to 475B.655 or a  
9 rule adopted under [*a provision of*] ORS 475B.600 to 475B.655, the Oregon  
10 Liquor Control Commission may refuse to issue or renew, or may suspend  
11 or revoke, a license issued under ORS [475B.070, 475B.090, 475B.100 or  
12 475B.110] **475B.010 to 475B.395.**

13        **“SECTION 54.** Section 22, chapter 24, Oregon Laws 2016, is amended to  
14 read:

15        **“Sec. 22.** (1) Subject to subsection (2) of this section, information is ex-  
16 empt from public disclosure under ORS 192.410 to 192.505 if the information  
17 is:

18        “(a) The address of a premises for which a license has been issued or for  
19 which an applicant has proposed [*to be licensed*] **licensure** under ORS  
20 475B.070, 475B.090 or 485B.100;

21        “(b) Is related to the security plan or the operational plan for a premises  
22 for which a license has been issued or for which an applicant has proposed  
23 [*to be licensed*] **licensure** under ORS [475B.070, 475B.090, 485B.100 or  
24 475B.110] **475B.010 to 475B.395**; or

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

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

1        **“SECTION 55.** Section 2, chapter 97, Oregon Laws 2016, is amended to  
2 read:

3        **“Sec. 2.** A financial institution that provides financial services custom-  
4 arily provided by financial institutions pursuant to powers granted by ORS  
5 717.200 to 717.320, 717.900 and 717.905, the Bank Act or [by] ORS chapter 723  
6 to a marijuana processing site registered under ORS 475B.435, a medical  
7 marijuana dispensary registered under ORS 475B.450, a marijuana producer  
8 that holds a license **issued** under ORS 475B.070, a marijuana processor that  
9 holds a license **issued** under ORS 475B.090, a marijuana wholesaler that  
10 holds a license **issued** under ORS 475B.100, a marijuana retailer that holds  
11 a license **issued** under ORS 475B.110, **a person that holds a license issued**  
12 **under section 2 of this 2017 Act**, a laboratory that holds a license under  
13 ORS 475B.560 or a person to whom a permit has been issued under ORS  
14 475B.218 is exempt from any criminal law of this state an element of which  
15 may be proven by substantiating that a person provides financial services  
16 customarily provided by financial institutions pursuant to powers granted  
17 by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter  
18 723 to a person [who] **that** possesses, delivers or manufactures marijuana or  
19 marijuana derived products.

20        **“SECTION 56.** Section 3, chapter 97, Oregon Laws 2016, is amended to  
21 read:

22        **“Sec. 3.** (1) Notwithstanding any law relating to the exemption of infor-  
23 mation from public disclosure under ORS 475B.010 to 475B.395 or 475B.550  
24 to 475B.590, upon the request of a financial institution, the Oregon Liquor  
25 Control Commission shall provide to the financial institution the following  
26 information:

27        “(a) Whether a person with [whom] **which** the financial institution is  
28 doing business holds a license **issued** under ORS [475B.070, 475B.090,  
29 475B.100, 475B.110 or 475B.560] **475B.010 to 475B.395 or 475B.560** or a permit  
30 **issued** under ORS 475B.218;

1 “(b) The name of any other business or individual affiliated with the  
2 person;

3 “(c) A copy of the application, and any supporting documentation sub-  
4 mitted with the application, for a license or a permit submitted by the per-  
5 son;

6 “(d) If applicable, data relating to sales and the volume of product sold  
7 by the person;

8 “(e) Whether the person is currently compliant with the provisions of  
9 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to 475B.655 and  
10 rules adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 and  
11 475B.600 to 475B.655;

12 “(f) Any past or pending violation by the person of a provision of ORS  
13 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule  
14 adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to  
15 475B.655; and

16 “(g) Any penalty imposed upon the person for violating a provision of  
17 ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a  
18 rule adopted under ORS 475B.010 to 475B.395, 475B.550 to 475B.590 or  
19 475B.600 to 475B.655.

20 “(2) Upon receiving a request under subsection (1) of this section, the  
21 commission shall provide the requesting financial institution with the re-  
22 quested information.

23 “(3) The commission may charge a financial institution a reasonable fee  
24 to cover the administrative costs of providing information under this section.

25

26

## “MISCELLANEOUS

27

28 **“SECTION 57. (1) Sections 2 and 4 of this 2017 Act and the amend-**  
29 **ments to statutes and session law by sections 3 and 5 to 56 of this 2017**  
30 **Act become operative on January 1, 2018.**

1       **“(2) The Oregon Liquor Control Commission may take any action**  
2 **before the operative date specified in subsection (1) of this section that**  
3 **is necessary to enable the commission to exercise, on and after the**  
4 **operative date specified in subsection (1) of this section, all the duties,**  
5 **functions and powers conferred on the commission by sections 2 and**  
6 **4 of this 2017 Act and the amendments to statutes and session law by**  
7 **sections 3 and 5 to 56 of this 2017 Act.**

8       **“SECTION 58. The unit captions used in this 2017 Act are provided**  
9 **only for the convenience of the reader and do not become part of the**  
10 **statutory law of this state or express any legislative intent in the**  
11 **enactment of this 2017 Act.**

12       **“SECTION 59. This 2017 Act takes effect on the 91st day after the**  
13 **date on which the 2017 regular session of the Seventy-ninth Legislative**  
14 **Assembly adjourns sine die.”.**

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