

Requested by Representative LININGER

**PROPOSED AMENDMENTS TO
SENATE BILL 56**

1 On page 1 of the printed bill, line 2, after the semicolon delete the rest
2 of the line and insert “creating new provisions; amending ORS 471.775,
3 475B.045, 475B.110, 475B.210 and 475B.450; repealing sections 29 and 29b,
4 chapter 83, Oregon Laws 2016; and prescribing an effective date.”.

5 Delete lines 4 through 29 and delete page 2 and insert:
6

7 **“EXCLUSIVELY MEDICAL LICENSEES**
8

9 **“SECTION 1. If a city or county enacts or has enacted an ordinance**
10 **prohibiting or allowing marijuana processing sites registered under**
11 **ORS 475B.435 or medical marijuana dispensaries registered under ORS**
12 **475B.450, the governing body of the city or the county may amend the**
13 **ordinance, without referring the amendment to the electors of the city**
14 **or county under ORS 475B.800, to prohibit or allow a licensee, as de-**
15 **defined in ORS 475B.015, that has been designated an exclusively medical**
16 **licensee under section 24, 25, 26 or 27, chapter ___, Oregon Laws 2017**
17 **(Enrolled Senate Bill 1057).**

18 **“SECTION 2. If Senate Bill 1057 does not become law, section 1 of**
19 **this 2017 Act is repealed.**

20

21

“SCHOOLS

1 **“SECTION 3. Section 4 of this 2017 Act is added to and made a part**
2 **of ORS 475B.010 to 475B.395.**

3 **“SECTION 4. Notwithstanding ORS 475B.110 (2)(d), a marijuana**
4 **retailer may be located within 1,000 feet of a school if:**

5 **“(1) The marijuana retailer is not located within 500 feet of:**

6 **“(a) A public elementary or secondary school for which attendance**
7 **is compulsory under ORS 339.020; or**

8 **“(b) A private or parochial elementary or secondary school, teach-**
9 **ing children as described in ORS 339.030 (1)(a); and**

10 **“(2) The Oregon Liquor Control Commission determines that there**
11 **is a physical or geographic barrier capable of preventing children from**
12 **traversing to the premises of the marijuana retailer.**

13 **“SECTION 5. Section 6 of this 2017 Act is added to and made a part**
14 **of ORS 475B.400 to 475B.525.**

15 **“SECTION 6. Notwithstanding ORS 475B.450 (3)(d), a medical**
16 **marijuana dispensary may be located within 1,000 feet of a school if:**

17 **“(1) The medical marijuana dispensary is not located within 500 feet**
18 **of:**

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

21 **“(b) A private or parochial elementary or secondary school, teach-**
22 **ing children as described in ORS 339.030 (1)(a); and**

23 **“(2) The Oregon Liquor Control Commission determines that there**
24 **is a physical or geographic barrier capable of preventing children from**
25 **traversing to the premises of the medical marijuana dispensary.**

26 **“SECTION 7. Sections 29 and 29b, chapter 83, Oregon Laws 2016, are**
27 **repealed.**

28
29 **“AMENDMENTS TO STATUTES**

1 **“SECTION 8.** ORS 475B.045 is amended to read:

2 “475B.045. (1) The Oregon Liquor Control Commission may not license an
3 applicant under the provisions of ORS 475B.010 to 475B.395 if the applicant
4 is under 21 years of age.

5 “(2) The commission may refuse to **issue a license or may issue a re-**
6 **stricted license to** an applicant under the provisions of ORS 475B.010 to
7 475B.395 if the commission [*has reasonable ground to believe*] **makes a**
8 **finding** that the applicant:

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

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

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

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

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

19 “(f) Does not have a good record of compliance with ORS 475B.010 to
20 475B.395 or any rule [*of the commission*] adopted under ORS 475B.010 to
21 475B.395.

22 “(g) Is not the legitimate owner of the [*business*] **premises** proposed to
23 be licensed, or **has not disclosed that** other persons have ownership inter-
24 ests in the [*business that have not been disclosed.*] **premises proposed to**
25 **be licensed.**

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

29 “(i) Is unable to understand the laws of this state relating to marijuana
30 **items** or the rules [*of the commission relating to marijuana*] **adopted under**

1 **ORS 475B.010 to 475B.395.**

2 “(3) Notwithstanding subsection (2)(d) of this section, in determining
3 whether [*the commission may refuse*] to **issue a license or a restricted li-**
4 **cense to** an applicant, the commission may not consider the prior conviction
5 of the applicant or any owner, director, officer, manager, employee, agent or
6 other representative of the applicant for:

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

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

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

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

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

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

17 “(c) The possession of marijuana.

18 **“SECTION 9.** ORS 475B.110, as amended by section 4, chapter 24, Oregon
19 Laws 2016, and section 10, chapter 83, Oregon Laws 2016, is amended to read:

20 “475B.110. (1) The retail sale of marijuana items is subject to regulation
21 by the Oregon Liquor Control Commission.

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

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

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

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

29 “(d) Except as provided in [*section 29b, chapter 83, Oregon Laws 2016*]
30 **section 4 of this 2017 Act**, may not be located within 1,000 feet of:

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

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

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

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

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

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

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

14 “**(d) Notwithstanding ORS 475B.160, allow a marijuana retailer to**
15 **deliver marijuana items to another marijuana retailer that is owned**
16 **by the same or substantially the same persons;**

17 “[*d*] (e) Subject to the limitations and privileges described in section 5
18 (4), chapter 83, Oregon Laws 2016, allow a marijuana retailer registered un-
19 der section 5, chapter 83, Oregon Laws 2016, to sell medical grade
20 cannabinoid products, cannabinoid concentrates and cannabinoid extracts at
21 retail in the same manner that rules adopted under ORS 475B.010 to 475B.395
22 allow a marijuana retailer to sell general use cannabinoid products,
23 cannabinoid concentrates and cannabinoid extracts at retail, excepting those
24 circumstances where differentiating between the sale of medical grade
25 cannabinoid products, cannabinoid concentrates and cannabinoid extracts
26 and the sale of general use cannabinoid products, cannabinoid concentrates
27 and cannabinoid extracts is necessary to protect the public health and safety;
28 and

29 “[*e*] (f) Require a marijuana retailer to meet any public health and
30 safety standards and industry best practices established by the commission

1 by rule.

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

3 “(a) May not exceed, together with other fees collected under ORS
4 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

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

7 **“SECTION 10.** ORS 475B.210 is amended to read:

8 “475B.210. The Oregon Liquor Control Commission may revoke [*or*], sus-
9 pend **or restrict** a license issued under ORS 475B.010 to 475B.395 **or require**
10 **a licensee or licensee representative to undergo training** if the commis-
11 sion finds or has reasonable ground to believe any of the following to be
12 true:

13 “(1) That the licensee **or licensee representative**:

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

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

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

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

22 “(e) Has misrepresented to a customer or the public any marijuana items
23 sold by the licensee **or licensee representative**.

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

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

1 **“SECTION 11.** ORS 475B.450, as amended by section 8, chapter 24,
2 Oregon Laws 2016, and section 30, chapter 83, Oregon Laws 2016, is amended
3 to read:

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

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

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

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

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

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

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

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

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

1 “(d) Proof that each individual responsible for the medical marijuana
2 dispensary is 21 years of age or older;

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

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

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

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

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

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

13 “(d) Except as provided under [*section 29, chapter 83, Oregon Laws 2016*]
14 **section 6 of this 2017 Act**, may not be located within 1,000 feet of:

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

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

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

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

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

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

30 “(c) An individual convicted more than once for the manufacture or de-

1 livery of a controlled substance in Schedule I or Schedule II may not own
2 or be responsible for a medical marijuana dispensary.

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

11 “(6) A medical marijuana dispensary that is registered under this section
12 is not required to register with the State Board of Pharmacy under ORS
13 475.125.

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

18 “(8) The authority may inspect:

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

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

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

1 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance
2 adopted pursuant to ORS 475B.500.

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

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

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

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

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

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

18 **“SECTION 12.** If Senate Bill 1057 becomes law, ORS 471.775, as amended
19 by section 20, chapter 24, Oregon Laws 2016, is amended to read:

20 “471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued
21 by each member of the Oregon Liquor Control Commission or any of its au-
22 thorized agents.

23 “(2) Subject to subsection (3) of this section, regulatory specialists have
24 authority as provided under this chapter, ORS chapter 153, ORS 133.005 to
25 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.235, 161.239,
26 161.245[, 475B.010 to 475B.395, 475B.550 to 475B.590 and 475B.600 to
27 475B.655] and chapter 743, Oregon Laws 1971, to conduct inspections or in-
28 vestigations, make arrests and seizures, aid in prosecutions for offenses, issue
29 criminal citations and citations for violations and otherwise enforce this
30 chapter, ORS 474.005 to 474.095[,] **and** 474.115, [475B.010 to 475B.395, 475B.550

1 to 475B.590 and 475B.600 to 475B.655,] commission rules and any other laws
2 of this state that the commission considers related to alcoholic liquor,
3 [*marijuana and marijuana-derived products,*] including but not limited to
4 laws regarding the production, processing, manufacture, importation, trans-
5 portation, possession, distribution, sale or consumption of alcoholic
6 beverages, the manufacture or use of false identification or the entry of
7 premises licensed to sell alcoholic liquor[, *marijuana or marijuana-derived*
8 *products*].

9 “(3) A regulatory specialist may not:

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

12 “(b) Carry a firearm[;].

13 “[*(c) Conduct inspections and investigations of a primary residence or for*
14 *purposes of ensuring compliance with ORS 475B.245 and 475B.375; or]*

15 “[*(d) Except as provided under the provisions of ORS 475B.010 to 475B.395,*
16 *conduct inspections and investigations for purposes of ensuring compliance*
17 *with ORS 475B.400 to 475B.525.*]

18

19

“MISCELLANEOUS

20

21 **“SECTION 13. The unit captions used in this 2017 Act are provided**
22 **only for the convenience of the reader and do not become part of the**
23 **statutory law of this state or express any legislative intent in the**
24 **enactment of this 2017 Act.**

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

28