

Requested by SENATE COMMITTEE ON WORKFORCE

**PROPOSED AMENDMENTS TO
SENATE BILL 1566**

1 On page 1 of the printed bill, line 2, after “System;” insert “creating new
2 provisions; amending ORS 475B.759 and 475B.895;”.

3 Delete lines 14 through 16.

4 On page 2, line 21, delete “employer’s employer”.

5 In line 22, delete “contribution rate calculated under ORS 238.225” and
6 insert “unfunded actuarial liability attributable to the employer, as deter-
7 mined in the most recent report prepared under ORS 238.605,”.

8 After line 23, insert:

9 “(c) After the 180-day period described in paragraph (b) of this subsection,
10 any participating public employer may apply to reserve matching funds from
11 the Employer Incentive Fund under subsection (1) of this section.”.

12 Delete lines 39 through 45 and delete pages 3 through 6.

13 On page 7, delete lines 1 through 37 and insert:

14

15 **“AMORTIZATION PERIOD FOR LUMP SUM PAYMENTS**

16

17 **“SECTION 3a. Section 3b of this 2018 Act is added to and made a
18 part of ORS chapter 238.**

19 **“SECTION 3b. If a participating public employer makes a lump sum
20 payment to an account established under ORS 238.229 in an amount
21 equal to or greater than \$10 million, the Public Employees Retirement**

1 Board shall allow the participating public employer to choose an
2 amortization period of six years, 10 years, 16 years or 20 years for the
3 use of the lump sum payment to offset contributions to the system
4 that the public employer would otherwise be required to make for the
5 liabilities against which the lump sum payment is applied.

6 **“NOTE:** Sections 4 through 11 were deleted by amendment. Subsequent
7 sections were not renumbered.

8
9 **“PROCEEDS FROM DEBT COLLECTION**

10
11 **“SECTION 12. (1) Not later than January 31 of each year, the**
12 **Oregon Department of Administrative Services shall calculate:**

13 **“(a) The average amount per fiscal year collected by or on behalf**
14 **of state agencies required to report under ORS 293.229 for liquidated**
15 **and delinquent accounts owed to the General Fund during the three**
16 **fiscal years preceding the immediately preceding fiscal year; and**

17 **“(b) The amount collected by or on behalf of state agencies required**
18 **to report under ORS 293.229 for liquidated and delinquent accounts**
19 **owed to the General Fund during the immediately preceding fiscal**
20 **year, as reported under ORS 293.229.**

21 **“(2) If the amount calculated under subsection (1)(b) of this section**
22 **exceeds the average calculated under subsection (1)(a) of this section,**
23 **the department shall coordinate the transfer from the General Fund**
24 **of an amount equal to the excess, less any amount required to be re-**
25 **turned to taxpayers under ORS 291.349, to the Public Employees Re-**
26 **irement Fund established in ORS 238.660. The department shall**
27 **coordinate the transfer of amounts required under this section at least**
28 **once in each biennium. The Public Employees Retirement Board shall**
29 **credit the amounts transferred to the account established under sec-**
30 **tion 24 (1) of this 2018 Act.**

1 **“SECTION 12a. (1) The Oregon Department of Administrative Ser-**
2 **vices shall make the first calculation under section 12 (1)(a) of this**
3 **2018 Act no later than January 31, 2019, for the three fiscal years be-**
4 **ginning July 1, 2014.**

5 **“(2) Notwithstanding section 12 (2) of this 2018 Act, the department**
6 **shall coordinate the first transfer of amounts required under section**
7 **12 (2) of this 2018 Act no later than January 31, 2020.**

8 **“SECTION 12b. Section 12 of this 2018 Act is repealed on December**
9 **31, 2024.**

10
11 **“PROCEEDS FROM CAPITAL GAINS TAX**
12

13 **“SECTION 13. (1) Not earlier than July 1 and not later than October**
14 **1 of the years 2019, 2021 and 2023, the division of the Oregon Depart-**
15 **ment of Administrative Services that serves as office of economic**
16 **analysis shall:**

17 **“(a) Calculate the rate of change in the tax liability from personal**
18 **income taxes on taxable capital gains during the five preceding**
19 **biennia; and**

20 **“(b) Use the rate of change calculated under paragraph (a) of this**
21 **subsection to forecast the tax liability from personal income taxes on**
22 **taxable capital gains for the biennium beginning on July 1 of the year**
23 **in which the calculation is made.**

24 **“(2) Not later than November 1 of the odd-numbered year following**
25 **each calculation under subsection (1) of this section, the Oregon De-**
26 **partment of Administrative Services, in consultation with the De-**
27 **partment of Revenue, shall estimate the tax liability from personal**
28 **income taxes on taxable capital gains for the previous biennium.**

29 **“(3) Not later than November 30 of the odd-numbered year in which**
30 **the estimate is made under subsection (2) of this section, the Oregon**

1 Department of Administrative Services, in consultation with the De-
2 partment of Revenue, shall determine whether the tax liability from
3 personal income taxes on capital gains estimated under subsection (2)
4 of this section exceeds the tax liability from personal income taxes on
5 taxable capital gains forecasted under subsection (1) of this section.

6 “(4) The Department of Revenue shall transfer an amount equal to
7 the amount of any excess calculated under subsection (3) of this sec-
8 tion, less any amount required to be returned to taxpayers under ORS
9 291.349, to the Public Employees Retirement Fund established under
10 ORS 238.660. The Public Employees Retirement Board shall credit the
11 amounts transferred to the account established under section 24 (1)
12 of this 2018 Act.

13 “(5) The Department of Revenue shall retain unreceipted revenue
14 from the tax imposed under ORS chapter 316 in an amount necessary
15 to make the transfer required under subsection (4) of this section. The
16 department shall make the transfer out of the unreceipted revenue in
17 lieu of paying the revenue over to the State Treasurer for deposit in
18 the General Fund.

19 “SECTION 14. The division of the Oregon Department of Adminis-
20 trative Services that serves as office of economic analysis shall make
21 the first calculation required under section 13 (1) of this 2018 Act not
22 later than October 1, 2019. The calculation shall be for the five biennia
23 beginning July 1, 2009.

24
25 **“PROCEEDS FROM ESTATE TAXES**

26
27 “SECTION 15. (1) Not earlier than July 1 and not later than October
28 1 of the years 2019, 2021 and 2023, the division of the Oregon Depart-
29 ment of Administrative Services that serves as office of economic
30 analysis shall:

1 “(a) Calculate the rate of change in collections from estate taxes
2 during the five preceding biennia; and

3 “(b) Use the rate of change calculated under paragraph (a) of this
4 subsection to forecast the collections from estate taxes for the
5 biennium beginning on July 1 of the year in which the calculation is
6 made.

7 “(2) Not later than November 1 of the odd-numbered year following
8 each calculation under subsection (1) of this section, the Oregon De-
9 partment of Administrative Services, in consultation with the De-
10 partment of Revenue, shall estimate the collections from estate taxes
11 for the previous biennium.

12 “(3) Not later than November 30 of the odd-numbered year in which
13 the estimate is made under subsection (2) of this section, the Oregon
14 Department of Administrative Services, in consultation with the De-
15 partment of Revenue, shall determine whether the collections from
16 estate taxes estimated under subsection (2) of this section exceed the
17 collections from estate taxes forecasted under subsection (1) of this
18 section.

19 “(4) The Department of Revenue shall transfer an amount equal to
20 the amount of any excess calculated under subsection (3) of this sec-
21 tion, less any amount required to be returned to taxpayers under ORS
22 291.349, to the Public Employees Retirement Fund established under
23 ORS 238.660. The Public Employees Retirement Board shall credit the
24 amounts transferred to the account established under section 24 (1)
25 of this 2018 Act.

26 “(5) The Department of Revenue shall retain unreceipted revenue
27 from estate taxes imposed under ORS 118.005 to 118.540 in an amount
28 necessary to make the transfer required under subsection (4) of this
29 section. The department shall make the transfer out of the unre-
30 ceipted revenue in lieu of paying the revenue over to the State Treas-

1 **urer for deposit in the General Fund.**

2 **“SECTION 16. The division of the Oregon Department of Adminis-**
3 **trative Services that serves as office of economic analysis shall make**
4 **the first calculation required under section 15 (1) of this 2018 Act not**
5 **later than October 1, 2019. The calculation shall be for the five biennia**
6 **beginning January 1, 2009.”.**

7 In line 41, delete “2021,” and insert “2019, 2021 and”.

8 In line 42, delete “and 2025”.

9 On page 8, delete line 6 and insert “, less the 20 percent of the moneys
10 transferred to the Oregon Marijuana Account under ORS 475B.760 that are
11 required to be transferred to cities and counties under ORS 475B.759 (3)(b),
12 from the Oregon Marijuana Account established under ORS 475B.759 to the
13 Public Employees Retire-”.

14 After line 14, insert:

15 **“SECTION 17a. ORS 475B.759 is amended to read:**

16 **“475B.759. (1) There is established the Oregon Marijuana Account, sepa-**
17 **rate and distinct from the General Fund.**

18 **“(2) The account shall consist of moneys transferred to the account under**
19 **ORS 475B.760.**

20 **“(3)(a) The Department of Revenue shall certify quarterly the amount of**
21 **moneys available in the Oregon Marijuana Account.**

22 **“(b) Subject to subsection (4) of this section, the department shall transfer**
23 **quarterly 20 percent of the moneys in the Oregon Marijuana Account as**
24 **follows:**

25 **“(A) Ten percent of the moneys in the account must be transferred to the**
26 **cities of this state in the following shares:**

27 **“(i) Seventy-five percent of the 10 percent must be transferred in shares**
28 **that reflect the population of each city of this state that is not exempt from**
29 **this paragraph pursuant to subsection (4)(a) of this section compared to the**
30 **population of all cities of this state that are not exempt from this paragraph**

1 pursuant to subsection (4)(a) of this section, as determined by Portland State
2 University under ORS 190.510 to 190.610, on the date immediately preceding
3 the date of the transfer; and

4 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
5 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
6 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
7 ceding the date of the transfer for premises located in each city compared
8 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100
9 and 475B.105 on the last business day of that calendar quarter for all prem-
10 ises in this state located in cities; and

11 “(B) Ten percent of the moneys in the account must be transferred to
12 counties in the following shares:

13 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
14 flect the total commercially available area of all grow canopies associated
15 with marijuana producer licenses held pursuant to ORS 475B.070 on the last
16 business day of the calendar quarter preceding the date of the transfer for
17 all premises located in each county compared to the total commercially
18 available area of all grow canopies associated with marijuana producer li-
19 censes held pursuant to ORS 475B.070 on the last business day of that cal-
20 endar quarter for all premises located in this state; and

21 “(ii) Fifty percent of the 10 percent must be transferred in shares that
22 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
23 475B.105 on the last business day of the calendar quarter preceding the date
24 of the transfer for premises located in each county compared to the number
25 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
26 business day of that calendar quarter for all premises in this state.

27 “(c) [*Eighty percent of*] **The remainder of** the moneys in the Oregon
28 Marijuana Account **after the transfers required by paragraph (b) of this**
29 **subsection and section 17 of this 2018 Act** must be used as follows:

30 “(A) [*Forty*] **50** percent of the **remaining** moneys in the account must be

1 used solely for purposes for which moneys in the State School Fund estab-
2 lished under ORS 327.008 may be used;

3 “(B) [*Twenty*] **25** percent of the **remaining** moneys in the account must
4 be used solely for purposes for which moneys in the Mental Health
5 Alcoholism and Drug Services Account established under ORS 430.380 may
6 be used;

7 “(C) [*Fifteen*] **18.75** percent of the **remaining** moneys in the account must
8 be used solely for purposes for which moneys in the State Police Account
9 established under ORS 181A.020 may be used; and

10 “(D) [*Five*] **6.25** percent of the **remaining** moneys in the account must
11 be used solely for purposes related to alcohol and drug abuse prevention,
12 early intervention and treatment services.

13 “(4)(a) A city that has an ordinance prohibiting the establishment of a
14 premises for which issuance of a license under ORS 475B.070, 475B.090,
15 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
16 under subsection (3)(b)(A) of this section.

17 “(b) A county that has an ordinance prohibiting the establishment of a
18 premises for which issuance of a license under ORS 475B.070 is required is
19 not eligible to receive transfers of moneys under subsection (3)(b)(B)(i) of
20 this section.

21 “(c) A county that has an ordinance prohibiting the establishment of a
22 premises for which issuance of a license under ORS 475B.090, 475B.100 or
23 475B.105 is required is not eligible to receive transfers of moneys under
24 subsection (3)(b)(B)(ii) of this section.

25 “(5) In a form and manner prescribed by the Oregon Liquor Control
26 Commission, each city and county in this state shall certify with the com-
27 mission whether the city or county has an ordinance prohibiting the estab-
28 lishment of a premises for which issuance of a license under ORS 475B.070,
29 475B.090, 475B.100 or 475B.105 is required. If a city fails to comply with this
30 subsection, the city is not eligible to receive transfers of moneys under sub-

1 section (3)(b)(A) of this section. If a county fails to comply with this sub-
2 section, the county is not eligible to receive transfers of moneys under
3 subsection (3)(b)(B) of this section.

4 **“SECTION 17b.** ORS 475B.895 is amended to read:

5 “475B.895. (1) The Oregon Health Authority shall enter into an agreement
6 with the Oregon Liquor Control Commission under which the commission
7 shall use the system developed and maintained under ORS 475B.177 to track:

8 “(a) The propagation of immature marijuana plants and the production
9 of marijuana by marijuana grow sites;

10 “(b) The processing of marijuana into medical cannabinoid products,
11 cannabinoid concentrates and cannabinoid extracts that are transferred to
12 a medical marijuana dispensary;

13 “(c) The transfer of usable marijuana, immature marijuana plants, medical
14 cannabinoid products, cannabinoid concentrates and cannabinoid extracts by
15 a marijuana grow site or a medical marijuana dispensary to a registry iden-
16 tification cardholder or the designated primary caregiver of a registry iden-
17 tification cardholder; and

18 “(d) The transfer of usable marijuana, immature marijuana plants, med-
19 ical cannabinoid products, cannabinoid concentrates and cannabinoid ex-
20 tracts between marijuana grow sites, marijuana processing sites and medical
21 marijuana dispensaries.

22 “(2) Marijuana grow sites, marijuana processing sites, medical marijuana
23 dispensaries and any other person that processes marijuana into medical
24 cannabinoid products and cannabinoid concentrates for the purpose of
25 transferring the medical cannabinoid products and cannabinoid concentrates
26 to a medical marijuana dispensary are subject to tracking under this section.

27 “(3) On and after the date on which a marijuana grow site becomes sub-
28 ject to tracking under this section, the person is exempt from the require-
29 ments of ORS 475B.816 and the provisions of ORS 475B.810 that relate to
30 ORS 475B.816.

1 “(4) On and after the date on which a marijuana processing site becomes
2 subject to tracking under this section, the marijuana processing site is ex-
3 empt from the requirements of ORS 475B.846 and the provisions of ORS
4 475B.840 that relate to ORS 475B.846.

5 “(5) On and after the date on which a medical marijuana dispensary be-
6 comes subject to tracking under this section, the medical marijuana
7 dispensary is exempt from the requirements of ORS 475B.867 and the pro-
8 visions of ORS 475B.858 that relate to ORS 475B.867.

9 “(6) The commission may conduct inspections and investigations of al-
10 leged violations of ORS 475B.785 to 475B.949 about which the commission
11 obtains knowledge as a result of performing the commission’s duties under
12 this section. Notwithstanding ORS 475B.299, the commission may use regu-
13 latory specialists, as defined in ORS 471.001, to conduct the inspections and
14 investigations, including inspections and investigations of marijuana grow
15 sites located at a primary residence.

16 “(7) Notwithstanding ORS 475B.759 **and section 17 of this 2018 Act**, be-
17 fore making any other distribution from the Oregon Marijuana Account es-
18 tablished under ORS 475B.759, the Department of Revenue shall first
19 distribute moneys quarterly from the account to the commission for deposit
20 in the Marijuana Control and Regulation Fund established under ORS
21 475B.296 for purposes of paying administrative, inspection and investigatory
22 costs incurred by the commission under this section, provided that the
23 amount of distributed moneys does not exceed \$1.25 million per quarter. For
24 purposes of estimating the amount of moneys necessary to pay costs incurred
25 under this section, the commission shall establish a formulary based on ex-
26 pected costs for each marijuana grow site, marijuana processing site or
27 medical marijuana dispensary that is tracked under this section. The com-
28 mission shall provide to the Department of Revenue and the Legislative
29 Fiscal Officer before each quarter the estimated amount of moneys necessary
30 to pay costs expected to be incurred under this section and the formulary.

1 “(8) When imposing a fee on a person responsible for a marijuana grow
2 site, marijuana processing site or medical marijuana dispensary under ORS
3 475B.810, 475B.840 or 475B.858, the authority shall impose an additional fee
4 that is reasonably calculated to pay costs incurred under this section other
5 than costs paid pursuant to subsection (7) of this section. As part of the
6 agreement entered into under subsection (1) of this section, the authority
7 shall transfer fee moneys collected pursuant to this subsection to the com-
8 mission for deposit in the Marijuana Control and Regulation Fund estab-
9 lished under ORS 475B.296. Moneys collected pursuant to this subsection and
10 deposited in the Marijuana Control and Regulation Fund are continuously
11 appropriated to the commission for purposes of this section.

12 “(9) The authority and the commission may adopt rules as necessary to
13 administer this section.

14 “(10) This section does not apply to a marijuana grow site located at an
15 address where a registry identification cardholder produces marijuana and
16 no more than 12 mature marijuana plants and 24 immature marijuana plants
17 are produced at the address.”.

18 In line 19, delete “2021,” and insert “2019, 2021 and”.

19 In line 20, delete “and 2025”.

20 In line 38, delete “October” and insert “December”.

21 In line 40, after “revenues” insert “, including unclaimed prizes,”.

22 In line 42, delete “first” and insert “second”.

23 In line 44, after “revenues” insert “, including unclaimed prizes,”.

24 On page 9, line 4, delete “State Lottery”.

25 In line 5, delete the first “Fund” and insert “Administrative Services
26 Economic Development Fund established in ORS 461.540”.

27 Delete lines 10 through 37 and insert:
28

29 **“PROCEEDS FROM LAWSUIT SETTLEMENTS**
30

1 **“SECTION 20. If the Department of Justice collects proceeds from**
2 **the settlement of a lawsuit on behalf of a state agency that are not**
3 **dedicated by the settlement agreement or by law to a specific purpose,**
4 **the proceeds shall be transferred to the Public Employees Retirement**
5 **Fund established under ORS 238.660. The Public Employees Retirement**
6 **Board shall credit the amounts transferred to the account established**
7 **under section 24 (1) of this 2018 Act.**

8 **“SECTION 21. Section 20 of this 2018 Act applies to proceeds from**
9 **settlement agreements entered into on or before June 30, 2025.**

10
11 **“INTEREST FROM UNCLAIMED PROPERTY**
12

13 **“SECTION 22. (1) On January 1 of each year, the Department of**
14 **State Lands shall transfer from the Common School Fund Account to**
15 **the Public Employees Retirement Fund established under ORS 238.660**
16 **all or part of the interest earned in the previous calendar year from**
17 **the cumulative unclaimed property deposited in the Common School**
18 **Fund Account under ORS 98.386 to which the state has not taken title,**
19 **as described in subsection (2) of this section.**

20 **“(2) The amount made available under subsection (1) of this section**
21 **may not exceed an amount equal to the proceeds from unclaimed**
22 **property received by the department in the previous calendar year,**
23 **minus:**

24 **“(a) The amount paid for unclaimed property claims under ORS**
25 **98.396 in the previous calendar year;**

26 **“(b) The department’s investment expenses related to the Common**
27 **School Fund for the previous calendar year; and**

28 **“(c) Operating expenses that the department is entitled to recover**
29 **for the previous calendar year.**

30 **“(3) The Public Employees Retirement Board shall credit the**

1 amounts transferred under this section to the account established
2 under section 24 (1) of this 2018 Act.

3 **“SECTION 23. Section 22 of this 2018 Act is repealed on January 2,**
4 **2027.”**

5 In line 44, after “17” insert “, 18”.

6 In line 45, after “17,” insert “18,”.

7 _____