

House Bill 2098

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Oregon Liquor Control Commission)

SUMMARY

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

Establishes that recreational marijuana licensure renewal fees are nonrefundable if applicant is conditionally or unconditionally authorized to operate marijuana establishment.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to marijuana; creating new provisions; amending ORS 475B.070, 475B.090, 475B.100 and
3 475B.105; and declaring an emergency.

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

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

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

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

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

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

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

15 (3) The commission shall adopt rules that:

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

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

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

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

24 (e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for medical
25 purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana
26 producer to produce marijuana for nonmedical purposes, excepting those circumstances where dif-
27 ferentiating between the production of marijuana for medical purposes and the production of
28 marijuana for nonmedical purposes is necessary to protect the public health and safety;

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

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

1 (g) Require a marijuana producer to meet any public health and safety standards and industry
2 best practices established by the commission by rule related to the production of marijuana or the
3 propagation of immature marijuana plants and marijuana seeds.

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

5 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost
6 of administering ORS 475B.010 to 475B.545;

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

9 **(c) That are for renewal of licensure are due upon submission of the renewal of licensure**
10 **application and are nonrefundable if the applicant is authorized to operate, whether condi-**
11 **tionally or unconditionally; and**

12 [(c)] (d) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
13 475B.296.

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

15 475B.090. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor
16 Control Commission.

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

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

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

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

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

26 (3) The commission shall adopt rules that:

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

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

29 (c) Require marijuana processed by a marijuana processor to be tested in accordance with ORS
30 475B.555;

31 (d) Allow a marijuana processor registered under ORS 475B.139 to process marijuana and usable
32 marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid ex-
33 tracts in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana
34 processor to process marijuana and usable marijuana into general use cannabinoid products,
35 cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where differen-
36 tiating between the processing of medical grade cannabinoid products, cannabinoid concentrates and
37 cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid concen-
38 trates and cannabinoid extracts is necessary to protect the public health and safety; and

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

41 (A) Cannabinoid edibles;

42 (B) Cannabinoid concentrates;

43 (C) Cannabinoid extracts; and

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

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

1 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost
2 of administering ORS 475B.010 to 475B.545;

3 **(b) That are for renewal of licensure are due upon submission of the renewal of licensure**
4 **application and are nonrefundable if the applicant is authorized to operate, whether condi-**
5 **tionally or unconditionally; and**

6 [(b)] (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
7 475B.296.

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

9 475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Li-
10 quor Control Commission.

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

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

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

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

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

19 (3) The commission shall adopt rules that:

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

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

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

24 (d) Allow a marijuana wholesaler registered under ORS 475B.144 to sell medical grade
25 cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale in the same
26 manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana wholesaler to sell
27 general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale,
28 excepting those circumstances where differentiating between the sale of medical grade cannabinoid
29 products, cannabinoid concentrates and cannabinoid extracts and the sale of general use
30 cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the
31 public health and safety; and

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

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

35 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost
36 of administering ORS 475B.010 to 475B.545;

37 **(b) That are for renewal of licensure are due upon submission of the renewal of licensure**
38 **application and are nonrefundable if the applicant is authorized to operate, whether condi-**
39 **tionally or unconditionally; and**

40 [(b)] (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
41 475B.296.

42 **SECTION 4.** ORS 475B.105 is amended to read:

43 475B.105. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor
44 Control Commission.

45 (2) A marijuana retailer must have a retail license issued by the commission for the premises

1 at which marijuana items are sold. To hold a retail license under this section, a marijuana retailer:

- 2 (a) Must apply for a license in the manner described in ORS 475B.040;
- 3 (b) Must provide proof that the applicant is 21 years of age or older;
- 4 (c) May not be located in an area that is zoned exclusively for residential use;
- 5 (d) Except as provided in ORS 475B.109, may not be located within 1,000 feet of:

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

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

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

12 (3) The commission shall adopt rules that:

- 13 (a) Require a marijuana retailer to annually renew a license issued under this section;
- 14 (b) Establish application, licensure and renewal of licensure fees for marijuana retailers;
- 15 (c) Require marijuana items sold by a marijuana retailer to be tested in accordance with ORS
16 475B.555;

17 (d) Notwithstanding ORS 475B.206, allow a marijuana retailer to deliver marijuana items to an-
18 other marijuana retailer that is owned by the same or substantially the same persons;

19 (e) Subject to the limitations and privileges described in ORS 475B.146 (3), allow a marijuana
20 retailer registered under ORS 475B.146 to sell medical grade cannabinoid products, cannabinoid
21 concentrates and cannabinoid extracts at retail in the same manner that rules adopted under ORS
22 475B.010 to 475B.545 allow a marijuana retailer to sell general use cannabinoid products,
23 cannabinoid concentrates and cannabinoid extracts at retail, excepting those circumstances where
24 differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates
25 and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concen-
26 trates and cannabinoid extracts is necessary to protect the public health and safety; and

27 (f) Require a marijuana retailer to meet any public health and safety standards and industry best
28 practices established by the commission by rule.

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

30 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost
31 of administering ORS 475B.010 to 475B.545;

32 **(b) That are for renewal of licensure are due upon submission of the renewal of licensure**
33 **application and are nonrefundable if the applicant is authorized to operate, whether condi-**
34 **tionally or unconditionally; and**

35 ~~(b)~~ (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
36 475B.296.

37 **SECTION 5. The amendments to ORS 475B.070, 475B.090, 475B.100 and 475B.105 by**
38 **sections 1 to 4 of this 2019 Act apply to fees collected on or after the operative date specified**
39 **in section 6 of this 2019 Act.**

40 **SECTION 6. (1) The amendments to ORS 475B.070, 475B.090, 475B.100 and 475B.105 by**
41 **sections 1 to 4 of this 2019 Act become operative on January 1, 2020.**

42 **(2) The Oregon Liquor Control Commission may take any action before the operative date**
43 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**
44 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**
45 **duties, functions and powers conferred on the commission by the amendments to ORS**

1 475B.070, 475B.090, 475B.100 and 475B.105 by sections 1 to 4 of this 2019 Act.

2 SECTION 7. This 2019 Act being necessary for the immediate preservation of the public
3 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
4 on its passage.

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