

House Bill 3424

Sponsored by Representative WILSON

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**.

Exempts persons designated to produce marijuana by three or more registry identification cardholders from specified fee. Directs Department of Revenue to reimburse Oregon Health Authority for certain expenses incurred by authority.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to marijuana; creating new provisions; amending ORS 475B.760 and 475B.895; and pre-
3 scribing an effective date.

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

5 **SECTION 1.** ORS 475B.760 is amended to read:

6 475B.760. (1) All moneys received by the Department of Revenue under ORS 475B.700 to
7 475B.760 shall be deposited in the State Treasury and credited to a suspense account established
8 under ORS 293.445. The department may pay expenses for the administration and enforcement of
9 ORS 475B.700 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.
10 Amounts necessary to pay administrative and enforcement expenses are continuously appropriated
11 to the department from the suspense account.

12 **(2)(a) As used in this subsection, "registry identification cardholder" has the meaning**
13 **given that term in ORS 475B.791.**

14 **(b) The department shall reimburse the Oregon Health Authority from the moneys in the**
15 **suspense account described in subsection (1) of this section for any costs incurred by the**
16 **authority in carrying out ORS 475B.895 with respect to a person responsible for a marijuana**
17 **grow site under ORS 475B.810 who is a person designated to produce marijuana by three or**
18 **more registry identification cardholders.**

19 [(2)] **(3)** After the payment of administrative and enforcement expenses and refunds or credits
20 arising from erroneous overpayments, the department shall credit the balance of the moneys re-
21 ceived by the department under this section to the Oregon Marijuana Account established under
22 ORS 475B.759.

23 **SECTION 2.** ORS 475B.895, as amended by section 7, chapter 103, Oregon Laws 2018, is
24 amended to read:

25 475B.895. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Li-
26 quor Control Commission under which the commission shall use the system developed and main-
27 tained under ORS 475B.177 to track:

28 (a) The propagation of immature marijuana plants and the production of marijuana by marijuana
29 grow sites;

30 (b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates

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 and cannabinoid extracts that are transferred to a medical marijuana dispensary;

2 (c) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 3 cannabinoid concentrates and cannabinoid extracts by a marijuana grow site or a medical marijuana
 4 dispensary to a registry identification cardholder or the designated primary caregiver of a registry
 5 identification cardholder; and

6 (d) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 7 cannabinoid concentrates and cannabinoid extracts between marijuana grow sites, marijuana pro-
 8 cessing sites and medical marijuana dispensaries.

9 (2) Marijuana grow sites, marijuana processing sites, medical marijuana dispensaries and any
 10 other person that processes marijuana into medical cannabinoid products and cannabinoid concen-
 11 trates for the purpose of transferring the medical cannabinoid products and cannabinoid concen-
 12 trates to a medical marijuana dispensary are subject to tracking under this section.

13 (3) On and after the date on which a marijuana grow site becomes subject to tracking under this
 14 section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS
 15 475B.810 that relate to ORS 475B.816.

16 (4) On and after the date on which a marijuana processing site becomes subject to tracking
 17 under this section, the marijuana processing site is exempt from the requirements of ORS 475B.846
 18 and the provisions of ORS 475B.840 that relate to ORS 475B.846.

19 (5) On and after the date on which a medical marijuana dispensary becomes subject to tracking
 20 under this section, the medical marijuana dispensary is exempt from the requirements of ORS
 21 475B.867 and the provisions of ORS 475B.858 that relate to ORS 475B.867.

22 (6) The commission may conduct inspections and investigations of alleged violations of ORS
 23 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing the
 24 commission's duties under this section. Notwithstanding ORS 475B.299, the commission may use
 25 regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, in-
 26 cluding inspections and investigations of marijuana grow sites located at a primary residence.

27 (7)(a) When imposing a fee on a person responsible for a marijuana grow site, marijuana pro-
 28 cessing site or medical marijuana dispensary under ORS 475B.810, 475B.840 or 475B.858, the au-
 29 thority shall impose a fee that is reasonably calculated to pay costs incurred under this section. As
 30 part of the agreement entered into under subsection (1) of this section, the authority shall transfer
 31 fee moneys collected pursuant to this subsection to the commission for deposit in the Marijuana
 32 Control and Regulation Fund established under ORS 475B.296. Moneys collected pursuant to this
 33 subsection and deposited in the Marijuana Control and Regulation Fund are continuously appropri-
 34 ated to the commission for purposes of this section.

35 **(b) The authority may not impose the additional fee described in this subsection on a**
 36 **person responsible for a marijuana grow site registered under ORS 475B.810 if the person is**
 37 **designated to produce marijuana by three or more registry identification cardholders.**

38 (8) The authority and the commission may adopt rules as necessary to administer this section.

39 (9) This section does not apply to a marijuana grow site located at an address where:

40 (a) A registry identification cardholder produces marijuana and no more than 12 mature
 41 marijuana plants and 24 immature marijuana plants are produced; or

42 (b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and

43 (B) The address is used to produce marijuana for no more than two registry identification
 44 cardholders.

45 **SECTION 3.** ORS 475B.895, as amended by sections 7 and 7a, chapter 103, Oregon Laws 2018,

1 is amended to read:

2 475B.895. (1) The Oregon Health Authority shall enter into an agreement with the Oregon Li-
 3 quor Control Commission under which the commission shall use the system developed and main-
 4 tained under ORS 475B.177 to track:

5 (a) The propagation of immature marijuana plants and the production of marijuana by marijuana
 6 grow sites;

7 (b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates
 8 and cannabinoid extracts that are transferred to a medical marijuana dispensary;

9 (c) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 10 cannabinoid concentrates and cannabinoid extracts by a marijuana grow site or a medical marijuana
 11 dispensary to a registry identification cardholder or the designated primary caregiver of a registry
 12 identification cardholder; and

13 (d) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products,
 14 cannabinoid concentrates and cannabinoid extracts between marijuana grow sites, marijuana pro-
 15 cessing sites and medical marijuana dispensaries.

16 (2) Marijuana grow sites, marijuana processing sites, medical marijuana dispensaries and any
 17 other person that processes marijuana into medical cannabinoid products and cannabinoid concen-
 18 trates for the purpose of transferring the medical cannabinoid products and cannabinoid concen-
 19 trates to a medical marijuana dispensary are subject to tracking under this section.

20 (3) On and after the date on which a marijuana grow site becomes subject to tracking under this
 21 section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS
 22 475B.810 that relate to ORS 475B.816.

23 (4) On and after the date on which a marijuana processing site becomes subject to tracking
 24 under this section, the marijuana processing site is exempt from the requirements of ORS 475B.846
 25 and the provisions of ORS 475B.840 that relate to ORS 475B.846.

26 (5) On and after the date on which a medical marijuana dispensary becomes subject to tracking
 27 under this section, the medical marijuana dispensary is exempt from the requirements of ORS
 28 475B.867 and the provisions of ORS 475B.858 that relate to ORS 475B.867.

29 (6) The commission may conduct inspections and investigations of alleged violations of ORS
 30 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing the
 31 commission's duties under this section. Notwithstanding ORS 475B.299, the commission may use
 32 regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, in-
 33 cluding inspections and investigations of marijuana grow sites located at a primary residence.

34 (7) Notwithstanding ORS 475B.759, before making any other distribution from the Oregon
 35 Marijuana Account established under ORS 475B.759, the Department of Revenue shall first distrib-
 36 ute moneys quarterly from the account to the commission for deposit in the Marijuana Control and
 37 Regulation Fund established under ORS 475B.296 for purposes of paying administrative, inspection
 38 and investigatory costs incurred by the commission under this section, provided that the amount of
 39 distributed moneys does not exceed \$1.25 million per quarter. For purposes of estimating the amount
 40 of moneys necessary to pay costs incurred under this section, the commission shall establish a
 41 formulary based on expected costs for each marijuana grow site, marijuana processing site or med-
 42 ical marijuana dispensary that is tracked under this section. The commission shall provide to the
 43 Department of Revenue and the Legislative Fiscal Officer before each quarter the estimated amount
 44 of moneys necessary to pay costs expected to be incurred under this section and the formulary.

45 (8)(a) When imposing a fee on a person responsible for a marijuana grow site, marijuana pro-

1 censing site or medical marijuana dispensary under ORS 475B.810, 475B.840 or 475B.858, the au-
2 thority shall impose an additional fee that is reasonably calculated to pay costs incurred under this
3 section other than costs paid pursuant to subsection (7) of this section. As part of the agreement
4 entered into under subsection (1) of this section, the authority shall transfer fee moneys collected
5 pursuant to this subsection to the commission for deposit in the Marijuana Control and Regulation
6 Fund established under ORS 475B.296. Moneys collected pursuant to this subsection and deposited
7 in the Marijuana Control and Regulation Fund are continuously appropriated to the commission for
8 purposes of this section.

9 **(b) The authority may not impose the additional fee described in this subsection on a**
10 **person responsible for a marijuana grow site registered under ORS 475B.810 if the person is**
11 **designated to produce marijuana by three or more registry identification cardholders.**

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

13 (10) This section does not apply to a marijuana grow site located at an address where:

14 (a) A registry identification cardholder produces marijuana and no more than 12 mature
15 marijuana plants and 24 immature marijuana plants are produced; or

16 (b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and

17 (B) The address is used to produce marijuana for no more than two registry identification
18 cardholders.

19 **SECTION 4. The amendments to ORS 475B.760 and 475B.895 by sections 1 to 3 of this 2019**
20 **Act apply to registrations issued or renewed on or after January 1, 2020.**

21 **SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019**
22 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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