

**A-Engrossed**  
**House Bill 4035**

Ordered by the House February 14  
Including House Amendments dated February 14

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Economic Development for Representative John Lively)

**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.

Directs **Department of Revenue**, Oregon Health Authority, Oregon Liquor Control Commission, State Department of Agriculture and Governor's office **to consult with Oregon Cannabis Commission and other cannabis entities** to develop plan to address issues related to regulatory authority over marijuana. Requires plan to be submitted to interim committees of Legislative Assembly.

Sunset January 2, 2021.

**Directs Oregon Liquor Control Commission to adopt rules to develop compliance education programs for cannabis entities regulated by commission.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to regulatory authority over marijuana; and declaring an emergency.

3       Whereas the Oregon Cannabis Commission is tasked with determining a possible framework for  
4 the future governance of the Oregon Medical Marijuana Program; and

5       Whereas the commission identified as a barrier that current regulation of cannabis by multiple  
6 state agencies with different mandates causes confusion and task duplication and does not provide  
7 Oregon with centralized oversight of cannabis; and

8       Whereas the commission recommends that the Legislative Assembly, in coordination with the  
9 commission and other agencies, explore alternate forms of governance over cannabis, such as con-  
10 solidating governance under a single body, which will require a detailed examination of the costs  
11 and benefits of the restructuring of the programs and how to implement such a change; now, there-  
12 fore,

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

14       **SECTION 1. (1) The Department of Revenue, Oregon Health Authority, Oregon Liquor**  
15 **Control Commission, State Department of Agriculture and office of the Governor, in con-**  
16 **sultation with the Oregon Cannabis Commission and licensees and other cannabis entities**  
17 **regulated by the Oregon Liquor Control Commission, shall collaborate to develop a plan to**  
18 **address the administrative burden and cost of regulation of marijuana in this state. At a**  
19 **minimum, the plan must:**

20       **(a) Recommend the appropriate regulatory authority over the Oregon Medical Marijuana**  
21 **Program;**

22       **(b) Detail consolidation of administrative functions related to the regulation of**  
23 **marijuana;**

**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 (c) Determine methods to reduce administrative costs while ensuring the necessary  
2 funding for the continued maintenance and operation of any systems and programs related  
3 to marijuana;

4 (d) Ensure the efficacy of the Oregon Medical Marijuana Program;

5 (e) Establish a state marijuana reference laboratory;

6 (f) Support social equity as related to marijuana;

7 (g) Detail changes to state law that would be necessary if the plan is implemented;

8 (h) Assess the financial impact of the tracking system described in ORS 475B.177 on  
9 licensees as defined in ORS 475B.015 and the state and make recommendations to improve  
10 the tracking system and reduce the cost of tracking to cannabis businesses in Oregon; and

11 (i) Ensure the timely sharing of tax compliance data with cities, counties and the com-  
12 mission.

13 (2) The authority, departments, office of the Governor and Oregon Liquor Control Com-  
14 mission shall submit the plan to the interim committees of the Legislative Assembly related  
15 to economic development and marijuana not later than December 31, 2020.

16 SECTION 2. Section 1 of this 2020 Act is repealed on January 2, 2021.

17 SECTION 3. Section 4 of this 2020 Act is added to and made a part of ORS 475B.010 to  
18 475B.545.

19 SECTION 4. (1) The Oregon Liquor Control Commission shall adopt rules to develop  
20 compliance education programs for licensees and cannabis entities regulated by the com-  
21 mission. In adopting rules under this section, the commission shall consult with licensees  
22 and other interested parties.

23 (2) The rules adopted under this section must:

24 (a) Clarify that participation in a compliance education program is voluntary;

25 (b) Establish mitigation periods for certain violations, as determined by the commission,  
26 of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545; and

27 (c) Include that the commission may offer recommendations on the abatement of vio-  
28 lations described in paragraph (b) of this subsection prior to taking any action specified in  
29 ORS 475B.256.

30 (3) The commission may adopt other rules as necessary to carry out this section.

31 SECTION 5. (1) Section 4 of this 2020 Act becomes operative on January 1, 2021.

32 (2) The Oregon Liquor Control Commission may take any action before the operative date  
33 specified in subsection (1) of this section that is necessary to enable the commission to ex-  
34 ercise, on or after the operative date specified in subsection (1) of this section, all of the  
35 duties, functions and powers conferred on the commission by section 4 of this 2020 Act.

36 SECTION 6. This 2020 Act being necessary for the immediate preservation of the public  
37 peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect  
38 on its passage.

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