

House Bill 4088

Sponsored by Representative FAHEY; Representatives ALONSO LEON, HELM, HERNANDEZ, KENY-GUYER, LIVELY, MEEK, NOSSE, REARDON, WILLIAMS, WITT (Presession filed.)

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**.

Directs Oregon Liquor Control Commission to establish Cannabis Social Equity Program to provide discounted recreational marijuana licensure fees and other support to program participants. Becomes operative January 1, 2021. Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to a cannabis social equity program; and prescribing an effective date.

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

4 **SECTION 1. Section 2 of this 2020 Act is added to and made a part of ORS 475B.010 to**
5 **475B.545.**

6 **SECTION 2. (1) As used in this section, "program participant" means a marijuana entity**
7 **that meets the criteria for qualification set out in subsection (3) of this section.**

8 **(2) The Oregon Liquor Control Commission shall establish the Cannabis Social Equity**
9 **Program to provide:**

10 **(a) Discounted license and license renewal fees, as specified in subsection (4) of this**
11 **section, for a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105, to program partic-**
12 **ipants;**

13 **(b) Grants to community organizations that provide technical assistance to program**
14 **participants;**

15 **(c) Grants and low-interest loans to program participants for expenses related to the**
16 **program participant's marijuana entity; and**

17 **(d) Assistance regarding the setting aside of convictions related to marijuana.**

18 **(3) To qualify for the Cannabis Social Equity Program, an applicant must meet the cri-**
19 **teria set forth in paragraph (a), (b) or (c) of this subsection:**

20 **(a)(A) At least 25 percent of the applicant's marijuana entity is owned by individuals**
21 **convicted of a criminal offense, committed before July 1, 2015, related to the manufacture,**
22 **delivery or possession of marijuana; or**

23 **(B) At least 20 percent of staff hours of the applicant's marijuana entity are worked by**
24 **individuals convicted of a criminal offense, committed before July 1, 2015, related to the**
25 **manufacture, delivery or possession of marijuana.**

26 **(b) The applicant is a small business, meaning that:**

27 **(A) The applicant, and all related business entities, including any parent companies, as-**
28 **sociate companies, subsidiaries or affiliates, with an ownership of at least 10 percent in the**
29 **applicant, have a combined annual total income of less than \$750,000 in the most recent cal-**
30 **endar year; 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 **(B) The applicant or any individual or entity with 10 percent or greater ownership in the**
2 **applicant, including any parent companies, associate companies, subsidiaries or affiliates,**
3 **have not obtained more than two licenses related to marijuana in states other than Oregon.**

4 **(c)(A)(i) The applicant is a small business, as described in paragraph (b) of this sub-**
5 **section;**

6 **(ii) The applicant contracts with an ancillary industry vendor that is certified by the**
7 **Certification Office for Business Inclusion and Diversity under ORS 200.055 or that is a dis-**
8 **advantaged business enterprise, as defined in ORS 200.005; and**

9 **(iii) The applicant, and all related business entities, including any parent companies, as-**
10 **sociate companies, subsidiaries or affiliates, do not have any shared ownership with the**
11 **vendor described in this paragraph, or with parent companies, associate companies, subsid-**
12 **iaries or affiliates of the vendor; and**

13 **(B)(i) If the applicant is seeking initial licensure, the applicant paid the vendor described**
14 **in this paragraph at least \$30,000 in the most recent 24 months for expenses directly related**
15 **to the marijuana entity seeking the license.**

16 **(ii) If the applicant is seeking license renewal, the applicant paid the vendor described in**
17 **this paragraph at least \$30,000 during the most recent licensure period for expenses directly**
18 **related to the marijuana entity seeking the license renewal.**

19 **(4)(a) An applicant that meets at least one of the criteria described in subsection (3) of**
20 **this section shall receive a discount of 15 percent of the license or license renewal fee.**

21 **(b) An applicant that meets two or three of the criteria described in subsection (3) of this**
22 **section shall receive a discount of 25 percent of the license or license renewal fee.**

23 **(5) The commission shall adopt rules to carry out this section. In adopting rules, the**
24 **commission shall establish a process for the prioritization and expediting of applications for**
25 **licensure and licensure renewal submitted by program participants.**

26 **SECTION 3.** **(1) Section 2 of this 2020 Act becomes operative on January 1, 2021.**

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

31 **SECTION 4.** **There is appropriated to the Oregon Liquor Control Commission, for the**
32 **biennium ending June 30, 2021, out of the General Fund, the amount of \$_____ for the**
33 **purpose of carrying out the provisions of section 2 of this 2020 Act.**

34 **SECTION 5.** **This 2020 Act takes effect on the 91st day after the date on which the 2020**
35 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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