

**A-Engrossed**  
**House Bill 3112**

Ordered by the House May 24  
Including House Amendments dated May 24

Sponsored by Representatives RUIZ, FAHEY, BYNUM, MEEK, POWER, Senators FREDERICK, JAMA; Representatives ALONSO LEON, DEXTER, HELM, HUDSON, MARSH, PHAM, REYNOLDS

**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.

Establishes [*Cannabis Equity Board*] **Equity Investment and Accountability Board and Equity Investment and Accountability Office** within office of Governor to provide equity oversight of cannabis industry in this state. Requires board **and office** to annually report information about equity in Oregon cannabis industry to interim committee of Legislative Assembly related to cannabis. Establishes equity liaisons in Oregon Health Authority and Oregon Liquor Control Commission. Requires equity liaisons to report to board **and office** quarterly on specified information. Establishes Cannabis Equity Fund and continuously appropriates moneys in fund to board **and office** for specified purposes.

Directs commission to issue equity license to qualified applicant. **Directs commission, board and office to determine date on which equity licensee may transfer more than 49 percent ownership in licensed entity.**

Allows commission to issue cannabis on-premises consumption license, cannabis delivery license, shared processing license or shared processing facility license to applicant who meets qualification criteria for equity license. **Allows commission, after date established by commission but not before January 1, 2028, to issue cannabis on-premises consumption license and cannabis delivery license to applicant who does not meet qualification criteria for equity license.** Allows commission, after January 1, 2032, to issue [*cannabis on-premises consumption license, cannabis delivery license,*] shared processing license or shared processing facility license to applicant who does not meet qualification criteria for equity license.

Directs office of public defense services to compile list of certain offenses that involve lawful marijuana activity for purposes of setting aside records of conviction, arrest or charge. Requires office to submit report with list of offenses **and recommendations to improve processes** to Judicial Department, [*Cannabis Equity Board*] **Equity Investment and Accountability Board, Equity Investment and Accountability Office** and interim committees of Legislative Assembly related to judiciary.

Directs Judicial Department [*and*], Department of State Police, **municipal and justice courts and district attorneys in this state** to provide information to office of public defense services concerning persons who may be eligible to have set aside conviction, arrest or charge for marijuana offense. Modifies procedures for setting aside certain marijuana convictions, arrests and charges. Authorizes office of public defense services to file motions for setting aside certain marijuana convictions, arrests and charges. **Authorizes office to contract with independent attorney to assist office for specified purposes.**

Limits imposition of supervision conditions related to use of marijuana. Provides that marijuana use may not be basis of parole, probation or post-prison supervision violation except in certain circumstances. [*Requires entities that maintain records of parole, probation or post-prison supervision violations to review and expunge any records of violations based on specified conduct not later than December 31, 2024.*]

Requires allocation of moneys in Criminal Fine Account to Cannabis Equity Fund. Requires distribution of moneys from Oregon Marijuana Account to Cannabis Equity Fund. Specifies manner in which authority shall use moneys transferred to authority.

Provides that authority may not charge fee greater than \$20 for registry identification card for individual who served in Armed Forces of United States or who receives certain public assistance or \$60 for any other individual.

Becomes operative on August 22, 2022.

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1

2 Relating to cannabis equity; creating new provisions; amending ORS 137.300, 137.542, 144.086,

**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 475B.015, 475B.025, 475B.040, 475B.063, 475B.119, 475B.206, 475B.220, 475B.227, 475B.266,  
2 475B.301, 475B.381, 475B.401, 475B.486, 475B.575, 475B.635, 475B.645, 475B.759, 475B.760,  
3 475B.766, 475B.769, 475B.797, 475B.831 and 475B.968 and section 16, chapter 103, Oregon Laws  
4 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)); and prescribing  
5 an effective date.

6 Whereas two studies conducted by the American Civil Liberties Union found that Black  
7 Oregonians were about twice as likely to be arrested for cannabis as compared to White Oregonians,  
8 despite nearly identical rates of use; and

9 Whereas a 2013 American Civil Liberties Union study found that the cannabis arrest rate was  
10 3.3 times higher for individuals who are Black than individuals who are White in Multnomah  
11 County, 2.8 times higher in Washington County, 3.5 times higher in Lane County and 2.8 times  
12 higher in Marion County; and

13 Whereas the Oregon Criminal Justice Commission found that African Americans and Native  
14 Americans in Oregon are overrepresented as compared to individuals who are White for convictions  
15 of felony possession of controlled substances; and

16 Whereas Oregon's prison population, both historically and presently, shows an overrepresenta-  
17 tion of Oregon's minority groups; and

18 Whereas in 2013, simple cannabis possession was the fourth most common cause of deportation  
19 for any offense and the most common cause of deportation for drug law violations; and

20 Whereas fewer than 200 cannabis-related expungements have been processed since section 2,  
21 chapter 459, Oregon Laws 2019 (Senate Bill 420 (2019)) was enrolled, although there are over 28,000  
22 records with eligible cannabis crimes; and

23 Whereas the term "marijuana" was adopted historically to underscore the drug's  
24 "Mexican-ness" to incite anti-immigrant sentiments, which found its way into Oregon through early  
25 20th century newspapers with articles titled, "Crazed Mexican Kills One and Wounds Two," "Evil  
26 Mexican Plant that Drives You Insane" and "Texas Menaced by New "Dope" Weed"; and

27 Whereas 2019 cannabis sales in Oregon reached \$725.8 million, not including medical cannabis  
28 sales; and

29 Whereas cannabis website Leafly's fourth annual national report estimated that there were  
30 18,274 jobs in the legal marijuana industry in Oregon as of January 2020; and

31 Whereas the vast majority of marijuana businesses are self-funded, with 84 percent of businesses  
32 utilizing the founder's savings to launch the business while only one percent of businesses were able  
33 to secure a bank or state agency loan; and

34 Whereas very few minority-owned businesses can afford the average start-up costs to open a  
35 plant-touching cannabis business, which the Oregon Cannabis Association estimates at \$400,000 in  
36 start-up capital; and

37 Whereas a 2017 snapshot of the cannabis industry showed that less than three percent of  
38 plant-touching cannabis businesses were Black-owned and less than six percent were Hispanic- or  
39 Latinx-owned; and

40 Whereas for those individuals who were formerly incarcerated, a recent analysis by the Prison  
41 Policy Initiative shows that more than 27 percent are unemployed, which is a higher rate than the  
42 overall unemployment rate during the Great Depression; and

43 Whereas according to John Jay College of Criminal Justice, ex-offenders owe as much as 60  
44 percent of their income to criminal debts; and

45 Whereas according to Pew Charitable Trusts, serving time in prison reduces a person's annual

1 earnings by 40 percent; and

2 Whereas according to Pew Charitable Trusts, by 48 years of age, the typical former inmate will  
3 have earned \$179,000 less than if they had never been incarcerated; and

4 Whereas according to Pew Charitable Trusts, incarceration depresses the total earnings of  
5 White males by two percent, Hispanic males by six percent and Black males by nine percent; and

6 Whereas according to Pew Charitable Trusts, the average family income over the years during  
7 which the father is incarcerated is 22 percent lower than the family income was in the year before  
8 the father was incarcerated, and even in the year after the father is released from incarceration, the  
9 family income remains 15 percent lower than in the year before incarceration; and

10 Whereas the homeownership rate for White Oregonians is 65 percent, 36.5 percent for African  
11 American Oregonians, 48.4 percent for Native American Oregonians and 45.9 percent for Latinx  
12 Oregonians; and

13 Whereas a 2015 Portland Housing Bureau report revealed approximately 68.8 percent of Black  
14 renters and 42.9 percent of Black homeowners are cost-burdened and spend over 30 percent of their  
15 income on rent or housing costs; and

16 Whereas programs to support small business were not designed with the Black community in  
17 mind, as evident through the mechanisms and outcomes from the CARES Act (2020) Paycheck Pro-  
18 tection Program in which only 51 percent of Black-owned small businesses applied for less than  
19 \$20,000 in temporary funding from the federal government and only one in 10, or 12 percent, re-  
20 ceived the assistance that they requested; and

21 Whereas only 13.1 percent of White Oregonians live in poverty but 28.7 percent of Black  
22 Oregonians live in poverty, 22.3 percent of Hispanic Oregonians live in poverty and 24.4 percent of  
23 Native American Oregonians live in poverty; and

24 Whereas according to Prosperity Now, White households in the middle-income quintile, or those  
25 earning between \$37,201 and \$61,328 annually, own nearly eight times as much wealth, or \$86,100,  
26 as middle-income Black earners who earn \$11,000 and 10 times as much wealth as middle-income  
27 Latinx earners who earn \$8,600; and

28 Whereas according to Prosperity Now, if the number of people of color-owned firms were pro-  
29 portional to the distribution of people of color in the labor force, people of color would own 1.1  
30 million more businesses with employees and would add about nine million jobs and about \$300  
31 million in workers' income to the United States economy; and

32 Whereas in Oregon, the number of United States Small Business Administration loans to  
33 Black-owned businesses dropped by more than 90 percent in 2008 to five loans and has remained in  
34 the single digits every year since, and in 2017 the United States Small Business Administration  
35 backed only three loans to Black-owned businesses in Oregon; and

36 Whereas according to McKinsey & Company, companies in the top quartile for ethnic and cul-  
37 tural diversity on their executive teams were 33 percent more likely to have above-average profit-  
38 ability than companies in the fourth quartile, and companies with the most ethnically and culturally  
39 diverse boards worldwide are 43 percent more likely to experience higher profits; and

40 Whereas a 2020 study completed by Citi Global Perspectives and Solutions found that if the ra-  
41 cial wealth gap were closed 20 years ago, \$16 trillion could have been added to the United States  
42 economy and if the gap were closed today, \$5 trillion could be added over the next five years; and

43 Whereas cannabis equity programs in other states and municipalities using the race neutral  
44 qualification standards have failed to create equitable market participation and leverage the benefits  
45 of diversity; now, therefore,

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

2  
3 **EQUITY INVESTMENT AND ACCOUNTABILITY BOARD**  
4

5 **SECTION 1.** (1)(a) The Equity Investment and Accountability Board is established as a  
6 separate office within the office of the Governor to provide equity oversight within Oregon's  
7 cannabis industry.

8 (b) The board shall consist of at least 13 members appointed by the Governor from the  
9 following stakeholder groups:

10 (A) Equity operators;

11 (B) Registry identification cardholder representatives;

12 (C) Licensed health care provider representatives;

13 (D) Public health representatives;

14 (E) Cannabis producers, processors and retailers;

15 (F) Local equity experts and leaders;

16 (G) Representatives from community-based organizations that support individuals who  
17 are American Indian, Alaska Native, Black, Hispanic or Latinx; and

18 (H) One representative each from the Commission on Hispanic Affairs, the Commission  
19 on Black Affairs, the Commission for Women, the Commission on Asian and Pacific Islander  
20 Affairs and the Commission on Indian Services.

21 (c) In appointing the members of the board, the Governor shall strive to ensure that at  
22 least half of the members appointed are from communities described in paragraph (b)(G) of  
23 this subsection and that the members are from all geographical regions of this state.

24 (2) The members appointed under this section:

25 (a) Must have knowledge of the cannabis industry in this state and be culturally compe-  
26 tent.

27 (b) May not hold any other public office, except that a member may hold a voluntary  
28 public position or be a notary public as defined in ORS 194.215.

29 (3) The term of office of each member of the board is four years. A member shall hold  
30 office until a successor has been appointed and qualified. Before the expiration of the term  
31 of a member, the Governor shall appoint a successor whose term begins on September 1 next  
32 following. A member is eligible for reappointment. If there is a vacancy for any cause, the  
33 Governor shall make an appointment to become immediately effective for the unexpired  
34 term.

35 (4) The appointment of each member of the board is subject to confirmation by the Sen-  
36 ate in the manner prescribed in ORS 171.562 and 171.565.

37 (5) The board shall be overseen by a chairperson appointed by the Governor.

38 (6) A majority of the members constitutes a quorum for the transaction of business.

39 (7)(a) The Governor may remove a member who no longer meets the requirements of this  
40 section or for any other cause deemed sufficient by the Governor.

41 (b) Before a removal under this subsection, the Governor shall provide the member a  
42 copy of the charges and shall fix a time when the member can be heard. The time must be  
43 at least 10 days after the charges are provided to the member. The hearing must be open to  
44 the public.

45 (c) If the member is removed, the Governor shall file in the office of the Secretary of

1 State a complete statement of all charges made against the member, and the findings on  
2 those charged with a record of the proceedings.

3 (d) The Governor's power of removal under this subsection is absolute and there is no  
4 right of review of the power of removal in any court.

5 **SECTION 1a.** (1) The Equity Investment and Accountability Office is established within  
6 the Office of the Governor. The office shall consist of two full-time staff members, including  
7 a director appointed by the Governor. The director shall, with the approval of the Equity  
8 Investment and Accountability Board, select a staff member.

9 (2) The director of the office:

10 (a) Must have knowledge of the cannabis industry in this state and be culturally compe-  
11 tent.

12 (b) May not:

13 (A) Hold any other public office, except that the director may hold a voluntary public  
14 position or be a notary public as defined in ORS 192.215.

15 (B) Have any financial or property interest in a premises where cannabis is sold, or be  
16 a spouse or minor child of an individual who has a financial or property interest described  
17 in this paragraph.

18 (C) Have any financial or property interest in an entity that is partially or wholly dedi-  
19 cated to the cultivation, manufacture, distribution, sale, transportation or storage of  
20 cannabis.

21 (D) Own stock in a corporation that has any interest in a premises where cannabis is  
22 cultivated, manufactured, distributed, sold, transported or stored.

23 (E) Receive a commission or other profit from an individual who applies for a cannabis  
24 equity license under section 16 of this 2021 Act.

25 (3) The director may select administrative staff as necessary for the operation of the  
26 office.

27 (4) The office shall partner with the board in carrying out the duties, functions and  
28 powers of the board.

29 **SECTION 2.** (1) The Equity Investment and Accountability Board, in partnership with the  
30 Equity Investment and Accountability Office, shall:

31 (a) Oversee, measure and report on cannabis equity outcomes.

32 (b) Oversee the funding allocations under ORS 137.300 and 475B.760.

33 (c) Establish a mechanism to track the funding allocations described in paragraph (b) of  
34 this subsection.

35 (d) Partner with any offices in each city and county charged with equity oversight to  
36 monitor, measure and report equity indicators related to cannabis.

37 (e) Consult, at least twice per year, with state and local agencies that receive allocations  
38 under section 7 of this 2021 Act regarding the agencies' use of allocated funds.

39 (f) Audit applications for licenses issued under section 16 of this 2021 Act, verify infor-  
40 mation related to the applicant's residency and previous convictions and whether the appli-  
41 cant is an individual.

42 (g) Establish guidelines for social equity plans submitted to the Oregon Liquor Control  
43 Commission and review the plans for the purpose of making necessary revisions to the  
44 guidelines.

45 (2) The board, in partnership with the office, may contract with a third party to carry

1 out the duties described in subsection (1)(f) of this section.

2 (3) The board may adopt rules as necessary to carry out this section.

3 **SECTION 3.** (1) The Equity Investment and Accountability Board, in partnership with the  
4 Equity Investment and Accountability Office, and in conjunction with the equity liaisons of  
5 the Oregon Health Authority and the Oregon Liquor Control Commission, shall annually re-  
6 view and report on key performance indicators of equity and any additional indicators as  
7 determined necessary by the board and the office. The report must include a review of the  
8 qualification criteria described in section 16 (1)(b) of this 2021 Act to ensure that holders of  
9 licenses issued under section 16 of this 2021 Act represent communities most negatively im-  
10 pacted by cannabis prohibition initiatives and that the Oregon cannabis industry is contin-  
11 uously becoming more racially inclusive. The report described in this section must include:

12 (a) Information regarding the cannabis equity licenses issued under section 16 of this 2021  
13 Act.

14 (b) Regulatory recommendations to the authority and the commission to improve equity  
15 outcomes.

16 (c) The information reported to the board by the commission under section 4 of this 2021  
17 Act.

18 (d) The information reported to the board by the authority under section 5 of this 2021  
19 Act.

20 (2) The report may include additional data reporting or other requirements as the board  
21 and the office determine necessary.

22 (3) The board shall annually submit, in the manner provided in ORS 192.245, the report  
23 described in this section to an interim committee of the Legislative Assembly related to  
24 cannabis on a date established by the board by rule.

25 **SECTION 4.** (1) The equity liaison of the Oregon Liquor Control Commission shall report  
26 quarterly to the Equity Investment and Accountability Board and the Equity Investment and  
27 Accountability Office on the following:

28 (a) Demographics for all licensees, as defined in ORS 475B.015;

29 (b) Demographics for all applicants for licenses issued under ORS 475B.070, 475B.090,  
30 475B.100 and 475B.105;

31 (c) The number of applications submitted for cannabis equity licenses under section 16  
32 of this 2021 Act;

33 (d) The number of cannabis equity licenses issued under section 16 of this 2021 Act;

34 (e) The average time in which the commission approves or rejects an application for a  
35 cannabis equity license under section 16 of this 2021 Act;

36 (f) The average time in which the commission approves or rejects an application for li-  
37 censes issued under ORS 475B.070, 475B.090, 475B.100 and 475B.105 and sections 22, 27, 32 and  
38 34 of this 2021 Act;

39 (g) The number and types of disciplinary actions imposed on licensees and, detailed by  
40 license type, the number of licenses revoked by the commission; and

41 (h) Any other information required by the board by rule.

42 (2)(a) The board may adopt rules to carry out this section.

43 (b) The commission, with the advice of the equity liaison of the commission, may adopt  
44 rules to carry out this section.

45 **SECTION 5.** (1) The equity liaison of the Oregon Health Authority shall report quarterly

1 to the Equity Investment and Accountability Board and the Equity Investment and Ac-  
2 countability Office on the following:

3 (a) Demographics for registry identification cardholders, as defined in ORS 475B.791;

4 (b) Demographics for all individuals who hold registrations issued under ORS 475B.810,  
5 475B.840 and 475B.858;

6 (c) Information regarding services that are funded, directly or indirectly, by the author-  
7 ity and that provide educational, mental health or drug abuse and addiction support to indi-  
8 viduals who are American Indian, Alaska Native, Black, Hispanic or Latinx; and

9 (d) Any other information required by the board by rule.

10 (2)(a) The board may adopt rules to carry out this section.

11 (b) The authority, with the advice of the equity liaison of the authority, may adopt rules  
12 to carry out this section.

13 **SECTION 6.** (1) The Equity Investment and Accountability Board, in partnership with the  
14 Equity Investment and Accountability Office, may, with the approval of the Governor, ap-  
15 point any directors, deputies, assistants, investigators or other employees as the board de-  
16 termines necessary to carry out the duties of the board and the office.

17 (2) In appointing and employing or contracting with individuals under this section, the  
18 board may not exceed the limit on administrative costs established by the board.

19 (3) The Department of Justice shall provide any legal services requested by the board or  
20 the office to assist the board and the office in carrying out the duties of the board and the  
21 office.

22 **SECTION 7.** (1) The Equity Investment and Accountability Board, in partnership with the  
23 Equity Investment and Accountability Office shall allocate moneys from the Cannabis Equity  
24 Fund established under section 9 of this 2021 Act:

25 (a) To culturally competent community programs and partners that support landowner-  
26 ship, homeownership and income building through jobs, education, high-quality child care and  
27 entrepreneurship with priority placed on supporting individuals who are American Indian,  
28 Alaska Native, Black, Hispanic or Latinx.

29 (b) To courts, the Department of State Police, the Judicial Department and the office of  
30 public defense services, as defined in ORS 151.211, to cover costs incurred under ORS  
31 475B.401.

32 (c) To programs that support cannabis businesses owned by individuals who are Ameri-  
33 can Indian, Alaska Native, Black, Hispanic or Latinx with a variety of funding options and  
34 technical assistance and that prioritize funding for holders of licenses issued under section  
35 16 of this 2021 Act to address funding gaps for individuals who are American Indian, Alaska  
36 Native, Black, Hispanic or Latinx. A program must be culturally competent and demonstrate  
37 past success in assisting individuals who are American Indian, Alaska Native, Black,  
38 Hispanic or Latinx with funding the launching and scaling of businesses.

39 (d) For funding equity liaison positions within the Oregon Health Authority and the  
40 Oregon Liquor Control Commission to measure and report on issues related to equity at the  
41 authority and the commission.

42 (e) For other purposes as the board and the office determine appropriate.

43 (2) The board and the office may:

44 (a) Specify the manner in which a recipient of moneys from the fund spends the moneys;

45 (b) Require a recipient of moneys from the fund to report to the board on data regarding

1 the moneys as determined by the board; and

2 (c) Review and revise the manner in which moneys transferred from the fund to the au-  
3 thority are spent.

4 (3) The board may adopt rules to carry out this section.

5 **SECTION 8.** (1) The Equity Investment and Accountability Board may, with the approval  
6 of the Governor, investigate:

7 (a) A failure to report to the board under section 4 or 5 of this 2021 Act;

8 (b) Misuse of moneys from the Cannabis Equity Fund by a recipient of the moneys; and

9 (c) Complaints regarding the issuance of equity licenses under section 16 of this 2021 Act.

10 (2) The board, in partnership with the Equity Investment and Accountability Office, may  
11 contract with a third party to carry out an investigation described in subsection (1) of this  
12 section.

13 (3) In the manner prescribed in ORS chapter 183 for contested cases, the board may im-  
14 pose a form of discipline approved by the Governor, including but not limited to revoking the  
15 transfer of moneys from the fund.

16 **SECTION 9.** The Cannabis Equity Fund is established separate and distinct from the  
17 General Fund. Interest earned by the Cannabis Equity Fund shall be credited to the fund.  
18 The Cannabis Equity Fund consists of moneys deposited into the fund under ORS 137.300 and  
19 475B.760 and may include moneys appropriated, allocated, deposited or transferred to the  
20 fund by the Legislative Assembly or otherwise and interest earned on the moneys in the  
21 fund. The moneys in the fund are continuously appropriated to the Equity Investment and  
22 Accountability Board and the Equity Investment and Accountability Office for:

23 (1) Providing operating funds to the board and the office, including the payment of com-  
24 pensation to staff of the office, not to exceed 10 percent of the moneys in the fund on July  
25 1 of each year; and

26 (2) The purposes described in section 7 of this 2021 Act.

27 **SECTION 10.** (1) The Oregon Liquor Control Commission shall require that commission  
28 directors and staff who are involved with the commission's regulation of marijuana complete  
29 equity training at least once every six months.

30 (2) The commission, with the advice of the equity liaison of the commission and in con-  
31 sultation with the Equity Investment and Accountability Board and the Equity Investment  
32 and Accountability Office, shall adopt rules to carry out this section.

33 **SECTION 10a.** (1) The Oregon Health Authority shall require that authority directors and  
34 staff who are involved with the authority's regulation of marijuana complete equity training  
35 at least once every six months.

36 (2) The authority, with the advice of the equity liaison of the authority and in consulta-  
37 tion with the Equity Investment and Accountability Board and the Equity Investment and  
38 Accountability Office, shall adopt rules to carry out this section.

39 **SECTION 11.** ORS 475B.040 is amended to read:

40 475B.040. (1) An applicant for a license or renewal of a license issued under ORS 475B.010 to  
41 475B.545 shall apply to the Oregon Liquor Control Commission in the form required by the com-  
42 mission by rule, showing the name and address of the applicant, location of the premises that is to  
43 be operated under the license and other pertinent information required by the commission. The  
44 commission may not issue or renew a license until the applicant has complied with the provisions  
45 of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.



1       **(2)(a) An applicant for a license or renewal of a license issued under ORS 475B.010 to**  
2 **475B.545 shall submit with the application a social equity plan that meets the requirements**  
3 **established by the commission, in consultation with the equity liaison of the commission, by**  
4 **rule.**

5       **(b) In adopting rules under this subsection, the commission shall adopt by reference rules**  
6 **adopted by the Equity Investment and Accountability Board establishing guidelines for social**  
7 **equity plans.**

8       [(2)] (3) The commission may reject any application that is not submitted in the form required  
9 by the commission by rule. The commission shall give applicants an opportunity to be heard if an  
10 application is rejected. A hearing under this subsection is not subject to the requirements for con-  
11 tested case proceedings under ORS chapter 183.

12       [(3)] (4) Except as provided in subsection [(2)] (3) of this section, a revocation of, or a refusal  
13 to issue or renew, a license issued under ORS 475B.010 to 475B.545 is subject to the requirements  
14 for contested case proceedings under ORS chapter 183.

15       **SECTION 12. (1) Notwithstanding the term of office specified in section 1 of this 2021 Act,**  
16 **of the members first appointed to the Equity Investment and Accountability Board:**

17       **(a) Three shall serve for a term ending on December 31, 2022.**

18       **(b) Three shall serve for a term ending on December 31, 2023.**

19       **(c) Three shall serve for a term ending on December 31, 2024.**

20       **(d) Four shall serve for a term ending on December 31, 2025.**

21       **(2) The members described in subsection (1) of this section shall be appointed by the**  
22 **Governor from among applicants for the membership positions.**

23       **SECTION 13. (1)(a) Not later than August 21, 2022, the Oregon Health Authority shall**  
24 **determine:**

25       **(A) Demographics for registry identification cardholders, as defined in ORS 475B.791;**

26       **(B) Demographics for all individuals who hold registrations issued under ORS 475B.810,**  
27 **475B.840 and 475B.858; and**

28       **(C) Information regarding services that are funded, directly or indirectly, by the au-**  
29 **thority and that provide educational, mental health or drug abuse and addiction support to**  
30 **individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx.**

31       **(b) Not later than August 31, 2022, the authority shall submit to the Equity Investment**  
32 **and Accountability Board and the Equity Investment and Accountability Office the informa-**  
33 **tion described in this subsection.**

34       **(2)(a) Not later than August 21, 2022, the Oregon Liquor Control Commission shall de-**  
35 **termine:**

36       **(A) Demographics for all licensees, as defined in ORS 475B.015;**

37       **(B) Demographics for all applicants for licenses issued under ORS 475B.070, 475B.090,**  
38 **475B.100 and 475B.105; and**

39       **(C) The average time in which the commission approves or rejects an application for li-**  
40 **censes issued under ORS 475B.070, 475B.090, 475B.100 and 475B.105.**

41       **(b) Not later than August 31, 2022, the commission shall submit to the board the infor-**  
42 **mation described in this subsection.**

43       **SECTION 13a. (1) The Oregon Health Authority shall dedicate at least two full-time em-**  
44 **ployees to taking any actions before the operative date specified in section 14 of this 2021**  
45 **Act that is necessary to enable the authority to exercise the duties, functions and powers**

1 conferred on the authority by sections 1 to 10 and 13 of this 2021 Act.

2 (2) The Oregon Liquor Control Commission shall dedicate at least two full-time employees  
3 to taking any actions before the operative date specified in section 14 of this 2021 Act that  
4 is necessary to enable the commission to exercise the duties, functions and powers conferred  
5 on the commission by sections 1 to 10 and 13 of this 2021 Act.

6 **SECTION 13b.** Sections 13 and 13a of this 2021 Act are repealed on September 1, 2022.

7 **SECTION 13c.** Each year until January 1, 2032, the greater of \$5,000,000 or 25 percent of  
8 the funds allocated under section 7 (1)(a) and (c) of this 2021 Act must be used by the re-  
9 cipients of the funds for the support of cannabis businesses licensed to individuals who meet  
10 the requirements of section 16 of this 2021 Act.

11 **SECTION 14.** (1) Sections 1 to 10 of this 2021 Act and the amendments to ORS 475B.040  
12 by section 11 of this 2021 Act become operative on August 22, 2022.

13 (2) The Governor, the Oregon Health Authority and the Oregon Liquor Control Commis-  
14 sion may take any action before the operative date specified in subsection (1) of this section  
15 that is necessary to enable the Governor, the authority and the commission to exercise, on  
16 and after the operative date specified in subsection (1) of this section, all of the duties,  
17 functions and powers conferred on the Governor, the authority and the commission by  
18 sections 1 to 10 of this 2021 Act and the amendments to ORS 475B.040 by section 11 of this  
19 2021 Act.

20  
21 **CANNABIS EQUITY LICENSE**

22  
23 **SECTION 15.** Sections 16 to 18 of this 2021 Act are added to and made a part of ORS  
24 475B.010 to 475B.545.

25 **SECTION 16.** (1) The Oregon Liquor Control Commission shall issue an equity license to  
26 an applicant who:

27 (a) Applies for issuance or renewal of a license under ORS 475B.070, 475B.090, 475B.100  
28 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act or is a licensee;

29 (b) Can demonstrate that the entity on behalf of which the applicant applies is at least  
30 51 percent owned by one or more individuals who:

31 (A) Have been convicted of a marijuana-related crime in any state, each have a household  
32 income that does not exceed the area median income for the individual's county of residence,  
33 as adjusted for household size as determined by the Oregon Housing Stability Council based  
34 on information from the United States Department of Housing and Urban Development, and  
35 who are residents of this state; or

36 (B) Are American Indian, Alaska Native, Black, Hispanic or Latinx, or are members of  
37 another minority group that, through empirical evidence that is subject to review by the  
38 Equity Investment and Accountability Board and the Equity Investment and Accountability  
39 Office, shows historically disproportionate community impact, disruption and collateral con-  
40 sequences from enforcement of drug-related laws at a similar level to the adverse effects  
41 experienced by members of the American Indian, Alaska Native, Black, Hispanic or Latinx  
42 communities; and

43 (c)(A) If the applicant is an individual who is Black, Hispanic or Latinx, submits a dec-  
44 laration under penalty of perjury that the information contained in the application is true  
45 and accurate.

1 (B) If the applicant is an individual who is American Indian or Alaska Native, provides  
2 verifiable documentation of enrollment in a state or federally recognized tribe or that the  
3 individual is a descendant of a parent or grandparent enrolled in a state or federally recog-  
4 nized tribe.

5 (2) The commission shall begin processing an application for a license under this section  
6 not more than 30 days after the date on which the application was submitted.

7 (3) The commission shall issue a provisional license under this section to an applicant  
8 who meets the requirements of subsection (1) of this section prior to the applicant obtaining  
9 a land use compatibility statement under ORS 475B.063. A provisional license may not be  
10 renewed.

11 (4) An application for an equity license under this section is not subject to any rules of  
12 the commission that require the applicant to complete an application process within a spec-  
13 ified timeframe.

14 (5) The commission may suspend or revoke a license issued under this section if the  
15 commission determines that the licensee does not meet the requirements of subsection (1)(b)  
16 of this section or submitted a false declaration under subsection (1)(c) of this section.

17 (6)(a) Except as provided in paragraph (b) of this subsection, the holder of an equity li-  
18 cense may transfer not more than 49 percent of the ownership of the licensed entity until  
19 the date established by the commission, the board and the office pursuant to section 16a of  
20 this 2021 Act.

21 (b) The holder of an equity license may transfer more than 49 percent ownership to an-  
22 other individual who meets the requirements of subsection (1) of this section, subject to  
23 rules adopted by the commission.

24 (c) The commission, in consultation with the board and the office, shall adopt rules to  
25 define ownership for purposes of this section. The rules adopted under this paragraph must  
26 ensure that an individual licensed under this section has the right to own, control and fi-  
27 nancially benefit from the entity licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.105  
28 or section 22, 27, 32 or 34 of this 2021 Act through reasonable voting rights or net profits.

29 (7) The commission may not charge the holder of an equity license who applies for a li-  
30 cense or renewal of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 or section  
31 22, 27, 32 or 34 of this 2021 Act a fee in an amount greater than 40 percent of the fee other-  
32 wise established for issuance or renewal of that license.

33 (8) The commission, with the advice of the equity liaison of the commission, may adopt  
34 rules to carry out this section.

35 SECTION 16a. (1) Subject to subsection (2) of this section, the date on which the holder  
36 of a license issued under section 16 of this 2021 Act may transfer more than 49 percent  
37 ownership of the licensed entity is January 1, 2028.

38 (2) Not later than December 31, 2027, the Oregon Liquor Control Commission, jointly with  
39 the Equity Investment and Accountability Board and Equity Investment and Accountability  
40 Office, shall review the issuance of licenses under section 16 of this 2021 Act and, based on  
41 the review, may provide by rule of the commission that the holder of a license issued under  
42 section 16 of this 2021 Act may transfer not more than 49 percent ownership of the licensed  
43 entity until January 1, 2032.

44 SECTION 17. (1) The Oregon Liquor Control Commission shall provide support to appli-  
45 cants for the equity license under section 16 of this 2021 Act during the application process

1 and provide ongoing support to holders of the equity license.

2 (2) The commission may identify and contract with third-party partners to provide cul-  
3 turally competent technical assistance and support under this section, including but not  
4 limited to colloquial language translation of forms and documents and interpretation or  
5 translation services for interactions between a licensee or applicant for licensure and a rep-  
6 resentative of the commission.

7 (3) The commission may request that the Equity Investment and Accountability Board,  
8 in partnership with the Equity Investment and Accountability Office, provide moneys from  
9 the Cannabis Equity Fund for the purposes described in this section.

10 (4) The commission, with the advice of the equity liaison of the commission, may adopt  
11 rules to carry out this section.

12 **SECTION 18.** The Oregon Liquor Control Commission shall make publicly available de-  
13 mographic information of licensees and employee licensees. The commission shall ensure  
14 that the information made available is anonymized.

15 **SECTION 19.** (1) Prior to the operative date specified in section 20 of this 2021 Act, the  
16 Oregon Liquor Control Commission shall ensure adequate staffing to carry out the  
17 commission's duties under sections 16 to 18 of this 2021 Act.

18 (2) The holder of a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 may,  
19 prior to the operative date specified in section 20 of this 2021 Act, notify the commission in  
20 a manner established by the commission that the licensee meets the requirements of section  
21 16 (1)(b) of this 2021 Act for an equity license and intends to apply for the equity license  
22 under section 16 of this 2021 Act.

23 **SECTION 20.** (1) Sections 16 to 18 of this 2021 Act become operative on March 1, 2022.

24 (2) The Oregon Liquor Control Commission may take any action before the operative date  
25 specified in subsection (1) of this section that is necessary to enable the commission to ex-  
26 ercise, on and after the operative date specified in subsection (1) of this section, all of the  
27 duties, functions and powers conferred on the commission by sections 16 to 18 of this 2021  
28 Act.

29  
30 **CANNABIS ON-PREMISES CONSUMPTION LICENSE**

31  
32 **SECTION 21.** Sections 22 and 23 of this 2021 Act are added to and made a part of ORS  
33 475B.010 to 475B.545.

34 **SECTION 22.** (1) The consumption and sale of marijuana items at a cannabis on-premises  
35 consumption site is subject to regulation by the Oregon Liquor Control Commission.

36 (2)(a) An applicant for a cannabis on-premises consumption license under this section  
37 must:

- 38 (A) Apply for the license in the manner described in ORS 475B.040;
- 39 (B) Provide proof that the applicant is 21 years of age or older; and
- 40 (C) Meet the requirements of section 16 (1)(b) of this 2021 Act.

41 (b) The premises at which an applicant intends to operate a cannabis on-premises con-  
42 sumption site may not be located:

- 43 (A) In an area that is zoned exclusively for residential use; or
- 44 (B) Within 1,000 feet of:

- 45 (i) A public elementary or secondary school for which attendance is compulsory under

1 **ORS 339.020; or**

2 **(ii) A private or parochial elementary or secondary school, teaching children as described**  
3 **in ORS 339.030 (1)(a).**

4 **(c) An applicant for a cannabis on-premises consumption license under this section and**  
5 **the premises at which the cannabis on-premises consumption site is to be located must meet**  
6 **the requirements of any rule adopted by the commission under subsection (3) of this section.**

7 **(3) The commission shall adopt rules that:**

8 **(a) Require a person that holds a license issued under this section to renew the license**  
9 **annually;**

10 **(b) Establish application, licensure and renewal of licensure fees for a license issued un-**  
11 **der this section;**

12 **(c) Allow the colocation of a cannabis on-premises consumption site operated by a person**  
13 **that holds a license under this section and:**

14 **(A) A marijuana retailer that holds a license under ORS 475B.105 at a single premises,**  
15 **as long as the cannabis on-premises consumption site and the marijuana retailer occupy**  
16 **different areas of the premises; or**

17 **(B) A marijuana producer that holds a license issued under ORS 475B.070 at a single**  
18 **premises, as long as the cannabis on-premises consumption site and the marijuana producer**  
19 **occupy different areas of the premises;**

20 **(d) Allow the sale and consumption of nonalcoholic beverages and food items that do not**  
21 **contain cannabinoids at a premises for which a license has been issued under this section;**

22 **(e) Allow a person that holds a license issued under this section to sell to consumers**  
23 **marijuana items for consumption off the licensed premises or consumption on the licensed**  
24 **premises as allowed by this subsection;**

25 **(f) Allow consumers to bring into a cannabis on-premises consumption site marijuana**  
26 **items purchased from a colocated marijuana retailer or another marijuana retailer;**

27 **(g) Allow outdoors, in designated areas of a premises for which a license has been issued**  
28 **under this section and that are not visible to the public without assistance, the consumption**  
29 **of marijuana items intended to be smoked, aerosolized or vaporized and the use of topical**  
30 **cannabinoid products;**

31 **(h) Prohibit the consumption of cannabinoid edibles at a premises for which a license has**  
32 **been issued under this section;**

33 **(i) Prohibit the consumption and sale of alcoholic beverages on a premises for which a**  
34 **license has been issued under this section; and**

35 **(j) Require a person that holds a license issued under this section to obtain a cannabis**  
36 **on-premises consumption site sanitation certificate under subsection (4) of this section.**

37 **(4)(a) The Oregon Health Authority shall adopt rules related to the sanitation of a**  
38 **cannabis on-premises consumption site as are reasonably necessary to protect the public**  
39 **health of individuals using the cannabis on-premises consumption site.**

40 **(b) The rules adopted under this subsection shall include:**

41 **(A) The establishment of a cannabis on-premises consumption site sanitation certificate**  
42 **program;**

43 **(B) The establishment of a fee schedule for the certificate program;**

44 **(C) Inspection criteria;**

45 **(D) Grounds to suspend, revoke or refuse to issue or renew a certificate under this sub-**

1 section; and

2 (E) Other rules necessary to carry out the provisions of this subsection.

3 (c) The authority shall inspect a cannabis on-premises consumption site once every six  
4 months to ensure compliance with rules adopted under this subsection.

5 (d) Fees adopted under this subsection may not exceed the cost of administering this  
6 subsection and shall be deposited into the Public Health Account established under ORS  
7 431.210.

8 (5) The commission shall consult the authority in the adoption of rules to allow the  
9 colocation of a cannabis on-premises consumption site and a marijuana grow site registered  
10 under ORS 475B.810, including rules establishing marijuana plant limits for a marijuana grow  
11 site described in this subsection.

12 (6)(a) The commission may issue a cannabis on-premises consumption license to a  
13 marijuana retailer that holds a license issued under ORS 475B.105 and qualifies for a license  
14 issued under section 16 of this 2021 Act if the marijuana retailer:

15 (A) Applies for a cannabis on-premises consumption license under this section;

16 (B) Meets the requirements for licensure under subsection (2) of this section; and

17 (C) Meets any requirements established by rules adopted by the commission under para-  
18 graph (d) of this subsection.

19 (b) The premises for which the license is issued under this subsection must be the  
20 premises for which the marijuana retailer holds a license issued under ORS 475B.105.

21 (c) A marijuana retailer described in paragraph (a) of this subsection may not be required  
22 to renew the cannabis on-premises consumption license issued under this subsection or pay  
23 the fees described in subsection (3)(b) of this section.

24 (d) The commission may adopt rules to carry out this subsection.

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

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

28 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under  
29 ORS 475B.296.

30 **SECTION 22a.** Section 22 of this 2021 Act is amended to read:

31 **Sec. 22.** (1) The consumption and sale of marijuana items at a cannabis on-premises consumption  
32 site is subject to regulation by the Oregon Liquor Control Commission.

33 (2)(a) An applicant for a cannabis on-premises consumption license under this section must:

34 (A) Apply for the license in the manner described in ORS 475B.040; **and**

35 (B) Provide proof that the applicant is 21 years of age or older[; *and*]

36 [*(C) Meet the requirements of section 16 (1)(b) of this 2021 Act*].

37 (b) The premises at which an applicant intends to operate a cannabis on-premises consumption  
38 site may not be located:

39 (A) In an area that is zoned exclusively for residential use; or

40 (B) Within 1,000 feet of:

41 (i) A public elementary or secondary school for which attendance is compulsory under ORS  
42 339.020; or

43 (ii) A private or parochial elementary or secondary school, teaching children as described in  
44 ORS 339.030 (1)(a).

45 (c) An applicant for a cannabis on-premises consumption license under this section and the

1 premises at which the cannabis on-premises consumption site is to be located must meet the re-  
2 quirements of any rule adopted by the commission under subsection (3) of this section.

3 (3) The commission shall adopt rules that:

4 (a) Require a person that holds a license issued under this section to renew the license annually;

5 (b) Establish application, licensure and renewal of licensure fees for a license issued under this  
6 section;

7 (c) Allow the colocation of a cannabis on-premises consumption site operated by a person that  
8 holds a license under this section and:

9 (A) A marijuana retailer that holds a license under ORS 475B.105 at a single premises, as long  
10 as the cannabis on-premises consumption site and the marijuana retailer occupy different areas of  
11 the premises; or

12 (B) A marijuana producer that holds a license issued under ORS 475B.070 at a single premises,  
13 as long as the cannabis on-premises consumption site and the marijuana producer occupy different  
14 areas of the premises;

15 (d) Allow the sale and consumption of nonalcoholic beverages and food items that do not contain  
16 cannabinoids at a premises for which a license has been issued under this section;

17 (e) Allow a person that holds a license issued under this section to sell to consumers marijuana  
18 items for consumption off the licensed premises or consumption on the licensed premises as allowed  
19 by this subsection;

20 (f) Allow consumers to bring into a cannabis on-premises consumption site marijuana items  
21 purchased from a colocated marijuana retailer or another marijuana retailer;

22 (g) Allow outdoors, in designated areas of a premises for which a license has been issued under  
23 this section and that are not visible to the public without assistance, the consumption of marijuana  
24 items intended to be smoked, aerosolized or vaporized and the use of topical cannabinoid products;

25 (h) Prohibit the consumption of cannabinoid edibles at a premises for which a license has been  
26 issued under this section;

27 (i) Prohibit the consumption and sale of alcoholic beverages on a premises for which a license  
28 has been issued under this section; and

29 (j) Require a person that holds a license issued under this section to obtain a cannabis on-  
30 premises consumption site sanitation certificate under subsection (4) of this section.

31 (4)(a) The Oregon Health Authority shall adopt rules related to the sanitation of a cannabis  
32 on-premises consumption site as are reasonably necessary to protect the public health of individuals  
33 using the cannabis on-premises consumption site.

34 (b) The rules adopted under this subsection shall include:

35 (A) The establishment of a cannabis on-premises consumption site sanitation certificate program;

36 (B) The establishment of a fee schedule for the certificate program;

37 (C) Inspection criteria;

38 (D) Grounds to suspend, revoke or refuse to issue or renew a certificate under this subsection;  
39 and

40 (E) Other rules necessary to carry out the provisions of this subsection.

41 (c) The authority shall inspect a cannabis on-premises consumption site once every six months  
42 to ensure compliance with rules adopted under this subsection.

43 (d) Fees adopted under this subsection may not exceed the cost of administering this subsection  
44 and shall be deposited into the Public Health Account established under ORS 431.210.

45 (5) The commission shall consult the authority in the adoption of rules to allow the colocation

1 of a cannabis on-premises consumption site and a marijuana grow site registered under ORS  
2 475B.810, including rules establishing marijuana plant limits for a marijuana grow site described in  
3 this subsection.

4 *[(6)(a) The commission may issue a cannabis on-premises consumption license to a marijuana  
5 retailer that holds a license issued under ORS 475B.105 and qualifies for a license issued under section  
6 16 of this 2021 Act if the marijuana retailer:]*

7 *[(A) Applies for a cannabis on-premises consumption license under this section;]*

8 *[(B) Meets the requirements for licensure under subsection (2) of this section; and]*

9 *[(C) Meets any requirements established by rules adopted by the commission under paragraph (d)  
10 of this subsection.]*

11 *[(b) The premises for which the license is issued under this subsection must be the premises for  
12 which the marijuana retailer holds a license issued under ORS 475B.105.]*

13 *[(c) A marijuana retailer described in paragraph (a) of this subsection may not be required to re-  
14 new the cannabis on-premises consumption license issued under this subsection or pay the fees de-  
15 scribed in subsection (3)(b) of this section.]*

16 *[(d) The commission may adopt rules to carry out this subsection.]*

17 **[(7)] (6) Fees adopted under subsection (3)(b) of this section:**

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

20 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS  
21 475B.296.

22 **SECTION 22b. The Oregon Liquor Control Commission may issue a license under section  
23 22 of this 2021 Act, as amended by section 22a of this 2021 Act, on the date established under  
24 section 16a of this 2021 Act.**

25 **SECTION 23. If a public elementary or secondary school for which attendance is com-  
26 pulsory under ORS 339.020 or a private or parochial elementary or secondary school, teaching  
27 children as described in ORS 339.030 (1)(a), that has not previously been attended by children  
28 is established within 1,000 feet of a premises licensed under section 22 of this 2021 Act, the  
29 cannabis on-premises consumption site may remain at its current location unless the Oregon  
30 Liquor Control Commission revokes the cannabis on-premises consumption license.**

31 **SECTION 24. ORS 475B.381 is amended to read:**

32 475B.381. (1)(a) **Except as provided in paragraph (b) of this subsection,** it is unlawful for any  
33 *[person]* **individual** to engage in the use of marijuana items in a public place.

34 **(b) An individual 21 years of age or older may engage in the use of marijuana items in  
35 designated areas of a premises for which a license has been issued under section 22 of this  
36 2021 Act.**

37 (2) A violation of subsection (1)(a) of this section is a Class B violation.

38 **SECTION 25. (1) Sections 22 and 23 of this 2021 Act and the amendments to ORS 475B.381  
39 by section 24 of this 2021 Act become operative on August 22, 2022.**

40 **(2) The amendments to section 22 of this 2021 Act by section 22a of this 2021 Act become  
41 operative on January 1, 2028.**

42 **(3) The Oregon Health Authority and the Oregon Liquor Control Commission may take  
43 any action before the operative date specified in subsection (1) of this section that is neces-  
44 sary to enable the authority and the commission to exercise, on and after the operative date  
45 specified in subsection (1) of this section, all of the duties, functions and powers conferred**



1 on the authority and the commission by sections 22 and 23 of this 2021 Act and the amend-  
2 ments to ORS 475B.381 by section 24 of this 2021 Act.

3  
4 **CANNABIS DELIVERY LICENSE**

5  
6 **SECTION 26.** Sections 27 to 27b of this 2021 Act are added to and made a part of ORS  
7 475B.010 to 475B.545.

8 **SECTION 27.** (1) The Oregon Liquor Control Commission shall issue a cannabis delivery  
9 license to an applicant who:

10 (a) Applies for the license in the manner described in ORS 475B.040;

11 (b) Provides proof that the applicant is 21 years of age or older;

12 (c)(A) Meets the requirements of section 16 (1)(b) of this 2021 Act; or

13 (B) Is a marijuana retailer licensed under ORS 475B.105 authorized by the commission  
14 to make deliveries of marijuana items and, as demonstrated by information recorded in the  
15 system described in ORS 475B.177, makes at least 60 percent of the marijuana retailer's sales  
16 transactions as delivery transactions;

17 (d) If the applicant is not a marijuana retailer licensed under ORS 475B.105, demonstrates  
18 to the commission that the applicant has legal access to a premises at which the applicant  
19 may store the applicant's inventory of marijuana items prior to delivery; and

20 (e) Meets any other requirements established by the commission by rule.

21 (2) The commission shall begin processing an application for a license under this section  
22 not more than 30 days after the date on which the application was submitted.

23 (3)(a) The delivery of marijuana items under this section may be made in an area subject  
24 to the jurisdiction of a city or county that has adopted an ordinance under ORS 475B.968  
25 allowing for the establishment of marijuana retailers that hold a license issued under ORS  
26 475B.105.

27 (b) The holder of a cannabis delivery license issued under this section may deliver  
28 marijuana items to a residence or a hotel, inn or other dwelling unit that is made available  
29 for short-term or transient occupancy.

30 (c) A delivery may not be made to a dormitory or similar residence that is located on the  
31 campus of a private or public institution of higher education.

32 (d) If the holder of a cannabis delivery license is a marijuana retailer licensed under ORS  
33 475B.105, the cannabis delivery license holder may deliver marijuana items that are part of  
34 the marijuana retailer's own inventory or part of the inventory of another marijuana retailer  
35 licensed under ORS 475B.105.

36 (e) If the holder of a cannabis delivery license is not a marijuana retailer licensed under  
37 ORS 475B.105, the cannabis delivery license holder may sell and deliver marijuana items that  
38 are part of the inventory of any marijuana retailer licensed under ORS 475B.105 or part of  
39 the delivery license holder's own inventory.

40 (4) The holder of a cannabis delivery license issued under this section that qualified for  
41 licensure under subsection (1)(c)(B) of this section may not transfer more than 49 percent  
42 ownership of the licensed entity to an entity that does not qualify for a license under section  
43 16 of this 2021 Act.

44 (5)(a) The commission shall adopt rules that:

45 (A) Require a person that holds a license issued under this section to renew the license

1 annually; and

2 (B) Establish application, licensure and renewal of licensure fees for a license issued  
3 under this section.

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

5 (6) In adopting rules under this section, the commission shall consult the equity liaison  
6 of the commission.

7 (7) Fees adopted under subsection (5)(a)(B) of this section:

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

10 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under  
11 ORS 475B.296.

12 SECTION 27a. (1) A person that holds a delivery license under section 27 of this 2021 Act  
13 may, for the purpose of making deliveries under section 27 of this 2021 Act, receive  
14 marijuana items from:

15 (a) A marijuana producer that holds a license issued under ORS 475B.070;

16 (b) A marijuana processor that holds a license issued under ORS 475B.090;

17 (c) A marijuana wholesaler that holds a license issued under ORS 475B.100;

18 (d) A marijuana retailer that holds a license issued under ORS 475B.105;

19 (e) A shared processor that holds a license issued under section 32 of this 2021 Act; or

20 (f) A person that holds a shared processing facility license issued under section 34 of this  
21 2021.

22 (2) Marijuana items received under subsection (1) of this section may be received at a  
23 premises described in section 27 (1) of this 2021 Act or at a premises for which a license has  
24 been issued under ORS 475B.090, 475B.100 or 475B.105 or section 32 or 34 of this 2021 Act.

25 (3) A person that holds a delivery license under section 27 of this 2021 Act may, for the  
26 purpose of making deliveries under section 27 of this 2021 Act, store at the premises de-  
27 scribed in section 27 (1) of this 2021 Act marijuana items received from a person described  
28 in subsection (1) of this section.

29 (4) Marijuana items received and stored under this section shall be considered the in-  
30 ventory of the person that holds the delivery license under section 27 of this 2021 Act.

31 (5) The Oregon Liquor Control Commission may adopt rules to carry out this section.

32 SECTION 27b. (1)(a) For purposes of ORS 475B.491, a marijuana item delivered under  
33 section 27 of this 2021 Act is sold at the premises for which a license has been issued under  
34 section 27 of this 2021 Act.

35 (b) For purposes of ORS 475B.705, the point of sale of a marijuana item delivered under  
36 section 27 of this 2021 Act is the premises for which a license has been issued under section  
37 27 of this 2021 Act.

38 (2) A city or county may impose a tax under ORS 475B.491 on the sale of marijuana items  
39 delivered under section 27 of this 2021 Act only if the delivery originates at a premises that  
40 is licensed under section 27 of this 2021 Act and located within the area subject to the ju-  
41 risdiction of the city or the unincorporated area subject to the jurisdiction of the county.

42 SECTION 28. Section 27 of this 2021 Act is amended to read:

43 **Sec. 27.** (1) The Oregon Liquor Control Commission shall issue a cannabis delivery license to  
44 an applicant who:

45 (a) Applies for the license in the manner described in ORS 475B.040;

1 (b) Provides proof that the applicant is 21 years of age or older;

2 [(c)(A) *Meets the requirements of section 16 (1)(b) of this 2021 Act; or*]

3 [(B) *Is a marijuana retailer licensed under ORS 475B.105 authorized by the commission to make*  
4 *deliveries of marijuana items and, as demonstrated by information recorded in the system described in*  
5 *ORS 475B.177, makes at least 60 percent of the marijuana retailer's sales transactions as delivery*  
6 *transactions;*]

7 [(d)] (c) If the applicant is not a marijuana retailer licensed under ORS 475B.105, demonstrates  
8 to the commission that the applicant has legal access to a premises at which the applicant may store  
9 the applicant's inventory of marijuana items prior to delivery; and

10 [(e)] (d) Meets any other requirements established by the commission by rule.

11 [(2) *The commission shall begin processing an application for a license under this section not more*  
12 *than 30 days after the date on which the application was submitted.*]

13 [(3)(a)] (2)(a) The delivery of marijuana items under this section may be made in an area subject  
14 to the jurisdiction of a city or county that has adopted an ordinance under ORS 475B.968 allowing  
15 for the establishment of marijuana retailers that hold a license issued under ORS 475B.105.

16 (b) The holder of a cannabis delivery license issued under this section may deliver marijuana  
17 items to a residence or a hotel, inn or other dwelling unit that is made available for short-term or  
18 transient occupancy.

19 (c) A delivery may not be made to a dormitory or similar residence that is located on the cam-  
20 pus of a private or public institution of higher education.

21 (d) If the holder of a cannabis delivery license is a marijuana retailer licensed under ORS  
22 475B.105, the cannabis delivery license holder may deliver marijuana items that are part of the  
23 marijuana retailer's own inventory or part of the inventory of another marijuana retailer licensed  
24 under ORS 475B.105.

25 (e) If the holder of a cannabis delivery license is not a marijuana retailer licensed under ORS  
26 475B.105, the cannabis delivery license holder may sell and deliver marijuana items that are part  
27 of the inventory of any marijuana retailer licensed under ORS 475B.105 or part of the delivery li-  
28 cense holder's own inventory.

29 [(4) *The holder of a cannabis delivery license issued under this section that qualified for licensure*  
30 *under subsection (1)(c)(B) of this section may not transfer more than 49 percent ownership of the li-*  
31 *icensed entity to an entity that does not qualify for a license under section 16 of this 2021 Act.*]

32 [(5)(a)] (3)(a) The commission shall adopt rules that:

33 (A) Require a person that holds a license issued under this section to renew the license annu-  
34 ally; and

35 (B) Establish application, licensure and renewal of licensure fees for a license issued under this  
36 section.

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

38 [(6)] (4) In adopting rules under this section, the commission shall consult the equity liaison of  
39 the commission.

40 [(7)] (5) Fees adopted under subsection [(5)(a)(B)] (3)(a)(B) of this section:

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

43 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS  
44 475B.296.

45 **SECTION 28a. The Oregon Liquor Control Commission may issue a license under section**

1 **27 of this 2021 Act, as amended by section 28 of this 2021 Act, on the date established under**  
2 **section 16a of this 2021 Act.**

3 **SECTION 29.** ORS 475B.206 is amended to read:

4 475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and section 27a of this 2021**  
5 **Act,** *[a marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that*  
6 *holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued under*  
7 *ORS 475B.100]* **the following licensees** may deliver marijuana items only to or on a premises for  
8 which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 22,**  
9 **32 or 34 of this 2021 Act,** or to a registry identification cardholder or designated primary caregiver  
10 as allowed under ORS 475B.010 to 475B.545[.]:

11 **(a) A marijuana producer that holds a license issued under ORS 475B.070;**

12 **(b) A marijuana processor that holds a license issued under ORS 475B.090;**

13 **(c) A marijuana wholesaler that holds a license issued under ORS 475B.100;**

14 **(d) A person that holds a cannabis on-premises consumption license issued under section**  
15 **22 of this 2021 Act;**

16 **(e) A shared processor that holds a license issued under section 32 of this 2021 Act; or**

17 **(f) A person that holds a shared processing facility license issued under section 34 of this**  
18 **2021 Act.**

19 (2) A licensee to which marijuana items may be delivered under subsection (1) of this section  
20 may receive marijuana items only from:

21 (a)(A) A marijuana producer that holds a license issued under ORS 475B.070[.];

22 (B) A marijuana processor that holds a license issued under ORS 475B.090[.];

23 (C) A marijuana wholesaler that holds a license issued under ORS 475B.100[.];

24 (D) A marijuana retailer that holds a license issued under ORS 475B.105 [*or*];

25 (E) A laboratory licensed under ORS 475B.560;

26 **(F) A person that holds a cannabis on-premises consumption license issued under section**  
27 **22 of this 2021 Act;**

28 **(G) A shared processor that holds a license issued under section 32 of this 2021 Act; or**

29 **(H) A person that holds a shared processing facility license issued under section 34 of this**  
30 **2021 Act;**

31 (b) A researcher of cannabis that holds a certificate issued under ORS 475B.286 and that  
32 transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid con-  
33 centrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286  
34 (3)(d) and (e);

35 (c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered  
36 under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in  
37 accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167;  
38 or

39 (d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS  
40 475B.825 and any procedures adopted by rule by the commission.

41 (3) **Except as provided in section 22 of this 2021 Act,** the sale of marijuana items by a  
42 marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises  
43 for which the license has been issued, but deliveries may be made by a marijuana retailer to con-  
44 sumers pursuant to a bona fide order received at the premises prior to delivery **if the marijuana**  
45 **retailer holds a delivery license issued under section 27 of this 2021 Act or is otherwise au-**

1 **thorized by the commission to make deliveries.**

2 (4) The commission may by order waive the requirements of subsections (1) and (2) of this sec-  
3 tion to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to  
4 475B.545. An order issued under this subsection does not constitute a waiver of any other require-  
5 ment of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

6 **SECTION 30. (1) Sections 27 to 27b of this 2021 Act and the amendments to ORS 475B.206**  
7 **by section 29 of this 2021 Act become operative on August 22, 2022.**

8 (2) The amendments to section 27 of this 2021 Act by section 28 of this 2021 Act become  
9 operative on January 1, 2028.

10 (3) The Oregon Liquor Control Commission may take any action before the operative date  
11 specified in subsection (1) of this section that is necessary to enable the commission to ex-  
12 ercise, on and after the operative date specified in subsection (1) of this section, all of the  
13 duties, functions and powers conferred on the commission by sections 27 to 27b of this 2021  
14 Act and the amendments to ORS 475B.206 by section 29 of this 2021 Act.

15  
16 **SHARED PROCESSING LICENSES**

17  
18 **SECTION 31. Sections 32 and 34 of this 2021 Act are added to and made a part of ORS**  
19 **475B.010 to 475B.545.**

20 **SECTION 32. (1) The Oregon Liquor Control Commission shall issue a shared processing**  
21 **license to process marijuana to an applicant who:**

22 (a) Applies for the license in the manner described in ORS 475B.040;

23 (b) Provides proof that the applicant is 21 years of age or older;

24 (c) Meets the requirements of section 16 (1)(b) of this 2021 Act;

25 (d) Demonstrates that the shared processing facility licensed under section 34 of this 2021  
26 Act at which the applicant will process marijuana is not located in an area zoned exclusively  
27 for residential use if the premises will be used to process marijuana extracts; and

28 (e) Meets any other requirements established by the commission by rule.

29 (2)(a) The commission shall adopt rules that:

30 (A) Require a person that holds a license issued under this section to renew the license  
31 annually;

32 (B) Establish application, licensure and renewal of licensure fees for a license issued  
33 under this section;

34 (C) Require marijuana processed by a shared processor under this section to be tested  
35 in accordance with ORS 475B.555; and

36 (D) Require a shared processor that holds a license issued under this section to meet any  
37 public health and safety standards and industry best practices established by the commission  
38 by rule related to:

39 (i) Cannabinoid edibles;

40 (ii) Cannabinoid concentrates;

41 (iii) Cannabinoid extracts; and

42 (iv) Any other type of cannabinoid product identified by the commission by rule.

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

44 (3) In adopting rules under this section, the commission shall consult the equity liaison  
45 of the commission.

1       **(4) Fees adopted under subsection (2)(a)(B) of this section:**

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

4       **(b) Shall be deposited into the Marijuana Control and Regulation Fund established under**  
5 **ORS 475B.296.**

6       **SECTION 33.** Section 32 of this 2021 Act is amended to read:

7       **Sec. 32.** (1) The Oregon Liquor Control Commission shall issue a shared processing license to  
8 process marijuana to an applicant who:

9       (a) Applies for the license in the manner described in ORS 475B.040;

10       (b) Provides proof that the applicant is 21 years of age or older;

11       [(c) *Meets the requirements of section 16 (1)(b) of this 2021 Act;*]

12       [(d)] (c) Demonstrates that the shared processing facility licensed under section 34 of this 2021  
13 Act at which the applicant will process marijuana is not located in an area zoned exclusively for  
14 residential use if the premises will be used to process marijuana extracts; and

15       [(e)] (d) Meets any other requirements established by the commission by rule.

16       (2)(a) The commission shall adopt rules that:

17       (A) Require a person that holds a license issued under this section to renew the license annu-  
18 ally;

19       (B) Establish application, licensure and renewal of licensure fees for a license issued under this  
20 section;

21       (C) Require marijuana processed by a shared processor under this section to be tested in ac-  
22 cordance with ORS 475B.555; and

23       (D) Require a shared processor that holds a license issued under this section to meet any public  
24 health and safety standards and industry best practices established by the commission by rule re-  
25 lated to:

26       (i) Cannabinoid edibles;

27       (ii) Cannabinoid concentrates;

28       (iii) Cannabinoid extracts; and

29       (iv) Any other type of cannabinoid product identified by the commission by rule.

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

31       (3) In adopting rules under this section, the commission shall consult the equity liaison of the  
32 commission.

33       (4) Fees adopted under subsection (2)(a)(B) of this section:

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

36       (b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS  
37 475B.296.

38       **SECTION 34.** (1) **The Oregon Liquor Control Commission shall issue a shared processing**  
39 **facility license to an applicant who:**

40       **(a) Applies for the license in the manner described in ORS 475B.040;**

41       **(b) Provides proof that the applicant is 21 years of age or older;**

42       **(c) Meets the requirements of section 16 (1)(b) of this 2021 Act;**

43       **(d) Demonstrates that the premises at which the shared processing facility will be located**  
44 **is not in an area zoned exclusively for residential use if the premises will be used to process**  
45 **marijuana extracts; and**

1 (e) Meets any other requirements established by the commission by rule.

2 (2) A shared processing facility for which a license is issued under this section may be:

3 (a) Used by more than one shared processor licensed under section 32 of this 2021 Act.

4 (b) A premises for which a license is issued under ORS 475B.090.

5 (3)(a) The commission shall adopt rules that:

6 (A) Require a person that holds a license issued under this section to renew the license  
7 annually;

8 (B) Establish application, licensure and renewal of licensure fees for a license issued  
9 under this section;

10 (C) Require the holder of a shared processing facility license to provide to the commis-  
11 sion a continually updated listing of the shared processors licensed under section 32 of this  
12 2021 Act that use the shared processing facility; and

13 (D) Require a shared processing facility for which a license is issued under this section  
14 to meet any public health and safety standards and industry best practices established by the  
15 commission by rule related to:

16 (i) Cannabinoid edibles;

17 (ii) Cannabinoid concentrates;

18 (iii) Cannabinoid extracts; and

19 (iv) Any other type of cannabinoid product identified by the commission by rule.

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

21 (4) In adopting rules under this section, the commission shall consult the equity liaison  
22 of the commission.

23 (5) Fees adopted under subsection (3)(a)(B) of this section:

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

26 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under  
27 ORS 475B.296.

28 **SECTION 35.** Section 34 of this 2021 Act is amended to read:

29 **Sec. 34.** (1) The Oregon Liquor Control Commission shall issue a shared processing facility li-  
30 cense to an applicant who:

31 (a) Applies for the license in the manner described in ORS 475B.040;

32 (b) Provides proof that the applicant is 21 years of age or older;

33 *[(c) Meets the requirements of section 16 (1)(b) of this 2021 Act;]*

34 *[(d)]* (c) Demonstrates that the premises at which the shared processing facility will be located  
35 is not in an area zoned exclusively for residential use if the premises will be used to process  
36 marijuana extracts; and

37 *[(e)]* (d) Meets any other requirements established by the commission by rule.

38 (2) A shared processing facility for which a license is issued under this section may be:

39 (a) Used by more than one shared processor licensed under section 32 of this 2021 Act.

40 (b) A premises for which a license is issued under ORS 475B.090.

41 (3)(a) The commission shall adopt rules that:

42 (A) Require a person that holds a license issued under this section to renew the license annu-  
43 ally;

44 (B) Establish application, licensure and renewal of licensure fees for a license issued under this  
45 section;

1 (C) Require the holder of a shared processing facility license to provide to the commission a  
2 continually updated listing of the shared processors licensed under section 32 of this 2021 Act that  
3 use the shared processing facility; and

4 (D) Require a shared processing facility for which a license is issued under this section to meet  
5 any public health and safety standards and industry best practices established by the commission  
6 by rule related to:

7 (i) Cannabinoid edibles;

8 (ii) Cannabinoid concentrates;

9 (iii) Cannabinoid extracts; and

10 (iv) Any other type of cannabinoid product identified by the commission by rule.

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

12 (4) In adopting rules under this section, the commission shall consult the equity liaison of the  
13 commission.

14 (5) Fees adopted under subsection (3)(a)(B) of this section:

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

17 (b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS  
18 475B.296.

19 **SECTION 36. (1) Sections 32 and 34 of this 2021 Act become operative on August 22, 2022.**

20 **(2) The amendments to sections 32 and 34 of this 2021 Act by sections 33 and 35 of this**  
21 **2021 Act become operative on January 1, 2032.**

22 **(3) The Oregon Liquor Control Commission may take any action before the operative date**  
23 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**  
24 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**  
25 **duties, functions and powers conferred on the commission by sections 32 and 34 of this 2021**  
26 **Act.**

27  
28 **CONVICTIONS AND ARRESTS**

29 **(Data Reporting and Sharing)**

30  
31 **SECTION 37. (1) The office of public defense services, as defined in ORS 151.211, shall**  
32 **study the laws of this state and compile a list of those offenses that include, as a predicate**  
33 **offense or necessary element of the offense:**

34 **(a) Possession of less than one ounce of the dried leaves, stems or flowers of marijuana;**  
35 **or**

36 **(b) Conduct described in ORS 475B.301.**

37 **(2) The office shall prepare a report that includes:**

38 **(a) The list described in subsection (1) of this section and recommendations of additional**  
39 **offenses that a conviction for which should be considered a qualifying marijuana offense as**  
40 **defined in ORS 475B.401; and**

41 **(b) Recommendations for improvements to the process of setting aside qualifying**  
42 **marijuana convictions, including expansion of the process described in ORS 475B.401 to in-**  
43 **clude marijuana-related offenses that are not qualifying marijuana offenses.**

44 **(3) No later than July 1, 2022, the office of public defense services shall submit, in the**  
45 **manner provided in ORS 192.245, the report described in subsection (2) of this section to the**



1 interim committees of the Legislative Assembly related to the judiciary, to the Judicial De-  
2 partment and to the Equity Investment and Accountability Board and the Equity Investment  
3 and Accountability Office.

4 (4) Beginning July 1, 2023, and not later than July 1 each year thereafter, the office shall  
5 submit, in the manner provided in ORS 192.245, an update to the report described in sub-  
6 section (2) of this section to the interim committees of the Legislative Assembly related to  
7 the judiciary, to the Judicial Department and to the Equity Investment and Accountability  
8 Board and the Equity Investment and Accountability Office.

9 SECTION 37a. Section 37 of this 2021 Act is repealed on January 1, 2026.

10 SECTION 38. (1) As used in this section, “office of public defense services” has the  
11 meaning given that term in ORS 151.211.

12 (2)(a) The Judicial Department shall, no later than 90 days after the operative date  
13 specified in section 49 of this 2021 Act, provide to the office of public defense services infor-  
14 mation concerning all persons who may qualify to have a conviction set aside under ORS  
15 475B.401.

16 (b) The department shall make best efforts to ensure that the information provided under  
17 paragraph (a) of this subsection is sufficient to identify the person and the specific case re-  
18 sulting in the conviction.

19 (3)(a) The Department of State Police shall, no later than 90 days after the operative date  
20 specified in section 49 of this 2021 Act, provide to the office of public defense services infor-  
21 mation concerning all persons who may qualify to have an arrest, citation or other charge  
22 set aside under ORS 475B.401.

23 (b) The department shall make best efforts to ensure that the information provided under  
24 paragraph (a) of this subsection is sufficient to identify the person and the specific arrest,  
25 citation or other charge.

26 (4)(a) All municipal and justice courts in this state shall, no later than 90 days after the  
27 operative date specified in section 49 of this 2021 Act, provide to the office of public defense  
28 services information concerning all persons who may qualify to have a conviction set aside  
29 under ORS 475B.401.

30 (b) The municipal and justice courts shall make best efforts to ensure that the informa-  
31 tion provided under paragraph (a) of this subsection is sufficient to identify the person and  
32 the specific case resulting in the conviction.

33 (5)(a) All district attorneys in this state shall, no later than 90 days after the operative  
34 date specified in section 49 of this 2021 Act, provide to the office of public defense services  
35 information concerning all persons who may qualify to have an arrest, citation or other  
36 charge set aside under ORS 475B.401.

37 (b) The district attorneys shall make best efforts to ensure that the information provided  
38 under paragraph (a) of this subsection is sufficient to identify the person and the specific  
39 arrest, citation or other charge.

40 SECTION 38a. Section 38 of this 2021 Act is repealed on January 1, 2023.

41  
42 (Setting Aside of Convictions and Arrests)

43  
44 SECTION 39. ORS 475B.401 is amended to read:

45 475B.401. (1) As used in this section:

1 (a) “Prosecuting attorney” means a district attorney or a city attorney with a  
2 prosecutorial function.

3 (b) “Qualifying marijuana offense” means:

4 (A) A marijuana offense based on conduct described in ORS 475B.301 or possession of less  
5 than one ounce of the dried leaves, stems or flowers of marijuana;

6 (B) Child neglect based solely upon conduct described in ORS 475B.301 or possession of  
7 less than one ounce of the dried leaves, stems or flowers of marijuana; or

8 (C) Endangering the welfare of a minor based solely upon conduct described in ORS  
9 475B.301 or possession of less than one ounce of the dried leaves, stems or flowers of  
10 marijuana.

11 (2) Notwithstanding ORS 137.225[,]:

12 (a) A person [*with*] **who has been convicted of** a qualifying marijuana [*conviction*] **offense** may  
13 apply to the court in which the judgment of conviction was entered for entry of an order setting  
14 aside the conviction as provided in this section.

15 (b) **A person who has been arrested for, issued a criminal citation for or otherwise**  
16 **charged with, but not convicted of, a qualifying marijuana offense may apply to the court**  
17 **that would have jurisdiction over the crime for which the person was arrested, cited or**  
18 **charged, for entry of an order setting aside the record of the arrest, citation or charge as**  
19 **provided in this section.**

20 [(2)(a)] (3)(a) The person may file a motion under this section at any time following entry of  
21 judgment of conviction for a qualifying marijuana [*conviction*] **offense or at any time after the**  
22 **date of an arrest, citation or charge for a qualifying marijuana offense that did not result in**  
23 **a conviction.**

24 (b) A person filing a motion under this section is not required to pay the filing fee established  
25 under ORS 21.135 or any other fee, or file a set of fingerprints.

26 (c) No background check or identification by the Department of State Police is required to set  
27 aside a conviction under this section.

28 [(3)(a)] (4)(a) At the time of filing the motion, the person shall serve a copy of the motion upon  
29 the office of the prosecuting attorney of the jurisdiction in which the judgment of conviction was  
30 entered **or arrest, citation or charge occurred.**

31 (b) The prosecuting attorney, within 30 days after the filing of the motion under paragraph (a)  
32 of this subsection, may file an objection to granting the motion only on the basis that the person’s  
33 conviction, **arrest, citation or charge** is not **for** a qualifying marijuana [*conviction*] **offense.**

34 (c) If no objection from the prosecuting attorney is received by the court within 30 days after  
35 the filing of the motion, the court shall grant the motion and enter an order as described in sub-  
36 section [(5)] (6) of this section.

37 [(4) *If the court receives an objection from the prosecuting attorney, the court shall hold a hearing*  
38 *to determine whether the conviction sought to be set aside is a qualifying marijuana conviction. The*  
39 *person has the burden of establishing, by a preponderance of the evidence, that the conviction is a*  
40 *qualifying marijuana conviction. If the court determines that the conviction is a qualifying marijuana*  
41 *conviction, the court shall grant the motion and enter an order as provided in subsection (5) of this*  
42 *section.*]

43 (5)(a) **If the court receives an objection from the prosecuting attorney, the court shall**  
44 **hold a hearing to determine whether the conviction or other record sought to be set aside**  
45 **is for a qualifying marijuana offense. The prosecuting attorney has the burden of establish-**

1 ing, by a preponderance of the evidence, that the conviction or other record is not for a  
2 qualifying marijuana offense.

3 (b) If both parties appear at the hearing and the court determines that the prosecuting  
4 attorney has not met the burden of proof, the court shall grant the motion and enter an  
5 order as provided in subsection (6) of this section.

6 (c) If both parties appear at the hearing and the court determines that the prosecuting  
7 attorney has met the burden of proof, the court shall deny the motion.

8 (d) If the person seeking the set aside does not appear at the hearing, the court shall  
9 dismiss the motion without prejudice.

10 [(5)] (6) Upon granting a motion to set aside a **conviction or other record for a** qualifying  
11 marijuana [*conviction*] **offense** under this section, the court shall enter an appropriate order. Upon  
12 the entry of the order, the person for purposes of the law shall be deemed not to have been previ-  
13 ously convicted **of or arrested, cited or charged for the offense**, and the court shall issue an  
14 order sealing the record of conviction and other official records in the case, including the records  
15 of arrest, citation or charge.

16 [(6)] (7) The clerk of the court shall forward a certified copy of the order to such agencies as  
17 directed by the court. A certified copy must be sent to the Department of Corrections when the  
18 person has been in the custody of the Department of Corrections. Upon entry of the order, the  
19 conviction, arrest, citation, charge or other proceeding shall be deemed not to have occurred, and  
20 the person may answer accordingly any questions relating to its occurrence.

21 [(7) *As used in this section:*]

22 [(a) *“Prosecuting attorney” means a district attorney or a city attorney with a prosecutorial func-*  
23 *tion.*]

24 [(b) *“Qualifying marijuana conviction” means a conviction for a marijuana offense.*]

25 [(A) *Based on conduct described in ORS 475B.301 or possession of less than one ounce of the dried*  
26 *leaves, stems or flowers of marijuana;*]

27 [(B) *Committed prior to July 1, 2015; and*]

28 [(C) *For which the person has completed and fully complied with or performed the sentence of the*  
29 *court.*]

30 **SECTION 40.** (1) Upon receiving information about a person under section 38 of this 2021  
31 Act, the office of public defense services, as defined in ORS 151.211, shall determine whether  
32 the person is eligible to set aside a conviction, arrest, citation or other charge under ORS  
33 475B.401.

34 (2)(a) For any person whom the office has determined is eligible for relief under ORS  
35 475B.401, the office shall notify the person, within 28 days of receiving the information, that  
36 the person is eligible for relief, and shall file a motion to set aside the conviction, arrest,  
37 citation or charge under ORS 475B.401.

38 (b) If the office cannot determine whether a person is eligible for relief, the office shall  
39 make reasonable efforts to notify the person, within 28 days of receiving the information,  
40 that the person may qualify for relief under ORS 475B.401, but the office is unable to defin-  
41 itively determine eligibility.

42 (3) The office may contract with an independent attorney to assist the office in carrying  
43 out its duties under this section.

44 (4) The filing of a motion pursuant to ORS 475B.401 under this section creates an  
45 attorney-client relationship between the attorney who files and prepares the motion and the

1 person who is the subject of the motion, solely for the purpose of filing and preparing the  
2 motion.

3 (5) Nothing in this section prohibits a person from applying for relief under ORS 475B.401.

4 (6) Beginning on July 1, 2022, and every six months thereafter, the office of public defense  
5 services shall prepare a report for the Equity Investment and Accountability Board and the  
6 Equity Investment and Accountability Office detailing progress made in setting aside con-  
7 victions, arrests, citations and other charges under this section.

8 **SECTION 40a.** Section 40 of this 2021 Act is repealed on January 1, 2026.

9  
10 **(Probation, Parole and Post-Prison Supervision)**

11  
12 **SECTION 41.** ORS 137.542 is amended to read:

13 137.542. (1)(a) As used in this [section] **subsection**, “cannabinoid concentrate,” “cannabinoid  
14 extract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana” have  
15 the meanings given those terms in ORS 475B.791.

16 [(2)] (b) Notwithstanding ORS 137.540[.]:

17 (A) If a person who holds a registry identification card is sentenced to probation, supervision  
18 conditions related to the use of usable marijuana, medical cannabinoid products, cannabinoid con-  
19 centrates or cannabinoid extracts must be imposed in the same manner as the court would impose  
20 supervision conditions related to prescription drugs.

21 (B) **The requirement that a person not possess or consume usable marijuana, medical**  
22 **cannabinoid products, cannabinoid concentrates or cannabinoid extracts may not be a con-**  
23 **dition of the person’s probation if the person holds a registry identification card.**

24 (2) **Notwithstanding ORS 137.540, the requirement that a person not possess or consume**  
25 **marijuana may not be a condition of probation unless abuse of marijuana was a substantial**  
26 **factor in the conduct that resulted in the imposition of probation.**

27 **SECTION 42.** ORS 144.086 is amended to read:

28 144.086. (1)(a) As used in this [section] **subsection**, “cannabinoid concentrate,” “cannabinoid  
29 extract,” “medical cannabinoid product,” “registry identification card” and “usable marijuana” have  
30 the meanings given those terms in ORS 475B.791.

31 [(2)] (b) Notwithstanding ORS 144.102 and 144.270[.]:

32 (A) If a person who holds a registry identification card is released on post-prison supervision  
33 or parole, the supervision conditions related to the use of usable marijuana, medical cannabinoid  
34 products, cannabinoid concentrates or cannabinoid extracts must be imposed in the same manner  
35 as supervision conditions related to prescription drugs.

36 (B) **The requirement that a person not possess or consume usable marijuana, medical**  
37 **cannabinoid products, cannabinoid concentrates or cannabinoid extracts may not be a con-**  
38 **dition of the person’s post-prison supervision or parole if the person holds a registry iden-**  
39 **tification card.**

40 (2) **Notwithstanding ORS 144.102 and 144.270, the requirement that a person not possess**  
41 **or consume marijuana may not be a condition of post-prison supervision or parole unless**  
42 **abuse of marijuana was a substantial factor in the conduct that resulted in the imposition**  
43 **of post-prison supervision or parole.**

44 **SECTION 43.** Conduct that constitutes a qualifying marijuana offense under ORS 475B.401  
45 (1)(b)(A) may not be the basis of a probation violation unless abuse of marijuana was a sub-

1 **stantial factor in the conduct that resulted in the conviction.**

2 **SECTION 44. Conduct that constitutes a qualifying marijuana offense under ORS 475B.401**  
3 **(1)(b)(A) may not be the basis of a post-prison supervision violation or a parole violation**  
4 **unless abuse of marijuana was a substantial factor in the conduct that resulted in the con-**  
5 **viction.**

6 **NOTE:** Sections 44a and 44b were deleted by amendment. Subsequent sections were not re-  
7 numbered.

8  
9 **(Permits and Conduct Exempted from Regulations)**

10  
11 **SECTION 45.** ORS 475B.266 is amended to read:

12 475B.266. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants  
13 to perform work described in ORS 475B.261. The commission shall adopt rules establishing:

- 14 (a) The qualifications for performing work described in ORS 475B.261;  
15 (b) The term of a permit issued under this section;  
16 (c) Procedures for applying for and renewing a permit issued under this section; and  
17 (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

18 (2)(a) The commission may require an individual applying for a permit under this section to  
19 successfully complete a course, made available by or through the commission, through which the  
20 individual receives training on:

- 21 (A) Checking identification;  
22 (B) Detecting intoxication;  
23 (C) Handling marijuana items;  
24 (D) If applicable, producing and propagating marijuana;  
25 (E) If applicable, processing marijuana;  
26 (F) The content of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545;

27 or

- 28 (G) Any matter deemed necessary by the commission to protect the public health and safety.

29 (b) The commission or other provider of a course may charge a reasonable fee for the course.

30 (c) The commission may not require an individual to successfully complete a course more than  
31 once, except that:

32 (A) As part of a final order suspending a permit issued under this section, the commission may  
33 require a permit holder to successfully complete the course as a condition of lifting the suspension;  
34 and

35 (B) As part of a final order revoking a permit issued under this section, the commission shall  
36 require an individual to successfully complete the course prior to applying for a new permit.

37 (3) The commission shall conduct a criminal records check under ORS 181A.195 on an individual  
38 applying for a permit under this section.

39 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke  
40 or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

41 (a) Is convicted of a felony or is convicted of an offense under ORS 475B.010 to 475B.545, except  
42 that the commission may not consider:

43 (A) A conviction for an offense under ORS 475B.010 to 475B.545 if the date of the conviction is  
44 two or more years before the date of the application or renewal; or

45 (B) A conviction of a felony under ORS 475B.337, 475B.341, 475B.346 or 475B.349 if the date

1 **of conviction is more than three years before the date of the application or renewal;**

2 (b) Violates any provision of ORS 475B.010 to 475B.545 or any rule adopted under ORS 475B.010  
3 to 475B.545; or

4 (c) Makes a false statement to the commission.

5 (5) A permit issued under this section is a personal privilege and permits work described under  
6 ORS 475B.261 only for the individual who holds the permit.

7 **SECTION 46.** ORS 475B.301 is amended to read:

8 475B.301. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,  
9 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.085, 475B.090, 475B.100, 475B.105, 475B.115,  
10 475B.119, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.173, 475B.177,  
11 475B.206, 475B.211, 475B.216, 475B.224, 475B.232, 475B.236, 475B.241, 475B.246, 475B.256, 475B.261,  
12 475B.266, 475B.276, 475B.281, 475B.286, 475B.296, 475B.461, 475B.474, 475B.479, 475B.486, 475B.491,  
13 475B.501, 475B.506, 475B.514, 475B.518, 475B.521, 475B.523, 475B.526 and 475B.529 **and sections 16,**  
14 **22, 27, 32 and 34 of this 2021 Act** do not apply:

15 (1) To the production or storage of homegrown plants in the genus Cannabis within the plant  
16 family Cannabaceae that are otherwise subject to ORS 475B.010 to 475B.545 at a household by one  
17 or more persons 21 years of age and older, if the total amount of homegrown plants at the household  
18 does not exceed four plants at any time.

19 (2) To the possession or storage of usable marijuana items at a household by one or more per-  
20 sons 21 years of age or older, if the total amount of usable marijuana at the household does not  
21 exceed eight ounces of usable marijuana at any time.

22 (3) To the making, processing, possession or storage of cannabinoid products at a household by  
23 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the  
24 household does not exceed 16 ounces in solid form at any time.

25 (4) To the making, processing, possession or storage of cannabinoid products at a household by  
26 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the  
27 household does not exceed 72 ounces in liquid form at any time.

28 (5) To the making, processing, possession or storage of cannabinoid concentrates at a household  
29 by one or more persons 21 years of age or older, if the total amount of cannabinoid concentrates  
30 at the household does not exceed 16 ounces at any time.

31 (6) To the possession of cannabinoid extracts at a household by one or more persons 21 years  
32 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a  
33 license under ORS 475B.105, or transferred by a medical marijuana dispensary registered by the  
34 Oregon Health Authority under ORS 475B.858, and the total amount of cannabinoid extracts at the  
35 household does not exceed one ounce at any time.

36 (7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21  
37 years of age or older to another person 21 years of age or older for noncommercial purposes.

38 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time  
39 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
40 purposes.

41 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time  
42 by a person 21 years of age or older to another person 21 years of age or older for noncommercial  
43 purposes.

44 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a  
45 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-

1 poses.

2  
3 **(Applicability and Operative Dates)**  
4

5 **SECTION 47.** The amendments to ORS 137.542 and 144.086 by sections 41 and 42 of this  
6 2021 Act apply to supervision imposed on or after the effective date of this 2021 Act.

7 **SECTION 48.** Sections 43 and 44 of this 2021 Act apply to conduct occurring on or after  
8 the effective date of this 2021 Act alleged to violate a condition of supervision imposed before,  
9 on or after the effective date of this 2021 Act.

10 **SECTION 49.** (1) Sections 37, 38 and 40 of this 2021 Act and the amendments to ORS  
11 475B.266, 475B.301 and 475B.401 by sections 39, 45 and 46 of this 2021 Act become operative  
12 on August 22, 2022.

13 (2) The Judicial Department, the Department of State Police, the Oregon Liquor Control  
14 Commission and the office of public defense services, as defined in ORS 151.211, may take  
15 any action before the operative date specified in subsection (1) of this section that is neces-  
16 sary to enable the department, the commission and the office to exercise, on and after the  
17 operative date specified in subsection (1) of this section, all of the duties, functions and  
18 powers conferred on the department, the commission and the office by sections 37, 38 and  
19 40 of this 2021 Act and the amendments to ORS 475B.266, 475B.301 and 475B.401 by sections  
20 39, 45 and 46 of this 2021 Act.

21  
22 **FUNDING ALLOCATIONS**  
23

24 **SECTION 50.** ORS 137.300 is amended to read:

25 137.300. (1) The Criminal Fine Account is established in the General Fund. Except as otherwise  
26 provided by law, all amounts collected in state courts as monetary obligations in criminal actions  
27 shall be deposited by the courts in the account. All moneys in the account are continuously appro-  
28 priated to the Department of Revenue to be distributed by the Department of Revenue as provided  
29 in this section. The Department of Revenue shall keep a record of moneys transferred into and out  
30 of the account.

31 (2) The Legislative Assembly shall first allocate moneys from the Criminal Fine Account for the  
32 following purposes, in the following order of priority:

33 (a) Allocations for public safety standards, training and facilities.

34 (b) Allocations for criminal injuries compensation and assistance to victims of crime and chil-  
35 dren reasonably suspected of being victims of crime.

36 (c) Allocations for the forensic services provided by the Oregon State Police, including, but not  
37 limited to, services of the Chief Medical Examiner.

38 (d) Allocations for the maintenance and operation of the Law Enforcement Data System.

39 **(3) Before making any allocation described in subsection (4) of this section, the Legisla-**  
40 **tive Assembly shall allocate 10 percent of the moneys remaining in the Criminal Fine Ac-**  
41 **count after making the allocations described in subsection (2) of this section to the Cannabis**  
42 **Equity Fund established under section 9 of this 2021 Act.**

43 [(3)] (4) After making allocations under [subsection (2)] **subsections (2) and (3)** of this section,  
44 the Legislative Assembly shall allocate moneys from the Criminal Fine Account for the following  
45 purposes:

1 (a) Allocations to the Law Enforcement Medical Liability Account established under ORS  
2 414.815.

3 (b) Allocations to the State Court Facilities and Security Account established under ORS 1.178.

4 (c) Allocations to the Department of Corrections for the purpose of planning, operating and  
5 maintaining county juvenile and adult corrections programs and facilities and drug and alcohol  
6 programs.

7 (d) Allocations to the Oregon Health Authority for the purpose of grants under ORS 430.345 for  
8 the establishment, operation and maintenance of alcohol and drug abuse prevention, early inter-  
9 vention and treatment services provided through a county.

10 (e) Allocations to the Oregon State Police for the purpose of the enforcement of the laws relat-  
11 ing to driving under the influence of intoxicants.

12 (f) Allocations to the Arrest and Return Account established under ORS 133.865.

13 (g) Allocations to the Intoxicated Driver Program Fund established under ORS 813.270.

14 (h) Allocations to the State Court Technology Fund established under ORS 1.012.

15 [(4)] (5) It is the intent of the Legislative Assembly that allocations from the Criminal Fine  
16 Account under subsection [(3)] (4) of this section be consistent with historical funding of the entities,  
17 programs and accounts listed in subsection [(3)] (4) of this section from monetary obligations im-  
18 posed in criminal proceedings. Amounts that are allocated under subsection [(3)(c)] (4)(c) of this  
19 section shall be distributed to counties based on the amounts that were transferred to counties by  
20 circuit courts during the 2009-2011 biennium under the provisions of ORS 137.308, as in effect Jan-  
21 uary 1, 2011.

22 [(5)] (6) Moneys in the Criminal Fine Account may not be allocated for the payment of debt  
23 service obligations.

24 [(6)] (7) The Department of Revenue shall deposit in the General Fund all moneys remaining in  
25 the Criminal Fine Account after the distributions listed in subsections (2) [and (3)] to (4) of this  
26 section have been made.

27 [(7)] (8) The Department of Revenue shall establish by rule a process for distributing moneys in  
28 the Criminal Fine Account. The department may not distribute more than one-eighth of the total  
29 biennial allocation to an entity during a calendar quarter.

30 **SECTION 51.** ORS 475B.759, as amended by section 10, chapter 2, Oregon Laws 2021 (Ballot  
31 Measure 110 (2020)), is amended to read:

32 475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the  
33 General Fund.

34 (2) The account shall consist of moneys transferred to the account under ORS 475B.760.

35 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the  
36 Oregon Marijuana Account.

37 **(b) Before making other transfers of moneys required by this section, the department**  
38 **shall transfer quarterly to the Drug Treatment and Recovery Services Fund all the moneys**  
39 **in the Oregon Marijuana Account in excess of \$11,250,000.**

40 [(b)] (c) Subject to subsection (4) of this section, and after making the transfer of moneys re-  
41 quired by [subsection (7) of this section] **paragraph (b) of this subsection**, the department shall  
42 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

43 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in  
44 the following shares:

45 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-



1 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)  
 2 of this section compared to the population of all cities of this state that are not exempt from this  
 3 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University  
 4 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

5 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number  
 6 of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day  
 7 of the calendar quarter preceding 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 and 475B.105 on the  
 9 last business day of that calendar quarter for all premises in this state located in cities; and

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

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

18 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-  
 19 censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-  
 20 endar quarter preceding the date of the transfer for premises located in each county compared to  
 21 the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business  
 22 day of that calendar quarter for all premises in this state.

23 [(c)] (d) After making the transfer of moneys required by [subsection (7) of this section] para-  
 24 **graph (b) of this subsection**, eighty percent of the remaining moneys in the Oregon Marijuana  
 25 Account must be used as follows:

26 (A) Forty percent of the moneys in the account [*must be used solely for purposes for which*  
 27 *moneys in the State School Fund established under ORS 327.008 may be used*] **must be used as fol-**  
 28 **lows:**

29 (i) **Fifty percent of the 40 percent solely for the purposes described in ORS 329.841;**

30 (ii) **Twenty-five percent of the 40 percent solely for the purposes described in ORS**  
 31 **329.843; and**

32 (iii) **Twenty-five percent of the 40 percent solely for the purposes described in ORS**  
 33 **329.845;**

34 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-  
 35 ment or for alcohol and drug abuse prevention, early intervention and treatment;

36 (C) Fifteen percent of the moneys in the account must be [*used solely for purposes for which*  
 37 *moneys in*] **transferred to** the State Police Account established under ORS 181A.020 [*may be used*]  
 38 **to be prioritized for use in covering any costs incurred by the Department of State Police**  
 39 **as a result of ORS 475B.401 and sections 37 and 38 of this 2021 Act;** and

40 (D) Five percent of the moneys in the account must be used solely for:

41 (i) Purposes related to alcohol and drug abuse prevention, early intervention and treatment  
 42 services[.];

43 (ii) **Assisting the Oregon Health Authority in administering ORS 475B.785 to 475B.949; and**

44 (iii) **Assisting the authority in providing public education about the medical use of**  
 45 **marijuana.**

1 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-  
 2 ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to  
 3 receive transfers of moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this section.

4 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
 5 ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under  
 6 subsection [(3)(b)(B)(i)] **(3)(c)(B)(i)** of this section.

7 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
 8 ance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive  
 9 transfers of moneys under subsection [(3)(b)(B)(ii)] **(3)(c)(B)(ii)** of this section.

10 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer  
 11 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer  
 12 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with  
 13 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-  
 14 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-  
 15 ble transfer.

16 (b) If the Director of the Oregon Department of Administrative Services determines that a city  
 17 or county received a transfer of moneys under subsection [(3)(b)] **(3)(c)** of this section but was in-  
 18 eligible to receive that transfer under subsection (4) of this section, the director shall provide notice  
 19 to the ineligible city or county and order the city or county to return the amount received to the  
 20 Department of Revenue, with interest as described under paragraph (f) of this subsection. A city or  
 21 county may appeal the order within 30 days of the date of the order under the procedures for a  
 22 contested case under ORS chapter 183.

23 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall  
 24 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-  
 25 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

26 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the  
 27 collection of income and excise taxes and may proceed to collect the amounts described in the no-  
 28 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection  
 29 described in this subsection is not precluded by any statute of limitations.

30 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the  
 31 city or county shall be denied any further relief in connection with the ineligible transfer on or after  
 32 the date that the order becomes final.

33 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on  
 34 the date the ineligible transfer was made.

35 (g) Both the moneys and the interest collected from or returned by an ineligible city or county  
 36 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-  
 37 section [(3)(b)] **(3)(c)** of this section on the date the ineligible transfer was made.

38 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with  
 39 the Oregon Department of Administrative Services whether the city or county has an ordinance  
 40 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070,  
 41 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the  
 42 certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of  
 43 Administrative Services.

44 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of  
 45 moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this section. If a county fails to comply with this

1 subsection, the county is not eligible to receive transfers of moneys under subsection [(3)(b)(B)]  
2 (3)(c)(B) of this section.

3 (c) A city or county that repeals an ordinance as provided in ORS 475B.496 shall file an updated  
4 certification with the Oregon Department of Administrative Services in a form and manner pre-  
5 scribed by the department, noting the effective date of the change. A city or county that repeals an  
6 ordinance as provided in ORS 475B.496 is eligible to receive quarterly transfers of moneys under  
7 this section for quarters where the repeal is effective for the entire quarter and the updated certi-  
8 fication was filed at least 30 days before the date of transfer.

9 [(7) Before making the transfer of moneys required by subsection (3) of this section, the department  
10 shall transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon  
11 Marijuana Account in excess of \$11,250,000.]

12 **SECTION 51a.** ORS 475B.759, as amended by section 10, chapter 2, Oregon Laws 2021 (Ballot  
13 Measure 110 (2020)), and section 51 of this 2021 Act, is amended to read:

14 475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the  
15 General Fund.

16 (2) The account shall consist of moneys transferred to the account under ORS 475B.760.

17 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the  
18 Oregon Marijuana Account.

19 (b) Before making other transfers of moneys required by this section, the department shall  
20 transfer quarterly to the Drug Treatment and Recovery Services Fund all the moneys in the Oregon  
21 Marijuana Account in excess of \$11,250,000.

22 (c) Subject to subsection (4) of this section, and after making the transfer of moneys required  
23 by paragraph (b) of this subsection, the department shall transfer quarterly 20 percent of the moneys  
24 in the Oregon Marijuana Account as follows:

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

27 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-  
28 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)  
29 of this section compared to the population of all cities of this state that are not exempt from this  
30 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University  
31 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

32 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number  
33 of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day  
34 of the calendar quarter preceding the date of the transfer for premises located in each city compared  
35 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the  
36 last business day of that calendar quarter for all premises in this state located in cities; and

37 (B) Ten percent of the moneys in the account must be transferred to counties in the following  
38 shares:

39 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-  
40 cially available area of all grow canopies associated with marijuana producer licenses held pursuant  
41 to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer  
42 for all premises located in each county compared to the total commercially available area of all  
43 grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the  
44 last business day of that calendar quarter for all premises located in this state; and

45 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-

1 censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-  
 2 endar quarter preceding the date of the transfer for premises located in each county compared to  
 3 the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business  
 4 day of that calendar quarter for all premises in this state.

5 (d) After making the transfer of moneys required by paragraph (b) of this subsection, eighty  
 6 percent of the remaining moneys in the Oregon Marijuana Account must be used as follows:

7 (A) Forty percent of the moneys in the account must be used as follows:

8 (i) Fifty percent of the 40 percent solely for the purposes described in ORS 329.841;

9 (ii) Twenty-five percent of the 40 percent solely for the purposes described in ORS 329.843; and

10 (iii) Twenty-five percent of the 40 percent solely for the purposes described in ORS 329.845;

11 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-  
 12 ment or for alcohol and drug abuse prevention, early intervention and treatment;

13 (C) Fifteen percent of the moneys in the account must be transferred to the State Police Ac-  
 14 count established under ORS 181A.020 to be prioritized for use in covering any costs incurred by  
 15 the Department of State Police as a result of ORS 475B.401 and [sections 37 and 38] **section 37** of  
 16 this 2021 Act; and

17 (D) Five percent of the moneys in the account must be used solely for:

18 (i) Purposes related to alcohol and drug abuse prevention, early intervention and treatment  
 19 services;

20 (ii) Assisting the Oregon Health Authority in administering ORS 475B.785 to 475B.949; and

21 (iii) Assisting the authority in providing public education about the medical use of marijuana.

22 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-  
 23 ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to  
 24 receive transfers of moneys under subsection (3)(c)(A) of this section.

25 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
 26 ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under  
 27 subsection (3)(c)(B)(i) of this section.

28 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
 29 ance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive  
 30 transfers of moneys under subsection (3)(c)(B)(ii) of this section.

31 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer  
 32 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer  
 33 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with  
 34 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-  
 35 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-  
 36 ble transfer.

37 (b) If the Director of the Oregon Department of Administrative Services determines that a city  
 38 or county received a transfer of moneys under subsection (3)(c) of this section but was ineligible to  
 39 receive that transfer under subsection (4) of this section, the director shall provide notice to the  
 40 ineligible city or county and order the city or county to return the amount received to the Depart-  
 41 ment of Revenue, with interest as described under paragraph (f) of this subsection. A city or county  
 42 may appeal the order within 30 days of the date of the order under the procedures for a contested  
 43 case under ORS chapter 183.

44 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall  
 45 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-

1 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

2 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the  
3 collection of income and excise taxes and may proceed to collect the amounts described in the no-  
4 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection  
5 described in this subsection is not precluded by any statute of limitations.

6 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the  
7 city or county shall be denied any further relief in connection with the ineligible transfer on or after  
8 the date that the order becomes final.

9 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on  
10 the date the ineligible transfer was made.

11 (g) Both the moneys and the interest collected from or returned by an ineligible city or county  
12 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-  
13 section (3)(c) of this section on the date the ineligible transfer was made.

14 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with  
15 the Oregon Department of Administrative Services whether the city or county has an ordinance  
16 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070,  
17 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the  
18 certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of  
19 Administrative Services.

20 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of  
21 moneys under subsection (3)(c)(A) of this section. If a county fails to comply with this subsection,  
22 the county is not eligible to receive transfers of moneys under subsection (3)(c)(B) of this section.

23 (c) A city or county that repeals an ordinance as provided in ORS 475B.496 shall file an updated  
24 certification with the Oregon Department of Administrative Services in a form and manner pre-  
25 scribed by the department, noting the effective date of the change. A city or county that repeals an  
26 ordinance as provided in ORS 475B.496 is eligible to receive quarterly transfers of moneys under  
27 this section for quarters where the repeal is effective for the entire quarter and the updated certi-  
28 fication was filed at least 30 days before the date of transfer.

29 **SECTION 51b.** ORS 475B.759, as amended by section 10, chapter 2, Oregon Laws 2021 (Ballot  
30 Measure 110 (2020)), and sections 51 and 51a of this 2021 Act, is amended to read:

31 475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the  
32 General Fund.

33 (2) The account shall consist of moneys transferred to the account under ORS 475B.760.

34 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the  
35 Oregon Marijuana Account.

36 (b) Before making other transfers of moneys required by this section, the department shall  
37 transfer quarterly to the Drug Treatment and Recovery Services Fund all the moneys in the Oregon  
38 Marijuana Account in excess of \$11,250,000.

39 (c) Subject to subsection (4) of this section, and after making the transfer of moneys required  
40 by paragraph (b) of this subsection, the department shall transfer quarterly 20 percent of the moneys  
41 in the Oregon Marijuana Account as follows:

42 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in  
43 the following shares:

44 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-  
45 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)

1 of this section compared to the population of all cities of this state that are not exempt from this  
2 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University  
3 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

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

9 (B) Ten percent of the moneys in the account must be transferred to counties in the following  
10 shares:

11 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-  
12 cially available area of all grow canopies associated with marijuana producer licenses held pursuant  
13 to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer  
14 for all premises located in each county compared to the total commercially available area of all  
15 grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the  
16 last business day of that calendar quarter for all premises located in this state; and

17 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-  
18 censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-  
19 endar quarter preceding the date of the transfer for premises located in each county compared to  
20 the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business  
21 day of that calendar quarter for all premises in this state.

22 (d) After making the transfer of moneys required by paragraph (b) of this subsection, eighty  
23 percent of the remaining moneys in the Oregon Marijuana Account must be used as follows:

24 (A) Forty percent of the moneys in the account must be used as follows:

25 (i) Fifty percent of the 40 percent solely for the purposes described in ORS 329.841;

26 (ii) Twenty-five percent of the 40 percent solely for the purposes described in ORS 329.843; and

27 (iii) Twenty-five percent of the 40 percent solely for the purposes described in ORS 329.845;

28 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-  
29 ment or for alcohol and drug abuse prevention, early intervention and treatment;

30 (C) Fifteen percent of the moneys in the account must be transferred to the State Police Ac-  
31 count established under ORS 181A.020 to be prioritized for use in covering any costs incurred by  
32 the Department of State Police as a result of ORS 475B.401 *[and section 37 of this 2021 Act]*; and

33 (D) Five percent of the moneys in the account must be used solely for:

34 (i) Purposes related to alcohol and drug abuse prevention, early intervention and treatment  
35 services;

36 (ii) Assisting the Oregon Health Authority in administering ORS 475B.785 to 475B.949; and

37 (iii) Assisting the authority in providing public education about the medical use of marijuana.

38 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-  
39 ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to  
40 receive transfers of moneys under subsection (3)(c)(A) of this section.

41 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
42 ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under  
43 subsection (3)(c)(B)(i) of this section.

44 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-  
45 ance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive

1 transfers of moneys under subsection (3)(c)(B)(ii) of this section.

2 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer  
3 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer  
4 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with  
5 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-  
6 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-  
7 ble transfer.

8 (b) If the Director of the Oregon Department of Administrative Services determines that a city  
9 or county received a transfer of moneys under subsection (3)(c) of this section but was ineligible to  
10 receive that transfer under subsection (4) of this section, the director shall provide notice to the  
11 ineligible city or county and order the city or county to return the amount received to the Depart-  
12 ment of Revenue, with interest as described under paragraph (f) of this subsection. A city or county  
13 may appeal the order within 30 days of the date of the order under the procedures for a contested  
14 case under ORS chapter 183.

15 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall  
16 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-  
17 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

18 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the  
19 collection of income and excise taxes and may proceed to collect the amounts described in the no-  
20 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection  
21 described in this subsection is not precluded by any statute of limitations.

22 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the  
23 city or county shall be denied any further relief in connection with the ineligible transfer on or after  
24 the date that the order becomes final.

25 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on  
26 the date the ineligible transfer was made.

27 (g) Both the moneys and the interest collected from or returned by an ineligible city or county  
28 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-  
29 section (3)(c) of this section on the date the ineligible transfer was made.

30 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with  
31 the Oregon Department of Administrative Services whether the city or county has an ordinance  
32 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070,  
33 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the  
34 certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of  
35 Administrative Services.

36 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of  
37 moneys under subsection (3)(c)(A) of this section. If a county fails to comply with this subsection,  
38 the county is not eligible to receive transfers of moneys under subsection (3)(c)(B) of this section.

39 (c) A city or county that repeals an ordinance as provided in ORS 475B.496 shall file an updated  
40 certification with the Oregon Department of Administrative Services in a form and manner pre-  
41 scribed by the department, noting the effective date of the change. A city or county that repeals an  
42 ordinance as provided in ORS 475B.496 is eligible to receive quarterly transfers of moneys under  
43 this section for quarters where the repeal is effective for the entire quarter and the updated certi-  
44 fication was filed at least 30 days before the date of transfer.

45 **SECTION 51c.** ORS 475B.760 is amended to read:

1 475B.760. (1) All moneys received by the Department of Revenue under ORS 475B.700 to  
2 475B.760 shall be deposited in the State Treasury and credited to a suspense account established  
3 under ORS 293.445. The department may pay expenses for the administration and enforcement of  
4 ORS 475B.700 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.  
5 Amounts necessary to pay administrative and enforcement expenses are continuously appropriated  
6 to the department from the suspense account.

7 (2) After the payment of administrative and enforcement expenses and refunds or credits arising  
8 from erroneous overpayments, the department shall credit the balance of the moneys received by the  
9 department under this section **as follows:**

10 (a) **Twenty-five percent to the Cannabis Equity Fund established under section 9 of this**  
11 **2021 Act; and**

12 (b) **Seventy-five percent** to the Oregon Marijuana Account established under ORS 475B.759.

13 **SECTION 51d.** Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), is amended  
14 to read:

15 **Sec. 5.** (1) The Drug Treatment and Recovery Services Fund is established in the State Treas-  
16 ury, separate and distinct from the General Fund. Interest earned by the **Drug Treatment and**  
17 **Recovery Services** Fund shall be credited to the fund.

18 (2) The Drug Treatment and Recovery Services Fund shall consist of:

19 (a) Moneys deposited into the fund pursuant to section 6, **chapter 2, Oregon Laws 2021 (Ballot**  
20 **Measure 110 (2020));**

21 (b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

22 (c) Moneys allocated from the Oregon Marijuana Account, pursuant to ORS 475B.759 [(7)]  
23 **(3)(b); and[,]**

24 (d) All other moneys deposited [*in*] **into** the fund from any source.

25 (3) Moneys in the fund shall be continuously appropriated to the Oregon Health Authority for  
26 the purposes set forth in section 2, **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)).**

27 [(4) *Unexpended moneys in the fund may not lapse and shall be carried forward and may be used*  
28 *without regard to fiscal year or biennium.*]

29 [(5)(a)] **(4)(a)** Pursuant to subsection (2)(b) of this section, the Legislative Assembly shall ap-  
30 propriate or transfer to the fund an amount sufficient to fully fund the grants program required by  
31 section 2, **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)).**

32 (b) The total amount deposited and transferred into the fund shall not be less than \$57 million  
33 for the first year [*this Act*] **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)),** is in effect.

34 (c) In each subsequent year, [*that*] **the minimum transfer** amount set forth in **paragraph (b)**  
35 **of this** subsection [(5)(b) *of this section*] shall be increased by not less than **the sum of:**

36 [(i)] **(A) \$57 million multiplied by** the percentage [(*if any*)], **if any,** by which the monthly av-  
37 eraged U.S. City Average Consumer Price Index for the 12 consecutive months ending [*December*]  
38 **August 31** of the prior calendar year exceeds the monthly index for the fourth quarter of the cal-  
39 endar year 2020; and[,]

40 [(ii)] **(B) [An amount not less than the increase] The annual increase, if any,** in moneys dis-  
41 tributed pursuant to ORS 475B.759 [(7)] **(3)(b).**

42 **SECTION 52.** Section 16, chapter 103, Oregon Laws 2018, is amended to read:

43 **Sec. 16.** (1) Notwithstanding ORS 475B.759, before making any other distribution from the  
44 Oregon Marijuana Account established under ORS 475B.759, the Department of Revenue shall first  
45 distribute quarterly from the account the following:



1 (a) [\$875,000] **\$831,250** to the Oregon Liquor Control Commission for deposit in the Marijuana  
2 Control and Regulation Fund established under ORS 475B.296; *and*

3 (b) [\$375,000] **\$356,250** to the Oregon Criminal Justice Commission for deposit into the Illegal  
4 Marijuana Market Enforcement Grant Program Fund established under section 15 *[of this 2018*  
5 *Act]*, **chapter 103, Oregon Laws 2018**, for the purposes of paying the costs incurred by the com-  
6 mission in carrying out the provisions of section 13 *[of this 2018 Act.]*, **chapter 103, Oregon Laws**  
7 **2018; and**

8 (c) **\$62,500 to the Oregon Health Authority for the administration of ORS 475B.785 to**  
9 **475B.949.**

10 (2) The final distribution made under subsection (1) of this section shall be made in the fiscal  
11 quarter beginning on October 1, 2023.

12 **SECTION 53.** (1) **The amendments to ORS 137.300, 475B.759 and 475B.760 and section 16,**  
13 **chapter 103, Oregon Laws 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure**  
14 **110 (2020)), by sections 50 to 52 of this 2021 Act become operative on August 22, 2022.**

15 (2) **The amendments to ORS 475B.759 by section 51a of this 2021 Act become operative**  
16 **on January 1, 2023.**

17 (3) **The amendments to ORS 475B.759 by section 51b of this 2021 Act become operative**  
18 **on January 1, 2026.**

19 (4) **The Department of Revenue may take any action before the operative date specified**  
20 **in subsection (1) of this section that is necessary to enable the department to exercise, on**  
21 **and after the operative date specified in subsection (1) of this section, all of the duties,**  
22 **functions and powers conferred on the department by the amendments to ORS 137.300,**  
23 **475B.759 and 475B.760 and section 16, chapter 103, Oregon Laws 2018, and section 5, chapter**  
24 **2, Oregon Laws 2021 (Ballot Measure 110 (2020)), by sections 50 to 52 of this 2021 Act.**

25  
26 **MEDICAL MARIJUANA PROGRAM**  
27

28 **SECTION 54.** **Section 55 of this 2021 Act is added to and made a part of ORS 475B.785 to**  
29 **475B.949.**

30 **SECTION 55.** (1) **The Oregon Health Authority shall use moneys transferred to the au-**  
31 **thority under ORS 475B.759 and section 16, chapter 103, Oregon Laws 2018, to:**

32 (a) **Administer and maintain the program described under ORS 475B.785 to 475B.949;**

33 (b) **Establish and maintain a public education program to routinely monitor and report**  
34 **on and educate the public about the known benefits and risks related to marijuana use, the**  
35 **public health effects of marijuana use, any public health interventions related to marijuana**  
36 **use and the impact of marijuana prohibition on the overall health of individuals who are**  
37 **American Indian, Alaska Native, Black, Hispanic or Latinx; and**

38 (c) **Provide alcohol and drug abuse prevention, early intervention and treatment services**  
39 **to individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx in a man-**  
40 **ner that meets any needs identified under section 5 of this 2021 Act.**

41 (2)(a) **The authority shall ensure that the processes to apply for a registry identification**  
42 **card under ORS 475B.797 and to register a location as a marijuana grow site under ORS**  
43 **475B.810 are equitably accessible regardless of an individual's ability to access or use digital**  
44 **technology.**

45 (b) **The authority shall consider and, as is feasible, remedy other potential barriers to**

1 registration described in this subsection and to meeting the tracking requirements estab-  
2 lished under ORS 475B.895.

3 (3) The authority shall review, at least once each biennium, and revise the list of debili-  
4 tating medical conditions to ensure the list meets the mental, physical and behavioral health  
5 needs of individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx.

6 (4) The authority shall regularly review and revise the strategic plan for carrying out  
7 ORS 475B.785 to 475B.949 to ensure that registry identification cardholders who are individ-  
8 uals who are American Indian, Alaska Native, Black, Hispanic or Latinx:

9 (a) Have access to safe and affordable marijuana for medical use;

10 (b) Are afforded equitable access to civil rights protections related to ORS 475B.785 to  
11 475B.949;

12 (c) Are offered any security measures for registry identification cardholders that are  
13 offered generally to registry identification cardholders; and

14 (d) Are equitably included in any methods of reporting and monitoring used by the au-  
15 thority to discover the need for, and carry out any public health interventions related to, the  
16 medical use of marijuana.

17 (5) The authority shall develop, continually update and implement a plan to address and  
18 eliminate any inequities for a registry identification cardholder to grow at home marijuana  
19 for the registry identification cardholder's use, including inequities and barriers that result  
20 from homeownership or tenancy status, plant possession limits and land use zoning. The  
21 authority shall publish the plan described in this subsection in a manner responsive to any  
22 needs identified under section 5 of this 2021 Act.

23 (6) The authority may, with the advice of the equity liaison of the authority and in col-  
24 laboration with the Equity Investment and Accountability Board, the Equity Investment and  
25 Accountability Office and the Oregon Liquor Control Commission, adopt rules to carry out  
26 this section.

27 **SECTION 56.** Section 55 of this 2021 Act is amended to read:

28 **Sec. 55.** (1) The Oregon Health Authority shall use moneys transferred to the authority under  
29 ORS 475B.759 [*and section 16, chapter 103, Oregon Laws 2018,*] to:

30 (a) Provide community health support and other support, including substance abuse treatment,  
31 to individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx in a manner that  
32 meets the needs identified by the data collection and reporting under section 3 of this 2021 Act.

33 (b) Study the impact of marijuana prohibitions on the overall health of individuals who are  
34 American Indian, Alaska Native, Black, Hispanic or Latinx.

35 (2)(a) The authority shall ensure that the processes to apply for a registry identification card  
36 under ORS 475B.797 and to register a location as a marijuana grow site under ORS 475B.810 are  
37 equitably accessible regardless of an individual's ability to access or use digital technology.

38 (b) The authority shall consider and remedy other potential barriers to registration described  
39 in this subsection and to meeting the tracking requirements established under ORS 475B.895.

40 (3) The authority shall regularly review and revise the list of debilitating medical conditions to  
41 ensure the list meets the mental, physical and behavioral health needs of individuals who are  
42 American Indian, Alaska Native, Black, Hispanic or Latinx.

43 (4) The authority shall regularly review and revise the strategic plan for carrying out ORS  
44 475B.785 to 475B.949 to ensure that registry identification cardholders who are individuals who are  
45 American Indian, Alaska Native, Black, Hispanic or Latinx:

1 (a) Have access to safe and affordable marijuana for medical use;

2 (b) Are afforded equitable access to civil rights protections related to ORS 475B.785 to 475B.949;

3 (c) Are offered any security measures for registry identification cardholders that are offered  
4 generally to registry identification cardholders; and

5 (d) Are equitably included in any methods of reporting and monitoring used by the authority to  
6 discover the need for, and carry out any public health interventions related to, the medical use of  
7 marijuana.

8 (5) The authority shall develop, continually update and implement a plan to address and elimi-  
9 nate any inequities for a registry identification cardholder to grow at home marijuana for the reg-  
10 istry identification cardholder's use, including inequities and barriers that result from  
11 homeownership or tenancy status, plant possession limits and land use zoning.

12 (6) The authority may, with the advice of the equity liaison of the authority, adopt rules to carry  
13 out this section.

14 **SECTION 57.** ORS 475B.797 is amended to read:

15 475B.797. (1) The Oregon Health Authority shall establish a program for the issuance of registry  
16 identification cards to applicants who meet the requirements of this section.

17 (2) The authority shall issue a registry identification card to an applicant who is 18 years of age  
18 or older if the applicant pays a fee in an amount established by the authority by rule and submits  
19 to the authority an application containing the following information:

20 (a) Written documentation from the applicant's attending physician stating that the attending  
21 physician has diagnosed the applicant as having a debilitating medical condition and that the med-  
22 ical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical  
23 condition;

24 (b) The name, address and date of birth of the applicant;

25 (c) The name, address and telephone number of the applicant's attending physician;

26 (d) Proof of residency, submitted in a form required by the authority by rule;

27 (e) The name and address of the applicant's designated primary caregiver, if the applicant is  
28 designating a primary caregiver under ORS 475B.804; and

29 (f) The information described in ORS 475B.810 (2), if the applicant is applying to produce  
30 marijuana or designate another person under ORS 475B.810 to produce marijuana.

31 (3)(a) The authority shall issue a registry identification card to an applicant who is under 18  
32 years of age if:

33 (A) The applicant pays the fee and submits the application described in subsection (2) of this  
34 section; and

35 (B) The custodial parent or legal guardian who is responsible for the health care decisions of  
36 the applicant signs and submits to the authority a written statement that:

37 (i) The applicant's attending physician has explained to the applicant and to the custodial parent  
38 or legal guardian the possible risks and benefits of the medical use of marijuana;

39 (ii) The custodial parent or legal guardian consents to the medical use of marijuana by the ap-  
40 plicant;

41 (iii) The custodial parent or legal guardian agrees to serve as the applicant's designated primary  
42 caregiver; and

43 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and fre-  
44 quency of the medical use of marijuana by the applicant.

45 (b) An applicant who is under 18 years of age may not apply to produce marijuana under sub-

1 section (2)(f) of this section.

2 (4) The authority shall:

3 (a) On the date on which the authority receives an application described in subsection (2) of this  
4 section, issue a receipt to the applicant verifying that the authority received an application under  
5 subsection (2) or (3) of this section; and

6 (b) Approve or deny an application received under subsection (2) or (3) of this section within  
7 30 days after receiving the application.

8 (5)(a) If the authority approves an application, the authority shall issue a serially numbered  
9 registry identification card to the applicant within five days after approving the application. The  
10 registry identification card must include the following information:

11 (A) The registry identification cardholder's name, address and date of birth;

12 (B) The issuance date and expiration date of the registry identification card;

13 (C) If the registry identification cardholder designated a primary caregiver under ORS 475B.804,  
14 the name and address of the registry identification cardholder's designated primary caregiver; and

15 (D) Any other information required by the authority by rule.

16 (b) If the registry identification cardholder designated a primary caregiver under ORS 475B.804,  
17 the authority shall issue an identification card to the designated primary caregiver. The identifica-  
18 tion card must contain the information required by paragraph (a) of this subsection.

19 (6) A registry identification cardholder shall:

20 (a) In a form and manner prescribed by the authority, notify the authority of any change con-  
21 cerning the registry identification cardholder's:

22 (A) Name, address or attending physician;

23 (B) Designated primary caregiver, including the designation of a primary caregiver made at a  
24 time other than at the time of applying for or renewing a registry identification card; or

25 (C) Person responsible for a marijuana grow site, including the designation of a person respon-  
26 sible for a marijuana grow site made at a time other than at the time of applying for or renewing  
27 a registry identification card.

28 (b) Annually renew the registry identification card by paying a fee in an amount established by  
29 the authority by rule and submitting to the authority an application that contains the following in-  
30 formation:

31 (A) Updated written documentation from the registry identification cardholder's attending phy-  
32 sician stating that the registry identification cardholder still has a debilitating medical condition  
33 and that the medical use of marijuana may mitigate the symptoms or effects of the registry iden-  
34 tification cardholder's debilitating medical condition;

35 (B) The information described in subsection (2)(b) to (f) of this section; and

36 (C) If the registry identification cardholder is under 18 years of age, a statement signed by the  
37 custodial parent or legal guardian of the registry identification cardholder that meets the require-  
38 ments of subsection (3) of this section.

39 (7) The authority shall:

40 (a) On the date on which the authority receives an application described in subsection (2) of this  
41 section, issue a receipt to the applicant verifying that the authority received an application under  
42 subsection (6)(b) of this section; and

43 (b) Approve or deny an application received under subsection (6)(b) of this section within 30  
44 days after receiving the application.

45 (8)(a) If the registry identification cardholder's attending physician determines that the registry

1 identification cardholder no longer has a debilitating medical condition, or determines that the  
2 medical use of marijuana is contraindicated for the registry identification cardholder's debilitating  
3 medical condition, the registry identification cardholder shall return the registry identification card  
4 to the authority within 30 calendar days after receiving notice of the determination.

5 (b) If, because of circumstances beyond the control of the registry identification cardholder, a  
6 registry identification cardholder is unable to obtain a second medical opinion about the registry  
7 identification cardholder's continuing eligibility for the medical use of marijuana before having to  
8 return the registry identification card to the authority, the authority may grant the registry iden-  
9 tification cardholder additional time to obtain a second medical opinion.

10 (9)(a) The authority may deny an application for a registry identification card or an application  
11 to renew a registry identification card, or may suspend or revoke a registry identification card, if:

12 (A) The applicant or registry identification cardholder does not provide the information required  
13 by this section;

14 (B) The authority determines that the applicant or registry identification cardholder provided  
15 false information; or

16 (C) The authority determines that the applicant or registry identification cardholder violated a  
17 provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

18 (b) If a registry identification card is revoked, any associated identification card issued under  
19 subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.810  
20 (6), shall also be revoked.

21 (c) A person whose application is denied, or whose registry identification card is revoked, under  
22 this subsection may not reapply for a registry identification card for six months from the date of the  
23 denial or revocation unless otherwise authorized by the authority.

24 (10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.804,  
25 or suspend or revoke an associated identification card issued under subsection (5)(b) of this section,  
26 if the authority determines that the designee or the registry identification cardholder violated a  
27 provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

28 (b) A person whose designation has been denied, or whose identification card has been revoked,  
29 under this subsection may not be designated as a primary caregiver under ORS 475B.804 for six  
30 months from the date of the denial or revocation unless otherwise authorized by the authority.

31 (11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry  
32 identification card, or a registry identification cardholder applying for renewal of a registry iden-  
33 tification card, submits to the authority [*proof of having served in the Armed Forces of the United*  
34 *States*] **the documentation described in this subsection**, the authority may not impose a fee that  
35 is greater than \$20 for the issuance or renewal of the registry identification card.

36 (b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identifi-  
37 cation cardholder include in the application to renew a registry identification card updated written  
38 documentation from the cardholder's attending physician regarding the cardholder's continuing de-  
39 bilitating medical condition does not apply to a service-disabled veteran who:

40 (A) Has been assigned a total and permanent disability rating for compensation that rates the  
41 veteran as unable to secure or follow a substantially gainful occupation as a result of service-  
42 connected disabilities as described in 38 C.F.R. 4.16; or

43 (B) Has a United States Department of Veterans Affairs total disability rating of 100 percent  
44 as a result of an injury or illness that the veteran incurred, or that was aggravated, during active  
45 military service and who received a discharge or release under other than dishonorable conditions.

1 (c) Documentation described in paragraph (a) of this subsection includes:

2 (A) Proof of having served in the Armed Forces of the United States;

3 (B) Proof of receiving supplemental nutrition assistance;

4 (C) Proof of receiving Supplemental Security Income;

5 (D) Proof of receiving income from Social Security Disability Insurance benefits; or

6 (E) Proof of being enrolled in the state medical assistance program.

7 (d) The authority may not impose a fee greater than \$60 for the issuance or renewal of  
8 a registry identification card to an applicant who does not submit the documentation de-  
9 scribed in this subsection.

10 (12) For any purpose described in ORS 475B.785 to 475B.949, including exemption from criminal  
11 liability under ORS 475B.907, a receipt issued by the authority verifying that an application has  
12 been submitted to the authority under subsection (2), (3) or (6)(b) of this section has the same legal  
13 effect as a registry identification card for 30 days following the date on which the receipt was issued  
14 to the applicant.

15 **SECTION 58.** ORS 475B.831 is amended to read:

16 475B.831. (1)(a) A registry identification cardholder and the designated primary caregiver of the  
17 registry identification cardholder may jointly possess:

18 (A) Six or fewer mature marijuana plants; and

19 (B) Twelve or fewer immature marijuana plants.

20 (b)(A) Unless an address is the marijuana grow site of a person designated to produce marijuana  
21 by a registry identification cardholder, the address where a registry identification cardholder or the  
22 primary caregiver of a registry identification cardholder produces marijuana may be used to produce  
23 not more than:

24 (i) Six or fewer mature marijuana plants per registry identification cardholder, up to 12 mature  
25 marijuana plants; and

26 (ii) Twelve or fewer immature marijuana plants per registry identification cardholder, up to 24  
27 immature marijuana plants.

28 (B) Except as provided in subparagraph (C) of this paragraph, an address that is subject to this  
29 paragraph may not be used to produce plants in the genus Cannabis within the plant family  
30 Cannabaceae pursuant to ORS 475B.301.

31 (C) Subject to subparagraph (D) of this paragraph, an address that is subject to this paragraph  
32 may be used to produce plants in the genus Cannabis within the plant family Cannabaceae pursuant  
33 to ORS 475B.301 if a person other than a registry identification cardholder who is using the address  
34 to produce marijuana plants pursuant to ORS 475B.785 to 475B.949 resides at the address.

35 (D) An address that is subject to this paragraph may not be used to produce more than 12 total  
36 mature marijuana plants.

37 (2)(a) A person may be designated to produce marijuana under ORS 475B.810 by no more than  
38 eight registry identification cardholders.

39 (b) A person responsible for a marijuana grow site may produce for a registry identification  
40 cardholder who designates the person to produce marijuana no more than:

41 (A) Six mature marijuana plants;

42 (B) 12 immature marijuana plants that are 24 inches or more in height; and

43 (C) The amount, established by the Oregon Health Authority by rule, of immature marijuana  
44 plants that are less than 24 inches in height.

45 (3) If the address of a person responsible for a marijuana grow site registered under ORS

1 475B.810 is located within city limits in an area zoned for residential use:

2 (a) Except as provided in paragraph (b) of this subsection, no more than the following amounts  
3 of marijuana plants may be produced at the address:

4 (A) 12 mature marijuana plants;

5 (B) 24 immature marijuana plants that are 24 inches or more in height; and

6 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
7 than 24 inches in height; or

8 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site  
9 located at the address first registered with the authority under ORS 475B.810 before January 1,  
10 2015, no more than the following amounts of marijuana plants may be produced at the address:

11 (A) The amount of mature marijuana plants located at that address on December 31, 2014, in  
12 excess of 12 mature marijuana plants, not to exceed 24 mature marijuana plants;

13 (B) 48 immature marijuana plants that are 24 inches or more in height; and

14 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
15 than 24 inches in height.

16 (4) If the address of a person responsible for a marijuana grow site registered under ORS  
17 475B.810 is located in an area other than an area described in subsection (3) of this section:

18 (a) Except as provided in paragraph (b) of this subsection, no more than the following amounts  
19 of marijuana plants may be produced at the address:

20 (A) 48 mature marijuana plants;

21 (B) 96 immature marijuana plants that are 24 inches or more in height; and

22 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
23 than 24 inches in height; or

24 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana  
25 grow site located at the address first registered with the authority under ORS 475B.810 before  
26 January 1, 2015, no more than the following amounts of marijuana plants may be produced at the  
27 address:

28 (A) The amount of mature marijuana plants located at that address on December 31, 2014, in  
29 excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants;

30 (B) 192 immature marijuana plants that are 24 inches or more in height; and

31 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
32 than 24 inches in height.

33 (5)(a) If the authority suspends or revokes the registration of a person responsible for a  
34 marijuana grow site that is located at an address described in subsection (3)(b) of this section, no  
35 more than the following amounts of marijuana plants may subsequently be produced at any address  
36 described in subsection (3) of this section at which the person responsible for the marijuana grow  
37 site produces marijuana:

38 (A) 12 mature marijuana plants;

39 (B) 24 immature marijuana plants that are 24 inches or more in height; and

40 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
41 than 24 inches in height.

42 (b) If the authority suspends or revokes the registration of a person responsible for a marijuana  
43 grow site that is located at an address described in subsection (4)(b) of this section, no more than  
44 the following amounts of marijuana plants may subsequently be produced at any address described  
45 in subsection (4) of this section at which the person responsible for the marijuana grow site

1 produces marijuana:

2 (A) 48 mature marijuana plants;

3 (B) 96 immature marijuana plants that are 24 inches or more in height; and

4 (C) The amount, established by the authority by rule, of immature marijuana plants that are less  
5 than 24 inches in height.

6 (6) If a registry identification cardholder who designated a person to produce marijuana for the  
7 registry identification cardholder pursuant to ORS 475B.810 terminates the designation, the person  
8 responsible for the marijuana grow site whose designation has been terminated may not be desig-  
9 nated to produce marijuana by another registry identification cardholder, except that the person  
10 may be designated by another registry identification cardholder if no more than 48 mature  
11 marijuana plants and no more than 96 immature marijuana plants that are 24 or more inches in  
12 height are produced at the address for the marijuana grow site at which the person produces  
13 marijuana.

14 (7) Subject to the limits described in subsections (2) to (6) of this section, if multiple persons  
15 responsible for a marijuana grow site under ORS 475B.810 are located at the same address, the  
16 persons designated to produce marijuana by registry identification cardholders who are located at  
17 that address may collectively produce marijuana plants for any number of registry identification  
18 cardholders who designate the persons to produce marijuana.

19 (8) If a law enforcement officer determines that there is a number of marijuana plants at an  
20 address in excess of the quantities specified in this section, or that an address is being used to  
21 produce a number of marijuana plants in excess of the quantities specified in subsection (1)(b) of this  
22 section, the law enforcement officer may confiscate only the excess number of marijuana plants.

23 **(9) A marijuana grow site that is colocated with a cannabis on-premises consumption site**  
24 **under section 22 of this 2021 Act is not subject to this section.**

25 **SECTION 58a. (1) Section 55 of this 2021 Act and the amendments to ORS 475B.797 by**  
26 **section 57 of this 2021 Act become operative on August 22, 2022.**

27 **(2) The amendments to section 55 of this 2021 Act by section 56 of this 2021 Act become**  
28 **operative on January 2, 2024.**

29 **(3) The Oregon Health Authority may take any action before the operative date specified**  
30 **in subsection (1) of this section that is necessary to enable the authority to exercise, on and**  
31 **after the operative date specified in subsection (1) of this section, all of the duties, functions**  
32 **and powers conferred on the authority by section 55 of this 2021 Act and the amendments**  
33 **to ORS 475B.797 by section 57 of this 2021 Act.**

34  
35 **CONFORMING AMENDMENTS**

36  
37 **SECTION 59. ORS 475B.015 is amended to read:**

38 475B.015. As used in ORS 475B.010 to 475B.545:

39 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents derived  
40 from marijuana.

41 (2) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from  
42 marijuana by:

43 (a) A mechanical extraction process;

44 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-  
45 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;



1 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-  
2 volve the use of high heat or pressure; or

3 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with  
4 the Oregon Health Authority, by rule.

5 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,  
6 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

7 (4) “Cannabinoid extract” means a substance obtained by separating cannabinoids from  
8 marijuana by:

9 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane  
10 or propane;

11 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-  
12 sure; or

13 (c) Any other process identified by the commission, in consultation with the authority, by rule.

14 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for  
15 human consumption or use, including a product intended to be applied to the skin or hair, that  
16 contains cannabinoids or dried marijuana leaves or flowers.

17 (b) “Cannabinoid product” does not include:

18 (A) Usable marijuana by itself;

19 (B) A cannabinoid concentrate by itself;

20 (C) A cannabinoid extract by itself; or

21 (D) Industrial hemp, as defined in ORS 571.269.

22 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items  
23 other than for the purpose of resale.

24 (7) “Deliver” means the actual, constructive or attempted transfer from one person to another  
25 of a marijuana item, whether or not there is an agency relationship.

26 (8) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.

27 (9)(a) “Financial consideration” means value that is given or received either directly or indi-  
28 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.

29 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid  
30 concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

31 (10) “Homegrown” means grown by a person 21 years of age or older for noncommercial pur-  
32 poses.

33 (11) “Household” means a housing unit and any place in or around a housing unit at which the  
34 occupants of the housing unit are producing, processing, possessing or storing homegrown  
35 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

36 (12) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a  
37 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-  
38 rately from any other persons in the building and that has direct access from the outside of the  
39 building or through a common hall.

40 (13) “Immature marijuana plant” means a marijuana plant that is not flowering.

41 (14) “Licensee” means a person that holds a license issued under ORS 475B.070, 475B.090,  
42 475B.100 or 475B.105 **or section 22, 27, 32 or 34 of this 2021 Act.**

43 (15) “Licensee representative” means an owner, director, officer, manager, employee, agent or  
44 other representative of a licensee, to the extent that the person acts in a representative capacity.

45 (16)(a) “Manufacture” means producing, propagating, preparing, compounding, converting or

1 processing a marijuana item, either directly or indirectly, by extracting from substances of natural  
2 origin.

3 (b) "Manufacture" includes any packaging or repackaging of a marijuana item or the labeling  
4 or relabeling of a container containing a marijuana item.

5 (17)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant  
6 Cannabis family Cannabaceae and marijuana seeds.

7 (b) "Marijuana" does not include:

8 (A) Industrial hemp, as defined in ORS 571.269; or

9 (B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one  
10 or more cannabinoids, that are approved by the United States Food and Drug Administration and  
11 dispensed by a pharmacy, as defined in ORS 689.005.

12 (18) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family  
13 Cannabaceae.

14 (19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and  
15 cannabinoid extracts.

16 (20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family  
17 Cannabaceae.

18 (21) "Marijuana processor" means a person that processes marijuana items in this state.

19 (22) "Marijuana producer" means a person that produces marijuana in this state.

20 (23) "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

21 (24)(a) "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

22 (b) "Marijuana seeds" does not include the seeds of industrial hemp, as defined in ORS 571.269.

23 (25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for  
24 resale to a person other than a consumer.

25 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana  
26 plant.

27 (27) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract"  
28 means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concen-  
29 tration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the  
30 cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a  
31 valid registry identification card issued under ORS 475B.797.

32 (28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid pro-  
33 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a  
34 debilitating medical condition, as defined in ORS 475B.791.

35 (29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-  
36 nancial consideration.

37 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to  
38 475B.545:

39 (A) All public and private enclosed areas at the location that are used in the business operated  
40 at the location, including offices, kitchens, rest rooms and storerooms;

41 (B) All areas outside a building that the commission has specifically licensed for the processing,  
42 wholesale sale or retail sale of marijuana items; and

43 (C) For a location that the commission has specifically licensed for the production of marijuana  
44 outside a building, that portion of the location used to produce marijuana.

45 (b) "Premises" does not include a primary residence.

1 (31)(a) "Processes" means the processing, compounding or conversion of marijuana into  
2 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

3 (b) "Processes" does not include packaging or labeling.

4 (32)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of  
5 marijuana.

6 (b) "Produces" does not include:

7 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-  
8 wise producing marijuana; or

9 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,  
10 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or  
11 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

12 (33) "Propagate" means to grow immature marijuana plants or to breed or produce marijuana  
13 seeds.

14 (34) "Public place" means a place to which the general public has access and includes, but is  
15 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting  
16 rooms or apartments designed for actual residence, and highways, streets, schools, places of  
17 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

18 (35) "Registry identification cardholder" has the meaning given that term in ORS 475B.791.

19 (36)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

20 (b) "Usable marijuana" does not include:

21 (A) Marijuana seeds;

22 (B) The stalks and roots of marijuana; or

23 (C) Waste material that is a by-product of producing or processing marijuana.

24 **SECTION 60.** ORS 475B.025 is amended to read:

25 475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers  
26 specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission  
27 to carry out the commission's duties, functions and powers under ORS 475B.010 to 475B.545. The  
28 jurisdiction, supervision, duties, functions and powers of the commission extend to any person that  
29 produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The  
30 commission may sue and be sued.

31 (2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545  
32 include the following:

33 (a) To regulate the production, processing, transportation, delivery, sale and purchase of  
34 marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

35 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,  
36 processing or sale of marijuana items, or other licenses related to the consumption of marijuana  
37 items, and to permit, in the commission's discretion, the transfer of a license between persons.

38 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS  
39 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public  
40 health and safety.

41 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-  
42 minister or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that  
43 charges the commission with a duty, function or power related to marijuana. Powers described in  
44 this paragraph include, but are not limited to:

45 (A) Issuing subpoenas;

1 (B) Compelling the attendance of witnesses;

2 (C) Administering oaths;

3 (D) Certifying official acts;

4 (E) Taking depositions as provided by law;

5 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-  
6 timony; and

7 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS  
8 475B.070, 475B.090, 475B.100 and 475B.105 **and sections 22, 27, 32 and 34 of this 2021 Act**, provided  
9 that any fee established by the commission is reasonably calculated not to exceed the cost of the  
10 activity for which the fee is charged.

11 (e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

12 (A) That is appealing to minors;

13 (B) That promotes excessive use;

14 (C) That promotes illegal activity; or

15 (D) That otherwise presents a significant risk to public health and safety.

16 (f) To regulate the use of marijuana items for other purposes as deemed necessary or appropri-  
17 ate by the commission.

18 (g) To establish pilot programs, of not more than three years in duration, to expand access to  
19 marijuana for medical use for registry identification cardholders and designated primary caregivers,  
20 as defined in ORS 475B.791.

21 (3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the  
22 Marijuana Control and Regulation Fund established under ORS 475B.296.

23 **SECTION 61.** ORS 475B.063 is amended to read:

24 475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105  
25 **or section 22 or 34 of this 2021 Act**, an applicant shall request **and be issued** a land use com-  
26 patibility statement from the city or county that authorizes the land use. The land use compatibility  
27 statement must demonstrate that the requested license is for a land use that is allowable as a per-  
28 mitted or conditional use within the given zoning designation where the land is located. The Oregon  
29 Liquor Control Commission may not issue a license if the land use compatibility statement shows  
30 that the proposed land use is prohibited in the applicable zone.

31 (2) Except as provided in subsection (3) of this section, a city or county that receives a request  
32 for a land use compatibility statement under this section must act on that request within 21 days  
33 of:

34 (a) Receipt of the request, if the land use is allowable as an outright permitted use; or

35 (b) Final local permit approval, if the land use is allowable as a conditional use.

36 (3) A city or county that receives a request for a land use compatibility statement under this  
37 section is not required to act on that request during the period that the commission discontinues  
38 licensing those premises pursuant to ORS 475B.968 (4)(b).

39 (4) A city or county action concerning a land use compatibility statement under this section is  
40 not a land use decision [*for purposes of ORS chapter 195, 196, 197, 215 or 227*] **as defined in ORS**  
41 **197.015.**

42 **SECTION 62.** ORS 475B.119 is amended to read:

43 475B.119. (1) The Oregon Liquor Control Commission may adopt rules establishing the circum-  
44 stances under which the commission may require a [*marijuana retailer that holds a license issued*  
45 *under ORS 475B.105*] **licensee** to use an age verification scanner or any other equipment used to

1 verify a person's age for the purpose of ensuring that the [*marijuana retailer*] licensee does not:

2 (a) Sell or deliver marijuana items to a person under 21 years of age[.];

3 (b) Allow a person under 21 years of age to use marijuana items on the premises for  
4 which the licensee holds a license; or

5 (c) Allow a person under 21 years of age to enter the premises for which the licensee  
6 holds a license.

7 (2) Information obtained under this section may not be retained after verifying a person's age  
8 and may not be used for any purpose other than verifying a person's age.

9 **SECTION 63.** ORS 475B.220 is amended to read:

10 475B.220. (1) As used in this section, "information that may be used to identify a consumer"  
11 means information that may be acquired through the production of a piece of identification as de-  
12 scribed in ORS 475B.216, whether the information is contained in a piece of identification described  
13 in ORS 475B.216 or in a different document or record.

14 (2) A consumer may not be required to procure for the purpose of acquiring or purchasing a  
15 marijuana item a piece of identification other than:

16 (a) A piece of identification described in ORS 475B.216; and

17 (b) If the consumer is a registry identification cardholder, as defined in ORS 475B.791, a registry  
18 identification card, as defined in ORS 475B.791.

19 (3) A marijuana retailer may not record and retain any information that may be used to identify  
20 a consumer, except as necessary to make deliveries to consumers pursuant to ORS 475B.206 (3), *as*  
21 *required by any rules adopted under ORS 475B.206 (3)* or **section 27 of this 2021 Act.**

22 (4) A marijuana retailer may not transfer any information that may be used to identify a con-  
23 sumer to any other person.

24 (5)(a) Notwithstanding subsection (3) of this section, a marijuana retailer may record and retain  
25 the name and contact information of a consumer for the purpose of notifying the consumer of ser-  
26 vices that the marijuana retailer provides or of discounts, coupons and other marketing information  
27 if:

28 (A) The marijuana retailer asks the consumer whether the marijuana retailer may record and  
29 retain the information; and

30 (B) The consumer consents to the recording and retention of the information.

31 (b) This subsection does not authorize a marijuana retailer to transfer information that may be  
32 used to identify a consumer.

33 (6) This section does not apply to deidentified information the documentation and transfer of  
34 which is required by the Department of Revenue for purposes of ORS 475B.707.

35 **SECTION 64.** ORS 475B.227 is amended to read:

36 475B.227. (1) For purposes of this section:

37 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as  
38 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior  
39 to the marijuana item leaving this state.

40 (b) "Marijuana item" includes industrial hemp products and commodities that contain more than  
41 0.3 percent tetrahydrocannabinol.

42 (2) A person may not import marijuana items into this state or export marijuana items from this  
43 state.

44 (3) Except as provided in subsection (4) of this section, a violation of this section is a Class B  
45 violation.

1 (4) A violation of this section is a:

2 (a) Class A misdemeanor, if the importation or exportation:

3 (A) Is not for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*  
4 *475B.100 or 475B.105*] **is a licensee**; or

5 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-  
6 ified in ORS 475B.337 (1)(a) to (f).

7 (b) Class C felony, if the importation or exportation:

8 (A) Is for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*  
9 *475B.100 or 475B.105*] **is a licensee**;

10 (B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum  
11 amount specified in ORS 475B.337 (1)(a) to (f); or

12 (C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds  
13 a license issued under ORS 475B.105.

14 **SECTION 65.** ORS 475B.486 is amended to read:

15 475B.486. (1) [*For purposes of*] **As used in** this section, “reasonable regulations” includes:

16 (a) Reasonable conditions on the manner in which a marijuana producer that holds a license  
17 issued under ORS 475B.070 may produce marijuana or in which a researcher of cannabis that holds  
18 a certificate issued under ORS 475B.286 may produce marijuana or propagate immature marijuana  
19 plants;

20 (b) Reasonable conditions on the manner in which a marijuana processor that holds a license  
21 issued under ORS 475B.090 may process marijuana or in which a researcher of cannabis that holds  
22 a certificate issued under ORS 475B.286 may process marijuana;

23 (c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license  
24 issued under ORS 475B.100 may sell marijuana at wholesale;

25 (d) Reasonable conditions on the manner in which a marijuana retailer that holds a license is-  
26 sued under ORS 475B.105 may sell marijuana items;

27 **(e) Reasonable conditions on the manner in which a person that holds a license issued**  
28 **under section 22 of this 2021 Act may operate a cannabis on-premises consumption site;**

29 **(f) Reasonable conditions on the manner in which a person that holds a license issued**  
30 **under section 34 of this 2021 Act for a shared processing facility may allow the processing**  
31 **of marijuana at the shared processing facility;**

32 [(e)] **(g)** Reasonable limitations on the hours during which a premises for which a license has  
33 been issued under ORS 475B.010 to 475B.545 may operate;

34 [(f)] **(h)** Reasonable requirements related to the public’s access to a premises for which a license  
35 or certificate has been issued under ORS 475B.010 to 475B.545; and

36 [(g)] **(i)** Reasonable limitations on where a premises for which a license or certificate may be  
37 issued under ORS 475B.010 to 475B.545 may be located.

38 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county  
39 may adopt ordinances that impose reasonable regulations on the operation of businesses located at  
40 premises for which a license or certificate has been issued under ORS 475B.010 to 475B.545 if the  
41 premises are located in the area subject to the jurisdiction of the city or county, except that the  
42 governing body of a city or county may not:

43 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS  
44 475B.105 **or section 22 or 34 of this 2021 Act** from being located within a distance that is greater  
45 than 1,000 feet of another premises for which a license has been issued under ORS 475B.105 **or**

1 **section 22 or 34 of this 2021 Act.**

2 **(b) Impose a fee in excess of \$1,000 for any process in which the governing body author-**  
3 **izes the establishment of a cannabis on-premises consumption site for which a license is re-**  
4 **quired under section 22 of this 2021 Act.**

5 [(b)] (c) Adopt an ordinance that imposes a setback requirement for an agricultural building  
6 used to produce marijuana located on a premises for which a license has been issued under ORS  
7 475B.070 if the agricultural building:

8 (A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and  
9 building code requirements at the time of construction;

10 (B) Is located at an address where a marijuana grow site first registered with the Oregon Health  
11 Authority under ORS 475B.810 on or before January 1, 2015;

12 (C) Was used to produce marijuana pursuant to the provisions of ORS 475B.785 to 475B.949 on  
13 or before January 1, 2015; and

14 (D) Has four opaque walls and a roof.

15 **SECTION 66.** ORS 475B.575 is amended to read:

16 475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee  
17 violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS  
18 475B.550 to 475B.590, the Oregon Liquor Control Commission may refuse to issue or renew, or may  
19 suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section**  
20 **16, 22, 27, 32 or 34 of this 2021 Act.**

21 **SECTION 67.** ORS 475B.635 is amended to read:

22 475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS  
23 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a person  
24 that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 22 or 34 of this**  
25 **2021 Act.**

26 **SECTION 68.** ORS 475B.645 is amended to read:

27 475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee  
28 violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS  
29 475B.600 to 475B.655, the Oregon Liquor Control Commission may refuse to issue or renew, or may  
30 suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section**  
31 **22, 27, 32 or 34 of this 2021 Act.**

32 **SECTION 69.** ORS 475B.766 is amended to read:

33 475B.766. A financial institution that provides financial services customarily provided by finan-  
34 cial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the  
35 Bank Act or by ORS chapter 723 to [*a marijuana processing site registered under ORS 475B.840, a*  
36 *medical marijuana dispensary registered under ORS 475B.858, a marijuana producer that holds a li-*  
37 *cence under ORS 475B.070, a marijuana processor that holds a license under ORS 475B.090, a*  
38 *marijuana wholesaler that holds a license under ORS 475B.100, a marijuana retailer that holds a li-*  
39 *cence under ORS 475B.105, a laboratory that holds a license under ORS 475B.560 or a person to whom*  
40 *a permit has been issued under ORS 475B.266] **the following** is exempt from any criminal law of this  
41 state an element of which may be proven by substantiating that a person provides financial services  
42 customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320,  
43 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person [*who*] **that** possesses, delivers  
44 or manufactures marijuana or marijuana derived products[.];*

45 **(1) A marijuana processing site registered under ORS 475B.840;**

1 (2) A medical marijuana dispensary registered under ORS 475B.858;

2 (3) A marijuana producer that holds a license issued under ORS 475B.070;

3 (4) A marijuana processor that holds a license issued under ORS 475B.090;

4 (5) A marijuana wholesaler that holds a license issued under ORS 475B.100;

5 (6) A marijuana retailer that holds a license issued under ORS 475B.105;

6 (7) A laboratory that holds a license under ORS 475B.560;

7 (8) A person to whom a permit has been issued under ORS 475B.266;

8 (9) A person that holds a cannabis on-premises consumption license issued under section  
9 22 of this 2021 Act;

10 (10) A person that holds a cannabis delivery license issued under section 27 of this 2021  
11 Act;

12 (11) A person that holds a shared processing license issued under section 32 of this 2021  
13 Act; or

14 (12) A person that holds a shared processing facility license issued under section 34 of  
15 this 2021 Act.

16 **SECTION 70.** ORS 475B.769 is amended to read:

17 475B.769. (1) Notwithstanding any law relating to the exemption of information from public dis-  
18 closure under ORS 475B.010 to 475B.545 or 475B.550 to 475B.590, upon the request of a financial  
19 institution, the Oregon Liquor Control Commission shall provide to the financial institution the fol-  
20 lowing information:

21 (a) Whether a person with whom the financial institution is doing business holds a license under  
22 ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 **or section 22, 27, 32 or 34 of this 2021**  
23 **Act** or a permit under ORS 475B.266;

24 (b) The name of any other business or individual affiliated with the person;

25 (c) A copy of the application, and any supporting documentation submitted with the application,  
26 for a license or a permit submitted by the person;

27 (d) If applicable, data relating to sales and the volume of product sold by the person;

28 (e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.545,  
29 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545,  
30 475B.550 to 475B.590 and 475B.600 to 475B.655;

31 (f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.545,  
32 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,  
33 475B.550 to 475B.590 or 475B.600 to 475B.655; and

34 (g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.545,  
35 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,  
36 475B.550 to 475B.590 or 475B.600 to 475B.655.

37 (2) Upon receiving a request under subsection (1) of this section, the commission shall provide  
38 the requesting financial institution with the requested information.

39 (3) The commission may charge a financial institution a reasonable fee to cover the adminis-  
40 trative costs of providing information under this section.

41 **SECTION 71.** ORS 475B.968 is amended to read:

42 475B.968. (1) The governing body of a city or county may adopt ordinances to be referred to the  
43 electors of the city or county as described in subsection (2) of this section that prohibit or allow the  
44 establishment of any one or more of the following in the area subject to the jurisdiction of the city  
45 or in the unincorporated area subject to the jurisdiction of the county:



- 1 (a) Marijuana processing sites registered under ORS 475B.840;
- 2 (b) Medical marijuana dispensaries registered under ORS 475B.858;
- 3 (c) Marijuana producers that hold a license issued under ORS 475B.070;
- 4 (d) Marijuana processors that hold a license issued under ORS 475B.090;
- 5 (e) Marijuana wholesalers that hold a license issued under ORS 475B.100;
- 6 (f) Marijuana retailers that hold a license issued under ORS 475B.105;
- 7 (g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon
- 8 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;
- 9 (h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission
- 10 has designated as an exclusively medical licensee under ORS 475B.127;
- 11 (i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commis-
- 12 sion has designated as an exclusively medical licensee under ORS 475B.129;
- 13 (j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission
- 14 has designated as an exclusively medical licensee under ORS 475B.131; *[or]*
- 15 **(k) Cannabis on-premises consumption sites licensed under section 22 of this 2021 Act;**
- 16 **(L) Shared processing facilities licensed under section 34 of this 2021 Act; or**
- 17 *[(k)] (m)* Any combination of the entities described in this subsection.
- 18 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
- 19 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
- 20 proval at the next statewide general election.
- 21 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
- 22 erning body must provide the text of the ordinance:
- 23 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
- 24 ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana
- 25 processing site registered under ORS 475B.840; or
- 26 (b) To the commission, if the ordinance concerns a premises for which a license has been issued
- 27 under ORS 475B.010 to 475B.545.
- 28 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
- 29 shall discontinue registering those entities to which the prohibition applies until the date of the next
- 30 statewide general election.
- 31 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission
- 32 shall discontinue licensing those premises to which the prohibition applies until the date of the next
- 33 statewide general election.
- 34 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
- 35 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
- 36 section, the authority shall begin registering the entity to which the allowance applies on the first
- 37 business day of the January immediately following the date of the statewide general election.
- 38 (b) If an allowance is approved at the next statewide general election under subsection (2) of
- 39 this section, and the allowance concerns an entity described in subsection (1)(c) to *[(j)] (L)* of this
- 40 section, the commission shall begin licensing the premises to which the allowance applies on the
- 41 first business day of the January immediately following the date of the next statewide general
- 42 election.
- 43 (6) If the electors of a city or county approve an ordinance prohibiting or allowing an entity
- 44 described in subsection (1)(a), (b) or (g) to *[(j)] (L)* of this section, the governing body of the city or
- 45 county may amend the ordinance, without referring the amendment to the electors of the city or

1 county, to prohibit or allow any other entity described in subsection (1)(a), (b) or (g) to [(j)] (L) of  
2 this section.

3 (7) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under  
4 this section that prohibits the establishment of an entity described in subsection (1) of this section  
5 may not impose a tax or fee on the production, processing or sale of marijuana or any product into  
6 which marijuana has been incorporated.

7 (8) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject  
8 to an ordinance adopted under this section if the medical marijuana dispensary:

9 (a) Is registered under ORS 475B.858 on or before the date on which the governing body adopts  
10 the ordinance; and

11 (b) Has successfully completed a city or county land use application process.

12 (9) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to  
13 an ordinance adopted under this section if the marijuana processing site:

14 (a) Is registered under ORS 475B.840 on or before the date on which the governing body adopts  
15 the ordinance; and

16 (b) Has successfully completed a city or county land use application process.

17 **SECTION 72.** (1) **The amendments to ORS 475B.015, 475B.025, 475B.063, 475B.119, 475B.220,**  
18 **475B.227, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766, 475B.769 and 475B.968 by sections**  
19 **59 to 71 of this 2021 Act become operative on August 22, 2022.**

20 (2) **The Oregon Liquor Control Commission may take any action before the operative date**  
21 **specified in subsection (1) of this section that is necessary to enable the commission to ex-**  
22 **ercise, on and after the operative date specified in subsection (1) of this section, all of the**  
23 **duties, functions and powers conferred on the commission by the amendments to ORS**  
24 **475B.015, 475B.025, 475B.063, 475B.119, 475B.220, 475B.227, 475B.486, 475B.575, 475B.635,**  
25 **475B.645, 475B.766, 475B.769 and 475B.968 by sections 59 to 71 of this 2021 Act.**

26  
27 **CAPTIONS**

28  
29 **SECTION 73.** **The unit captions used in this 2021 Act are provided only for the conven-**  
30 **ience of the reader and do not become part of the statutory law of this state or express any**  
31 **legislative intent in the enactment of this 2021 Act.**

32  
33 **EFFECTIVE DATE**

34  
35 **SECTION 74.** **This 2021 Act takes effect on the 91st day after the date on which the 2021**  
36 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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