

HOUSE AMENDMENTS TO HOUSE BILL 3112

By COMMITTEE ON RULES

May 24

1 On page 1 of the printed bill, line 4, after “475B.759,” insert “475B.760,”.

2 In line 5, after “2018” insert “, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110
3 (2020))”.

4 After line 6, insert:

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

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

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

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

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

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

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

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

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

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

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

1 “Whereas a 2017 snapshot of the cannabis industry showed that less than three percent of
2 plant-touching cannabis businesses were Black-owned and less than six percent were Hispanic- or
3 Latinx-owned; and

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

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

9 “Whereas according to Pew Charitable Trusts, serving time in prison reduces a person’s annual
10 earnings by 40 percent; and

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

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

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

19 “Whereas the homeownership rate for White Oregonians is 65 percent, 36.5 percent for African
20 American Oregonians, 48.4 percent for Native American Oregonians and 45.9 percent for Latinx
21 Oregonians; and

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

25 “Whereas programs to support small business were not designed with the Black community in
26 mind, as evident through the mechanisms and outcomes from the CARES Act (2020) Paycheck Pro-
27 tection Program in which only 51 percent of Black-owned small businesses applied for less than
28 \$20,000 in temporary funding from the federal government and only one in 10, or 12 percent, re-
29 ceived the assistance that they requested; and

30 “Whereas only 13.1 percent of White Oregonians live in poverty but 28.7 percent of Black
31 Oregonians live in poverty, 22.3 percent of Hispanic Oregonians live in poverty and 24.4 percent of
32 Native American Oregonians live in poverty; and

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

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

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

45 “Whereas according to McKinsey & Company, companies in the top quartile for ethnic and

1 cultural diversity on their executive teams were 33 percent more likely to have above-average
2 profitability than companies in the fourth quartile, and companies with the most ethnically and
3 culturally diverse boards worldwide are 43 percent more likely to experience higher profits; and

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

7 “Whereas cannabis equity programs in other states and municipalities using the race neutral
8 qualification standards have failed to create equitable market participation and leverage the benefits
9 of diversity; now, therefore,”.

10 Delete lines 8 through 12 and delete pages 2 through 6 and insert:

11
12 **“EQUITY INVESTMENT AND ACCOUNTABILITY BOARD**

13
14 **“SECTION 1. (1)(a) The Equity Investment and Accountability Board is established as a**
15 **separate office within the office of the Governor to provide equity oversight within Oregon’s**
16 **cannabis industry.**

17 **“(b) The board shall consist of at least 13 members appointed by the Governor from the**
18 **following stakeholder groups:**

19 **“(A) Equity operators;**

20 **“(B) Registry identification cardholder representatives;**

21 **“(C) Licensed health care provider representatives;**

22 **“(D) Public health representatives;**

23 **“(E) Cannabis producers, processors and retailers;**

24 **“(F) Local equity experts and leaders;**

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

27 **“(H) One representative each from the Commission on Hispanic Affairs, the Commission**
28 **on Black Affairs, the Commission for Women, the Commission on Asian and Pacific Islander**
29 **Affairs and the Commission on Indian Services.**

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

33 **“(2) The members appointed under this section:**

34 **“(a) Must have knowledge of the cannabis industry in this state and be culturally com-**
35 **petent.**

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

38 **“(3) The term of office of each member of the board is four years. A member shall hold**
39 **office until a successor has been appointed and qualified. Before the expiration of the term**
40 **of a member, the Governor shall appoint a successor whose term begins on September 1 next**
41 **following. A member is eligible for reappointment. If there is a vacancy for any cause, the**
42 **Governor shall make an appointment to become immediately effective for the unexpired**
43 **term.**

44 **“(4) The appointment of each member of the board is subject to confirmation by the**
45 **Senate in the manner prescribed in ORS 171.562 and 171.565.**

1 “(5) The board shall be overseen by a chairperson appointed by the Governor.
2 “(6) A majority of the members constitutes a quorum for the transaction of business.
3 “(7)(a) The Governor may remove a member who no longer meets the requirements of
4 this section or for any other cause deemed sufficient by the Governor.
5 “(b) Before a removal under this subsection, the Governor shall provide the member a
6 copy of the charges and shall fix a time when the member can be heard. The time must be
7 at least 10 days after the charges are provided to the member. The hearing must be open to
8 the public.
9 “(c) If the member is removed, the Governor shall file in the office of the Secretary of
10 State a complete statement of all charges made against the member, and the findings on
11 those charged with a record of the proceedings.
12 “(d) The Governor’s power of removal under this subsection is absolute and there is no
13 right of review of the power of removal in any court.
14 “SECTION 1a. (1) The Equity Investment and Accountability Office is established within
15 the Office of the Governor. The office shall consist of two full-time staff members, including
16 a director appointed by the Governor. The director shall, with the approval of the Equity
17 Investment and Accountability Board, select a staff member.
18 “(2) The director of the office:
19 “(a) Must have knowledge of the cannabis industry in this state and be culturally com-
20 petent.
21 “(b) May not:
22 “(A) Hold any other public office, except that the director may hold a voluntary public
23 position or be a notary public as defined in ORS 192.215.
24 “(B) Have any financial or property interest in a premises where cannabis is sold, or be
25 a spouse or minor child of an individual who has a financial or property interest described
26 in this paragraph.
27 “(C) Have any financial or property interest in an entity that is partially or wholly dedi-
28 cated to the cultivation, manufacture, distribution, sale, transportation or storage of
29 cannabis.
30 “(D) Own stock in a corporation that has any interest in a premises where cannabis is
31 cultivated, manufactured, distributed, sold, transported or stored.
32 “(E) Receive a commission or other profit from an individual who applies for a cannabis
33 equity license under section 16 of this 2021 Act.
34 “(3) The director may select administrative staff as necessary for the operation of the
35 office.
36 “(4) The office shall partner with the board in carrying out the duties, functions and
37 powers of the board.
38 “SECTION 2. (1) The Equity Investment and Accountability Board, in partnership with
39 the Equity Investment and Accountability Office, shall:
40 “(a) Oversee, measure and report on cannabis equity outcomes.
41 “(b) Oversee the funding allocations under ORS 137.300 and 475B.760.
42 “(c) Establish a mechanism to track the funding allocations described in paragraph (b)
43 of this subsection.
44 “(d) Partner with any offices in each city and county charged with equity oversight to
45 monitor, measure and report equity indicators related to cannabis.

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

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

6 “(g) Establish guidelines for social equity plans submitted to the Oregon Liquor Control
7 Commission and review the plans for the purpose of making necessary revisions to the
8 guidelines.

9 “(2) The board, in partnership with the office, may contract with a third party to carry
10 out the duties described in subsection (1)(f) of this section.

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

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

21 “(a) Information regarding the cannabis equity licenses issued under section 16 of this
22 2021 Act.

23 “(b) Regulatory recommendations to the authority and the commission to improve equity
24 outcomes.

25 “(c) The information reported to the board by the commission under section 4 of this 2021
26 Act.

27 “(d) The information reported to the board by the authority under section 5 of this 2021
28 Act.

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

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

34 “SECTION 4. (1) The equity liaison of the Oregon Liquor Control Commission shall report
35 quarterly to the Equity Investment and Accountability Board and the Equity Investment and
36 Accountability Office on the following:

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

38 “(b) Demographics for all applicants for licenses issued under ORS 475B.070, 475B.090,
39 475B.100 and 475B.105;

40 “(c) The number of applications submitted for cannabis equity licenses under section 16
41 of this 2021 Act;

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

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

45 “(f) The average time in which the commission approves or rejects an application for li-

1 censes issued under ORS 475B.070, 475B.090, 475B.100 and 475B.105 and sections 22, 27, 32 and
2 34 of this 2021 Act;

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

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

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

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

9 “SECTION 5. (1) The equity liaison of the Oregon Health Authority shall report quarterly
10 to the Equity Investment and Accountability Board and the Equity Investment and Ac-
11 countability Office on the following:

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

13 “(b) Demographics for all individuals who hold registrations issued under ORS 475B.810,
14 475B.840 and 475B.858;

15 “(c) Information regarding services that are funded, directly or indirectly, by the au-
16 thority and that provide educational, mental health or drug abuse and addiction support to
17 individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx; and

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

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

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

22 “SECTION 6. (1) The Equity Investment and Accountability Board, in partnership with
23 the Equity Investment and Accountability Office, may, with the approval of the Governor,
24 appoint any directors, deputies, assistants, investigators or other employees as the board
25 determines necessary to carry out the duties of the board and the office.

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

28 “(3) The Department of Justice shall provide any legal services requested by the board
29 or the office to assist the board and the office in carrying out the duties of the board and
30 the office.

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

34 “(a) To culturally competent community programs and partners that support land-
35 ownership, homeownership and income building through jobs, education, high-quality child
36 care and entrepreneurship with priority placed on supporting individuals who are American
37 Indian, Alaska Native, Black, Hispanic or Latinx.

38 “(b) To courts, the Department of State Police, the Judicial Department and the office
39 of public defense services, as defined in ORS 151.211, to cover costs incurred under ORS
40 475B.401.

41 “(c) To programs that support cannabis businesses owned by individuals who are Ameri-
42 can Indian, Alaska Native, Black, Hispanic or Latinx with a variety of funding options and
43 technical assistance and that prioritize funding for holders of licenses issued under section
44 16 of this 2021 Act to address funding gaps for individuals who are American Indian, Alaska
45 Native, Black, Hispanic or Latinx. A program must be culturally competent and demonstrate

1 past success in assisting individuals who are American Indian, Alaska Native, Black,
2 Hispanic or Latinx with funding the launching and scaling of businesses.

3 “(d) For funding equity liaison positions within the Oregon Health Authority and the
4 Oregon Liquor Control Commission to measure and report on issues related to equity at the
5 authority and the commission.

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

7 “(2) The board and the office may:

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

9 “(b) Require a recipient of moneys from the fund to report to the board on data regarding
10 the moneys as determined by the board; and

11 “(c) Review and revise the manner in which moneys transferred from the fund to the
12 authority are spent.

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

14 “SECTION 8. (1) The Equity Investment and Accountability Board may, with the approval
15 of the Governor, investigate:

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

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

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

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

23 “(3) In the manner prescribed in ORS chapter 183 for contested cases, the board may
24 impose a form of discipline approved by the Governor, including but not limited to revoking
25 the transfer of moneys from the fund.

26 “SECTION 9. The Cannabis Equity Fund is established separate and distinct from the
27 General Fund. Interest earned by the Cannabis Equity Fund shall be credited to the fund.
28 The Cannabis Equity Fund consists of moneys deposited into the fund under ORS 137.300 and
29 475B.760 and may include moneys appropriated, allocated, deposited or transferred to the
30 fund by the Legislative Assembly or otherwise and interest earned on the moneys in the
31 fund. The moneys in the fund are continuously appropriated to the Equity Investment and
32 Accountability Board and the Equity Investment and Accountability Office for:

33 “(1) Providing operating funds to the board and the office, including the payment of
34 compensation to staff of the office, not to exceed 10 percent of the moneys in the fund on
35 July 1 of each year; and

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

37 “SECTION 10. (1) The Oregon Liquor Control Commission shall require that commission
38 directors and staff who are involved with the commission’s regulation of marijuana complete
39 equity training at least once every six months.

40 “(2) The commission, with the advice of the equity liaison of the commission and in
41 consultation with the Equity Investment and Accountability Board and the Equity Invest-
42 ment and Accountability Office, shall adopt rules to carry out this section.

43 “SECTION 10a. (1) The Oregon Health Authority shall require that authority directors
44 and staff who are involved with the authority’s regulation of marijuana complete equity
45 training at least once every six months.

1 **“(2) The authority, with the advice of the equity liaison of the authority and in consul-**
2 **tation with the Equity Investment and Accountability Board and the Equity Investment and**
3 **Accountability Office, shall adopt rules to carry out this section.**

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

5 **“475B.040. (1) An applicant for a license or renewal of a license issued under ORS 475B.010 to**
6 **475B.545 shall apply to the Oregon Liquor Control Commission in the form required by the com-**
7 **mission by rule, showing the name and address of the applicant, location of the premises that is to**
8 **be operated under the license and other pertinent information required by the commission. The**
9 **commission may not issue or renew a license until the applicant has complied with the provisions**
10 **of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.**

11 **“(2)(a) An applicant for a license or renewal of a license issued under ORS 475B.010 to**
12 **475B.545 shall submit with the application a social equity plan that meets the requirements**
13 **established by the commission, in consultation with the equity liaison of the commission, by**
14 **rule.**

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

18 **“[(2)] (3) The commission may reject any application that is not submitted in the form required**
19 **by the commission by rule. The commission shall give applicants an opportunity to be heard if an**
20 **application is rejected. A hearing under this subsection is not subject to the requirements for con-**
21 **tested case proceedings under ORS chapter 183.**

22 **“[(3)] (4) Except as provided in subsection [(2)] (3) of this section, a revocation of, or a refusal**
23 **to issue or renew, a license issued under ORS 475B.010 to 475B.545 is subject to the requirements**
24 **for contested case proceedings under ORS chapter 183.**

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

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

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

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

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

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

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

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

36 **“(B) Demographics for all individuals who hold registrations issued under ORS 475B.810,**
37 **475B.840 and 475B.858; and**

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

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

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

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

2 “(B) Demographics for all applicants for licenses issued under ORS 475B.070, 475B.090,
3 475B.100 and 475B.105; and

4 “(C) The average time in which the commission approves or rejects an application for
5 licenses issued under ORS 475B.070, 475B.090, 475B.100 and 475B.105.

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

8 “SECTION 13a. (1) The Oregon Health Authority shall dedicate at least two full-time
9 employees to taking any actions before the operative date specified in section 14 of this 2021
10 Act that is necessary to enable the authority to exercise the duties, functions and powers
11 conferred on the authority by sections 1 to 10 and 13 of this 2021 Act.

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

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

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

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

23 “(2) The Governor, the Oregon Health Authority and the Oregon Liquor Control Com-
24 mission may take any action before the operative date specified in subsection (1) of this
25 section that is necessary to enable the Governor, the authority and 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 Governor, the authority and the commission
28 by sections 1 to 10 of this 2021 Act and the amendments to ORS 475B.040 by section 11 of this
29 2021 Act.”.

30 On page 7, delete lines 1 through 11.

31 Delete lines 17 through 45 and insert:

32 “SECTION 16. (1) The Oregon Liquor Control Commission shall issue an equity license
33 to an applicant who:

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

36 “(b) Can demonstrate that the entity on behalf of which the applicant applies is at least
37 51 percent owned by one or more individuals who:

38 “(A) Have been convicted of a marijuana-related crime in any state, each have a house-
39 hold income that does not exceed the area median income for the individual’s county of
40 residence, as adjusted for household size as determined by the Oregon Housing Stability
41 Council based on information from the United States Department of Housing and Urban De-
42 velopment, and who are residents of this state; or

43 “(B) Are American Indian, Alaska Native, Black, Hispanic or Latinx, or are members of
44 another minority group that, through empirical evidence that is subject to review by the
45 Equity Investment and Accountability Board and the Equity Investment and Accountability

1 Office, shows historically disproportionate community impact, disruption and collateral con-
2 sequences from enforcement of drug-related laws at a similar level to the adverse effects
3 experienced by members of the American Indian, Alaska Native, Black, Hispanic or Latinx
4 communities; and

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

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

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

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

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

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

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

28 “(b) The holder of an equity license may transfer more than 49 percent ownership to
29 another individual who meets the requirements of subsection (1) of this section, subject to
30 rules adopted by the commission.

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

36 “(7) The commission may not charge the holder of an equity license who applies for a
37 license or renewal of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 or section
38 22, 27, 32 or 34 of this 2021 Act a fee in an amount greater than 40 percent of the fee other-
39 wise established for issuance or renewal of that license.

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

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

45 “(2) Not later than December 31, 2027, the Oregon Liquor Control Commission, jointly

1 with the Equity Investment and Accountability Board and Equity Investment and Account-
2 ability Office, shall review the issuance of licenses under section 16 of this 2021 Act and,
3 based on the review, may provide by rule of the commission that the holder of a license is-
4 sued under section 16 of this 2021 Act may transfer not more than 49 percent ownership of
5 the licensed entity until January 1, 2032.”.

6 On page 8, delete lines 1 through 9.

7 In line 18, delete “Cannabis Equity Board” and insert “Equity Investment and Accountability
8 Board, in partnership with the Equity Investment and Accountability Office,”.

9 In line 33, delete “August 22” and insert “March 1”.

10 Delete lines 44 and 45 and delete pages 9 through 11 and insert:

11 **“SECTION 22. (1) The consumption and sale of marijuana items at a cannabis on-**
12 **premises consumption site is subject to regulation by the Oregon Liquor Control Commis-**
13 **sion.**

14 **“(2)(a) An applicant for a cannabis on-premises consumption license under this section**
15 **must:**

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

17 **“(B) Provide proof that the applicant is 21 years of age or older; and**

18 **“(C) Meet the requirements of section 16 (1)(b) of this 2021 Act.**

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

21 **“(A) In an area that is zoned exclusively for residential use; or**

22 **“(B) Within 1,000 feet of:**

23 **“(i) A public elementary or secondary school for which attendance is compulsory under**
24 **ORS 339.020; or**

25 **“(ii) A private or parochial elementary or secondary school, teaching children as de-**
26 **scribed in ORS 339.030 (1)(a).**

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

30 **“(3) The commission shall adopt rules that:**

31 **“(a) Require a person that holds a license issued under this section to renew the license**
32 **annually;**

33 **“(b) Establish application, licensure and renewal of licensure fees for a license issued**
34 **under this section;**

35 **“(c) Allow the colocation of a cannabis on-premises consumption site operated by a per-**
36 **son that holds a license under this section and:**

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

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

43 **“(d) Allow the sale and consumption of nonalcoholic beverages and food items that do**
44 **not contain cannabinoids at a premises for which a license has been issued under this sec-**
45 **tion;**

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

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

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

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

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

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

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

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

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

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

23 “(C) Inspection criteria;

24 “(D) Grounds to suspend, revoke or refuse to issue or renew a certificate under this
25 subsection; and

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

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

29 “(d) Fees adopted under this subsection may not exceed the cost of administering this
30 subsection and shall be deposited into the Public Health Account established under ORS
31 431.210.

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

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

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

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

41 “(C) Meets any requirements established by rules adopted by the commission under par-
42 agraph (d) of this subsection.

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

45 “(c) A marijuana retailer described in paragraph (a) of this subsection may not be re-

1 **quired to renew the cannabis on-premises consumption license issued under this subsection**
2 **or pay the fees described in subsection (3)(b) of this section.**

3 **“(d) The commission may adopt rules to carry out this subsection.**

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

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

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

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

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

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

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

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

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

16 **“(b)** The premises at which an applicant intends to operate a cannabis on-premises consumption
17 site may not be located:

18 **“(A)** In an area that is zoned exclusively for residential use; or

19 **“(B)** Within 1,000 feet of:

20 **“(i)** A public elementary or secondary school for which attendance is compulsory under ORS
21 339.020; or

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

24 **“(c)** An applicant for a cannabis on-premises consumption license under this section and the
25 premises at which the cannabis on-premises consumption site is to be located must meet the re-
26 quirements of any rule adopted by the commission under subsection (3) of this section.

27 **“(3)** The commission shall adopt rules that:

28 **“(a)** Require a person that holds a license issued under this section to renew the license annu-
29 ally;

30 **“(b)** Establish application, licensure and renewal of licensure fees for a license issued under this
31 section;

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

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

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

40 **“(d)** Allow the sale and consumption of nonalcoholic beverages and food items that do not con-
41 tain cannabinoids at a premises for which a license has been issued under this section;

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

45 **“(f)** Allow consumers to bring into a cannabis on-premises consumption site marijuana items

1 purchased from a colocated marijuana retailer or another marijuana retailer;

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

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

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

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

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

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

15 “(A) The establishment of a cannabis on-premises consumption site sanitation certificate pro-
16 gram;

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

18 “(C) Inspection criteria;

19 “(D) Grounds to suspend, revoke or refuse to issue or renew a certificate under this subsection;
20 and

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

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

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

26 “(5) The commission shall consult the authority in the adoption of rules to allow the colocation
27 of a cannabis on-premises consumption site and a marijuana grow site registered under ORS
28 475B.810, including rules establishing marijuana plant limits for a marijuana grow site described in
29 this subsection.

30 “[*(6)(a) The commission may issue a cannabis on-premises consumption license to a marijuana
31 retailer that holds a license issued under ORS 475B.105 and qualifies for a license issued under section
32 16 of this 2021 Act if the marijuana retailer:*]

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

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

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

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

39 “[*(c) A marijuana retailer described in paragraph (a) of this subsection may not be required to
40 renew the cannabis on-premises consumption license issued under this subsection or pay the fees de-
41 scribed in subsection (3)(b) of this section.*]

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

43 “[*(7) (6) Fees adopted under subsection (3)(b) of this section:*

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

1 “(b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS
2 475B.296.

3 “**SECTION 22b. The Oregon Liquor Control Commission may issue a license under section**
4 **22 of this 2021 Act, as amended by section 22a of this 2021 Act, on the date established under**
5 **section 16a of this 2021 Act.”.**

6 On page 12, delete lines 1 through 16.

7 In line 33, delete “2032” and insert “2028”.

8 Delete lines 43 through 45 and delete pages 13 and 14 and insert:

9 “**SECTION 26. Sections 27 to 27b of this 2021 Act are added to and made a part of ORS**
10 **475B.010 to 475B.545.**

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

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

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

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

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

20 “(d) If the applicant is not a marijuana retailer licensed under ORS 475B.105, demon-
21 strates to the commission that the applicant has legal access to a premises at which the
22 applicant may store the applicant’s inventory of marijuana items prior to delivery; and

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

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

26 “(3)(a) The delivery of marijuana items under this section may be made in an area subject
27 to the jurisdiction of a city or county that has adopted an ordinance under ORS 475B.968
28 allowing for the establishment of marijuana retailers that hold a license issued under ORS
29 475B.105.

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

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

35 “(d) If the holder of a cannabis delivery license is a marijuana retailer licensed under
36 ORS 475B.105, the cannabis delivery license holder may deliver marijuana items that are part
37 of the marijuana retailer’s own inventory or part of the inventory of another marijuana
38 retailer licensed under ORS 475B.105.

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

43 “(4) The holder of a cannabis delivery license issued under this section that qualified for
44 licensure under subsection (1)(c)(B) of this section may not transfer more than 49 percent
45 ownership of the licensed entity to an entity that does not qualify for a license under section

1 16 of this 2021 Act.

2 “(5)(a) The commission shall adopt rules that:

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

5 “(B) Establish application, licensure and renewal of licensure fees for a license issued
6 under this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 “(b) For purposes of ORS 475B.705, the point of sale of a marijuana item delivered under
39 section 27 of this 2021 Act is the premises for which a license has been issued under section
40 27 of this 2021 Act.

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

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

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

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

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

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

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

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

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

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

16 “[(3)(a)] (2)(a) The delivery of marijuana items under this section may be made in an area sub-
17 ject to the jurisdiction of a city or county that has adopted an ordinance under ORS 475B.968 al-
18 lowing for the establishment of marijuana retailers that hold a license issued under ORS 475B.105.

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

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

24 “(d) If the holder of a cannabis delivery license is a marijuana retailer licensed under ORS
25 475B.105, the cannabis delivery license holder may deliver marijuana items that are part of the
26 marijuana retailer’s own inventory or part of the inventory of another marijuana retailer licensed
27 under ORS 475B.105.

28 “(e) If the holder of a cannabis delivery license is not a marijuana retailer licensed under ORS
29 475B.105, the cannabis delivery license holder may sell and deliver marijuana items that are part
30 of the inventory of any marijuana retailer licensed under ORS 475B.105 or part of the delivery li-
31 cense holder’s own inventory.

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

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

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

38 “(B) Establish application, licensure and renewal of licensure fees for a license issued under this
39 section.

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

41 “[(6)] (4) In adopting rules under this section, the commission shall consult the equity liaison
42 of the commission.

43 “[(7)] (5) Fees adopted under subsection [(5)(a)(B)] (3)(a)(B) of this section:

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

1 “(b) Shall be deposited into the Marijuana Control and Regulation Fund established under ORS
2 475B.296.

3 “**SECTION 28a. The Oregon Liquor Control Commission may issue a license under section**
4 **27 of this 2021 Act, as amended by section 28 of this 2021 Act, on the date established under**
5 **section 16a of this 2021 Act.**

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

7 “475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and section 27a of this 2021**
8 **Act,** [*a marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that*
9 *holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued under*
10 *ORS 475B.100*] **the following licensees** may deliver marijuana items only to or on a premises for
11 which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 22,**
12 **32 or 34 of this 2021 Act,** or to a registry identification cardholder or designated primary caregiver
13 as allowed under ORS 475B.010 to 475B.545[.]:

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

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

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

17 “(d) **A person that holds a cannabis on-premises consumption license issued under sec-**
18 **tion 22 of this 2021 Act;**

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**
21 **this 2021 Act.**

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

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

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

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

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

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

29 “(F) **A person that holds a cannabis on-premises consumption license issued under sec-**
30 **tion 22 of this 2021 Act;**

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

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

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

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

42 “(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS
43 475B.825 and any procedures adopted by rule by the commission.

44 “(3) **Except as provided in section 22 of this 2021 Act,** the sale of marijuana items by a
45 marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises

1 for which the license has been issued, but deliveries may be made by a marijuana retailer to con-
2 sumers pursuant to a bona fide order received at the premises prior to delivery **if the marijuana**
3 **retailer holds a delivery license issued under section 27 of this 2021 Act or is otherwise au-**
4 **thorized by the commission to make deliveries.**

5 “(4) The commission may by order waive the requirements of subsections (1) and (2) of this
6 section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010
7 to 475B.545. An order issued under this subsection does not constitute a waiver of any other re-
8 quirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

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

11 **“(2) The amendments to section 27 of this 2021 Act by section 28 of this 2021 Act become**
12 **operative on January 1, 2028.**

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

18 On page 15, delete lines 1 through 30.

19 On page 19, delete lines 7 through 12 and insert:

20 “(2) The office shall prepare a report that includes:

21 “(a) The list described in subsection (1) of this section and recommendations of additional of-
22 fenses that a conviction for which should be considered a qualifying marijuana offense as defined in
23 ORS 475B.401; and

24 “(b) Recommendations for improvements to the process of setting aside qualifying marijuana
25 convictions, including expansion of the process described in ORS 475B.401 to include marijuana-
26 related offenses that are not qualifying marijuana offenses.

27 “(3) No later than July 1, 2022, the office of public defense services shall submit, in the manner
28 provided in ORS 192.245, the report described in subsection (2) of this section to the interim com-
29 mittees of the Legislative Assembly related to the judiciary, to the Judicial Department and to the
30 Equity Investment and Accountability Board and the Equity Investment and Accountability
31 Office.”.

32 In line 13, delete “(3)” and insert “(4)”.

33 In line 16, delete “Cannabis Equity Board” and insert “Equity Investment and Accountability
34 Board and the Equity Investment and Accountability Office”.

35 In line 18, delete “(1)(a)” and insert “(1) As used in this section, ‘office of public defense
36 services’ has the meaning given that term in ORS 151.211.

37 “(2)(a)”.

38 In line 20, delete “, as defined in ORS 151.211.”.

39 Delete lines 25 through 28 and insert:

40 “(3)(a) The Department of State Police shall, no later than 90 days after the operative date
41 specified in section 49 of this 2021 Act, provide to the office of public defense services information
42 concerning all persons who may qualify to have an arrest, citation or other charge set aside under
43 ORS 475B.401.”.

44 After line 31, insert:

45 “(4)(a) All municipal and justice courts in this state shall, no later than 90 days after the oper-

1 ative date specified in section 49 of this 2021 Act, provide to the office of public defense services
2 information concerning all persons who may qualify to have a conviction set aside under ORS
3 475B.401.

4 “(b) The municipal and justice courts shall make best efforts to ensure that the information
5 provided under paragraph (a) of this subsection is sufficient to identify the person and the specific
6 case resulting in the conviction.

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

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

14 Delete lines 43 through 45 and insert:

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

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

19 On page 20, delete lines 1 and 2.

20 Delete lines 29 through 35 and insert:

21 “(5)(a) If the court receives an objection from the prosecuting attorney, the court shall hold a
22 hearing to determine whether the conviction or other record sought to be set aside is for a quali-
23 fying marijuana offense. The prosecuting attorney has the burden of establishing, by a preponder-
24 ance of the evidence, that the conviction or other record is not for a qualifying marijuana offense.

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

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

30 “(d) If the person seeking the set aside does not appear at the hearing, the court shall dismiss
31 the motion without prejudice.”.

32 On page 21, delete lines 15 through 29 and insert:

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

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

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

43 “(4) The filing of a motion pursuant to ORS 475B.401 under this section creates an attorney-
44 client relationship between the attorney who files and prepares the motion and the person who is
45 the subject of the motion, solely for the purpose of filing and preparing the motion.

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

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

6 On page 22, delete lines 28 through 45.

7 On page 23, delete lines 1 through 5 and insert:

8 “**NOTE:** Sections 44a and 44b were deleted by amendment. Subsequent sections were not re-
9 numbered.”.

10 On page 25, line 8, delete “, 40 and 44a” and insert “and 40”.

11 In line 16, delete “, 40 and”.

12 In line 17, delete “44a” and insert “and 40”.

13 On page 26, delete lines 28 through 45 and delete pages 27 and 28 and insert:

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

16 “475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from
17 the General Fund.

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

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

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

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

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

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

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

39 “(B) Ten percent of the moneys in the account must be transferred to counties in the following
40 shares:

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

1 last business day of that calendar quarter for all premises located in this state; and

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

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

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

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

14 “(ii) **Twenty-five percent of the 40 percent solely for the purposes described in ORS**
15 **329.843; and**

16 “(iii) **Twenty-five percent of the 40 percent solely for the purposes described in ORS**
17 **329.845;**

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

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

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

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

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

29 “(iii) **Assisting the authority in providing public education about the medical use of**
30 **marijuana.**

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

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

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

40 “(5)(a) A city or county that is ineligible under subsection (4) of this section to receive a
41 transfer of moneys from the Oregon Marijuana Account during a given quarter but has received a
42 transfer of moneys for that quarter shall return the amount transferred to the Department of Re-
43 venue, with interest as described under paragraph (f) of this subsection. An ineligible city or county
44 may voluntarily transfer the moneys to the Department of Revenue immediately upon receipt of the
45 ineligible transfer.

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

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

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

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

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

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

23 “(6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
24 the Oregon Department of Administrative Services whether the city or county has an ordinance
25 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070,
26 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the
27 certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of
28 Administrative Services.

29 “(b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
30 moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this section. If a county fails to comply with this
31 subsection, the county is not eligible to receive transfers of moneys under subsection [(3)(b)(B)]
32 **(3)(c)(B)** of this section.

33 “(c) A city or county that repeals an ordinance as provided in ORS 475B.496 shall file an up-
34 dated certification with the Oregon Department of Administrative Services in a form and manner
35 prescribed by the department, noting the effective date of the change. A city or county that repeals
36 an ordinance as provided in ORS 475B.496 is eligible to receive quarterly transfers of moneys under
37 this section for quarters where the repeal is effective for the entire quarter and the updated certi-
38 fication was filed at least 30 days before the date of transfer.

39 “[7] *Before making the transfer of moneys required by subsection (3) of this section, the department*
40 *shall transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon*
41 *Marijuana Account in excess of \$11,250,000.]*

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

44 “475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from
45 the General Fund.

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

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

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

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

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

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

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

22 “(B) Ten percent of the moneys in the account must be transferred to counties in the following
23 shares:

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

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

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

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

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

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

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

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

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

1 this 2021 Act; and

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

3 “(i) Purposes related to alcohol and drug abuse prevention, early intervention and treatment
4 services;

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

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

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

10 “(b) A county that has an ordinance prohibiting the establishment of a premises for which is-
11 suance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys
12 under subsection (3)(c)(B)(i) of this section.

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

16 “(5)(a) A city or county that is ineligible under subsection (4) of this section to receive a
17 transfer of moneys from the Oregon Marijuana Account during a given quarter but has received a
18 transfer of moneys for that quarter shall return the amount transferred to the Department of Re-
19 venue, with interest as described under paragraph (f) of this subsection. An ineligible city or county
20 may voluntarily transfer the moneys to the Department of Revenue immediately upon receipt of the
21 ineligible transfer.

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

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

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

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

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

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

44 “(6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
45 the Oregon Department of Administrative Services whether the city or county has an ordinance

1 prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070,
2 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concurrently with the
3 certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of
4 Administrative Services.

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

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

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

16 “475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from
17 the General Fund.

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

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

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

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

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

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

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

39 “(B) Ten percent of the moneys in the account must be transferred to counties in the following
40 shares:

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

1 last business day of that calendar quarter for all premises located in this state; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 “(c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall

1 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-
2 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

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

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

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

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

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

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

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

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

31 “475B.760. (1) All moneys received by the Department of Revenue under ORS 475B.700 to
32 475B.760 shall be deposited in the State Treasury and credited to a suspense account established
33 under ORS 293.445. The department may pay expenses for the administration and enforcement of
34 ORS 475B.700 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.
35 Amounts necessary to pay administrative and enforcement expenses are continuously appropriated
36 to the department from the suspense account.

37 “(2) After the payment of administrative and enforcement expenses and refunds or credits aris-
38 ing from erroneous overpayments, the department shall credit the balance of the moneys received
39 by the department under this section **as follows:**

40 “(a) **Twenty-five percent to the Cannabis Equity Fund established under section 9 of this**
41 **2021 Act; and**

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

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

45 “**Sec. 5.** (1) The Drug Treatment and Recovery Services Fund is established in the State

1 Treasury, separate and distinct from the General Fund. Interest earned by the **Drug Treatment**
2 **and Recovery Services** Fund shall be credited to the fund.

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

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

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

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

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

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

12 “[4] *Unexpended moneys in the fund may not lapse and shall be carried forward and may be used*
13 *without regard to fiscal year or biennium.*]

14 “[5(a)] **(4)(a)** Pursuant to subsection (2)(b) of this section, the Legislative Assembly shall ap-
15 propriate or transfer to the fund an amount sufficient to fully fund the grants program required by
16 section 2, **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020))**.

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

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

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

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

27 On page 29, delete lines 1 through 6.

28 Delete lines 22 through 29 and insert:

29 “**SECTION 53. (1) The amendments to ORS 137.300, 475B.759 and 475B.760 and section 16,**
30 **chapter 103, Oregon Laws 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure**
31 **110 (2020))**, by sections 50 to 52 of this 2021 Act become operative on August 22, 2022.

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

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

36 “**(4) The Department of Revenue may take any action before the operative date specified**
37 **in subsection (1) of this section that is necessary to enable the department to exercise, on**
38 **and after the operative date specified in subsection (1) of this section, all of the duties,**
39 **functions and powers conferred on the department by the amendments to ORS 137.300,**
40 **475B.759 and 475B.760 and section 16, chapter 103, Oregon Laws 2018, and section 5, chapter**
41 **2, Oregon Laws 2021 (Ballot Measure 110 (2020))**, by sections 50 to 52 of this 2021 Act.”.

42 On page 30, line 29, delete “Cannabis Equity Board” and insert “Equity Investment and Ac-
43 countability Board, the Equity Investment and Accountability Office”.