

Requested by Representative FAHEY

**PROPOSED AMENDMENTS TO
HOUSE BILL 3112**

1 On page 1 of the printed bill, delete lines 9 through 12 and delete pages
2 2 through 6 and insert:

3

4 **“EQUITY INVESTMENT AND ACCOUNTABILITY BOARD**

5

6 **“SECTION 1. (1)(a) The Equity Investment and Accountability**
7 **Board is established as a separate office within the office of the Gov-**
8 **ernor to provide equity oversight within Oregon’s cannabis industry.**

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

11 **“(A) Equity operators;**

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

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

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

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

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

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

20 **“(H) One representative each from the Commission on Hispanic**
21 **Affairs, the Commission on Black Affairs, the Commission for Women,**

1 the Commission on Asian and Pacific Islander Affairs and the Com-
2 mission on Indian Services.

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

7 “(2) The members appointed under this section:

8 “(a) Must have knowledge of the cannabis industry in this state and
9 be culturally competent.

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

13 “(3) At least five of the members may not:

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

17 “(b) Have any financial or property interest in an entity that is
18 partially or wholly dedicated to the cultivation, manufacture, distrib-
19 ution, sale, transportation or storage of cannabis.

20 “(c) Own stock in a corporation that has any interest in a premises
21 where cannabis is cultivated, manufactured, distributed, sold, trans-
22 ported or stored.

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

25 “(4) The term of office of each member of the board is four years.
26 A member shall hold office until a successor has been appointed and
27 qualified. Before the expiration of the term of a member, the Governor
28 shall appoint a successor whose term begins on September 1 next fol-
29 lowing. A member is eligible for reappointment. If there is a vacancy
30 for any cause, the Governor shall make an appointment to become

1 **immediately effective for the unexpired term.**

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

5 **“(6) The board shall be overseen by a chairperson appointed by the**
6 **Governor.**

7 **“(7) A majority of the members constitutes a quorum for the**
8 **transaction of business.**

9 **“(8)(a) The Governor may remove a member who no longer meets**
10 **the requirements of this section or for any other cause deemed suffi-**
11 **cient by the Governor.**

12 **“(b) Before a removal under this subsection, the Governor shall**
13 **provide the member a copy of the charges and shall fix a time when**
14 **the member can be heard. The time must be at least 10 days after the**
15 **charges are provided to the member. The hearing must be open to the**
16 **public.**

17 **“(c) If the member is removed, the Governor shall file in the office**
18 **of the Secretary of State a complete statement of all charges made**
19 **against the member, and the findings on those charged with a record**
20 **of the proceedings.**

21 **“(d) The Governor’s power of removal under this subsection is ab-**
22 **solute and there is no right of review of the power of removal in any**
23 **court.**

24 **“SECTION 1a. (1) The Equity Investment and Accountability Office**
25 **is established within the Office of the Governor. The office shall con-**
26 **sist of four full-time staff members, including a director appointed by**
27 **the Governor. The director shall select the following staff members,**
28 **with the approval of the Equity Investment and Accountability Board:**

29 **“(a) One staff member who is a project manager;**

30 **“(b) One staff member who is a data research analyst; and**

1 **“(c) One staff member who is a policy research analyst.**

2 **“(2) The director of the office:**

3 **“(a) Must have knowledge of the cannabis industry in this state and**
4 **be culturally competent.**

5 **“(b) May not hold any other public office, except that the director**
6 **may hold a voluntary public position or be a notary public as defined**
7 **in ORS 192.215.**

8 **“(c) Is subject to the restrictions for members of the board as de-**
9 **scribed in section 1 (3) of this 2021 Act.**

10 **“(3) The director may select administrative staff as necessary for**
11 **the operation of the office.**

12 **“(4) The office shall partner with the board in carrying out the du-**
13 **ties, functions and powers of the board.**

14 **“SECTION 2. (1) The Equity Investment and Accountability Board,**
15 **in partnership with the Equity Investment and Accountability Office,**
16 **shall:**

17 **“(a) Oversee, measure and report on cannabis equity outcomes.**

18 **“(b) Oversee the funding allocations under ORS 137.300 and 475B.759.**

19 **“(c) Establish a mechanism to track the funding allocations de-**
20 **scribed in paragraph (b) of this subsection.**

21 **“(d) Partner with any offices in each city and county charged with**
22 **equity oversight to monitor, measure and report equity indicators re-**
23 **lated to cannabis.**

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

27 **“(f) Audit applications for licenses issued under section 16 of this**
28 **2021 Act, verify information related to the applicant’s residency and**
29 **previous convictions and whether the applicant is an individual.**

30 **“(g) Establish guidelines for social equity plans submitted to the**

1 Oregon Liquor Control Commission and review the plans for the pur-
2 pose of making necessary revisions to the guidelines.

3 “(2) The board may adopt rules as necessary to carry out this sec-
4 tion.

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

17 “(a) Information regarding the cannabis equity licenses issued un-
18 der section 16 of this 2021 Act.

19 “(b) Regulatory recommendations to the authority and the com-
20 mission to improve equity outcomes.

21 “(c) The information reported to the board by the commission un-
22 der section 4 of this 2021 Act.

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

25 “(2) The report may include additional data reporting or other re-
26 quirements as the board and the office determine necessary.

27 “(3) The board shall annually submit, in the manner provided in
28 ORS 192.245, the report described in this section to an interim com-
29 mittee of the Legislative Assembly related to cannabis on a date es-
30 tablished by the board by rule.

1 **“SECTION 4. (1) The equity liaison of the Oregon Liquor Control**
2 **Commission shall report quarterly to the Equity Investment and Ac-**
3 **countability Board and the Equity Investment and Accountability Of-**
4 **fice on the following:**

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

6 **“(b) Demographics for all applicants for licenses issued under ORS**
7 **475B.070, 475B.090, 475B.100 and 475B.105;**

8 **“(c) The number of applications submitted for cannabis equity li-**
9 **censes under section 16 of this 2021 Act;**

10 **“(d) The number of cannabis equity licenses issued under section**
11 **16 of this 2021 Act;**

12 **“(e) The average time in which the commission approves or rejects**
13 **an application for a cannabis equity license under section 16 of this**
14 **2021 Act;**

15 **“(f) The average time in which the commission approves or rejects**
16 **an application for licenses issued under ORS 475B.070, 475B.090,**
17 **475B.100 and 475B.105 and sections 22, 27, 32 and 34 of this 2021 Act; and**

18 **“(g) 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 commission, with the advice of the equity liaison of the**
21 **commission, may adopt rules to carry out this section.**

22 **“SECTION 5. (1) The equity liaison of the Oregon Health Authority**
23 **shall report quarterly to the Equity Investment and Accountability**
24 **Board and the Equity Investment and Accountability Office on the**
25 **following:**

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

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

30 **“(c) Information regarding services that are funded, directly or in-**

1 directly, by the authority and that provide educational, mental health
2 or drug abuse and addiction support to individuals who are American
3 Indian, Alaska Native, Black, Hispanic or Latinx; and

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

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

6 “(b) The authority, with the advice of the equity liaison of the au-
7 thority, may adopt rules to carry out this section.

8 **“SECTION 6. (1) The Equity Investment and Accountability Board,**
9 **in partnership with the Equity Investment and Accountability Office,**
10 **may, with the approval of the Governor, appoint any directors, depu-**
11 **ties, counsel, assistants, investigators or other employees as the board**
12 **determines necessary to carry out the duties of the board and the of-**
13 **fice.**

14 **“(2) In appointing and employing or contracting with individuals**
15 **under this section, the board may not exceed the limit on adminis-**
16 **trative costs established by the board.**

17 **“SECTION 7. (1) The Equity Investment and Accountability Board,**
18 **in partnership with the Equity Investment and Accountability Office**
19 **shall allocate moneys from the Cannabis Equity Fund established un-**
20 **der section 9 of this 2021 Act:**

21 **“(a) To community programs and partners that support land-**
22 **ownership, homeownership and income building through jobs and**
23 **entrepreneurship for individuals who are American Indian, Alaska**
24 **Native, Black, Hispanic or Latinx, and that prioritize support for in-**
25 **dividuals who are American Indian, Alaska Native, Black, Hispanic or**
26 **Latinx.**

27 **“(b) To courts to cover costs incurred under ORS 475B.401.**

28 **“(c) To programs that support cannabis businesses owned by indi-**
29 **viduals who are American Indian, Alaska Native, Black, Hispanic or**
30 **Latinx with a variety of funding options and technical assistance and**

1 that prioritize funding for holders of licenses issued under section 16
2 of this 2021 Act to address funding gaps for individuals who are
3 American Indian, Alaska Native, Black, Hispanic or Latinx. A program
4 must be culturally competent and demonstrate past success in assist-
5 ing individuals who are American Indian, Alaska Native, Black,
6 Hispanic or Latinx with funding the launching and scaling of busi-
7 nesses.

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

11 “(e) For other purposes as the board and the office determine ap-
12 propriate.

13 “(2) The board and the office may:

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

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

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

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

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

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

25 “(b) Misuse of moneys from the Cannabis Equity Fund by a recipi-
26 ent of the moneys; and

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

29 “(2) In the manner prescribed in ORS chapter 183 for contested
30 cases, the board may impose a form of discipline approved by the

1 Governor, including but not limited to revoking the transfer of moneys
2 from the fund.

3 **“SECTION 9.** The Cannabis Equity Fund is established separate and
4 distinct from the General Fund. Interest earned by the Cannabis Eq-
5 uity Fund shall be credited to the fund. The Cannabis Equity Fund
6 consists of moneys deposited into the fund under ORS 137.300 and
7 475B.759 and may include moneys appropriated, allocated, deposited or
8 transferred to the fund by the Legislative Assembly or otherwise and
9 interest earned on the moneys in the fund. The moneys in the fund
10 are continuously appropriated to the Equity Investment and Account-
11 ability Board and the Equity Investment and Accountability Office for:

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

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

16 **“SECTION 10.** (1) The Oregon Liquor Control Commission shall re-
17 quire that commission directors and staff who are involved with the
18 commission’s regulation of marijuana complete equity training at
19 least once every six months.

20 **“(2)** The commission, with the advice of the equity liaison of the
21 commission and in consultation with the Equity Investment and Ac-
22 countability Board and the Equity Investment and Accountability Of-
23 fice, shall adopt rules to carry out this section.

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

28 **“(2)** The authority, with the advice of the equity liaison of the au-
29 thority and in consultation with the Equity Investment and Account-
30 ability Board and the Equity Investment and Accountability Office,

1 **shall adopt rules to carry out this section.**

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

3 “475B.040. (1) An applicant for a license or renewal of a license issued
4 under ORS 475B.010 to 475B.545 shall apply to the Oregon Liquor Control
5 Commission in the form required by the commission by rule, showing the
6 name and address of the applicant, location of the premises that is to be
7 operated under the license and other pertinent information required by the
8 commission. The commission may not issue or renew a license until the ap-
9 plicant has complied with the provisions of ORS 475B.010 to 475B.545 and
10 rules adopted under ORS 475B.010 to 475B.545.

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

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

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

24 “[3] (4) Except as provided in subsection [(2)] (3) of this section, a re-
25 vocation of, or a refusal to issue or renew, a license issued under ORS
26 475B.010 to 475B.545 is subject to the requirements for contested case pro-
27 ceedings under ORS chapter 183.

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

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

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

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

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

5 “(2) The members described in subsection (1) of this section shall
6 be appointed by the Governor from among applicants for the mem-
7 bership positions.

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

10 “(A) Demographics for registry identification cardholders, as de-
11 fined in ORS 475B.791;

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

14 “(C) Information regarding services that are funded, directly or in-
15 directly, by the authority and that provide educational, mental health
16 or drug abuse and addiction support to individuals who are American
17 Indian, Alaska Native, Black, Hispanic or Latinx.

18 “(b) Not later than August 31, 2022, the authority shall submit to
19 the Equity Investment and Accountability Board the information de-
20 scribed in this subsection.

21 “(2)(a) Not later than August 21, 2022, the Oregon Liquor Control
22 Commission shall determine:

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

24 “(B) Demographics for all applicants for licenses issued under ORS
25 475B.070, 475B.090, 475B.100 and 475B.105; and

26 “(C) The average time in which the commission approves or rejects
27 an application for licenses issued under ORS 475B.070, 475B.090,
28 475B.100 and 475B.105.

29 “(b) Not later than August 31, 2022, the commission shall submit to
30 the board the information described in this subsection.

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

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

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

13 **“SECTION 13c. Each year until January 1, 2032, the greater of**
14 **\$5,000,000 or 25 percent of the funds allocated under section 7 (1)(a) and**
15 **(c) of this 2021 Act must be used by the recipients of the funds for the**
16 **support of cannabis businesses licensed to individuals who meet the**
17 **requirements of section 16 of this 2021 Act.**

18 **“SECTION 14. (1) Sections 1 to 10 of this 2021 Act and the amend-**
19 **ments to ORS 475B.040 by section 11 of this 2021 Act become operative**
20 **on August 22, 2022.**

21 **“(2) The Governor, the Oregon Health Authority and the Oregon**
22 **Liquor Control Commission may take any action before the operative**
23 **date specified in subsection (1) of this section that is necessary to en-**
24 **able the Governor, the authority and the commission to exercise, on**
25 **and after the operative date specified in subsection (1) of this section,**
26 **all of the duties, functions and powers conferred on the Governor, the**
27 **authority and the commission by sections 1 to 10 of this 2021 Act and**
28 **the amendments to ORS 475B.040 by section 11 of this 2021 Act.”.**

29 On page 7, delete lines 1 through 11.

30 In line 29, delete “Cannabis Equity Board” and insert “Equity Investment

1 and Accountability Board and the Equity Investment and Accountability
2 Office”.

3 On page 8, line 18, delete “Cannabis Equity Board” and insert “Equity
4 Investment and Accountability Board and the Equity Investment and Ac-
5 countability Office”.

6 On page 19, line 12, delete “Cannabis Equity Board” and insert “Equity
7 Investment and Accountability Board and the Equity Investment and Ac-
8 countability Office”.

9 In line 16, delete “Cannabis Equity Board” and insert “Equity Investment
10 and Accountability Board and the Equity Investment and Accountability
11 Office”.

12 On page 21, line 28, delete “Cannabis Equity Board” and insert “Equity
13 Investment and Accountability Board and the Equity Investment and Ac-
14 countability Office”.

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

18
