

HB 3112-12
(LC 1467)
4/12/21 (SCT/ps)

Requested by Representative FAHEY

**PROPOSED AMENDMENTS TO
HOUSE BILL 3112**

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
3 (Ballot Measure 110 (2020))”.

4 After line 6, insert:

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

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

14 “Whereas the Oregon Criminal Justice Commission found that African
15 Americans and Native Americans in Oregon are overrepresented as compared
16 to individuals who are White for convictions of felony possession of con-
17 trolled substances; and

18 “Whereas Oregon’s prison population, both historically and presently,
19 shows an overrepresentation of Oregon’s minority groups; and

20 “Whereas in 2013, simple cannabis possession was the fourth most com-
21 mon cause of deportation for any offense and the most common cause of

1 deportation for drug law violations; and

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

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

11 “Whereas 2019 cannabis sales in Oregon reached \$725.8 million, not in-
12 cluding medical cannabis sales; and

13 “Whereas cannabis website Leafly’s fourth annual national report esti-
14 mated that there were 18,274 jobs in the legal marijuana industry in Oregon
15 as of January 2020; and

16 “Whereas the vast majority of marijuana businesses are self-funded, with
17 84 percent of businesses utilizing the founder’s savings to launch the busi-
18 ness while only one percent of businesses were able to secure a bank or state
19 agency loan; and

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

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

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

30 “Whereas according to John Jay College of Criminal Justice, ex-offenders

1 owe as much as 60 percent of their income to criminal debts; and

2 “Whereas according to Pew Charitable Trusts, serving time in prison re-
3 duces a person’s annual earnings by 40 percent; and

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

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

10 “Whereas according to Pew Charitable Trusts, the average family income
11 over the years during which the father is incarcerated is 22 percent lower
12 than the family income was in the year before the father was incarcerated,
13 and even in the year after the father is released from incarceration, the
14 family income remains 15 percent lower than in the year before incarcer-
15 ation; and

16 “Whereas the homeownership rate for White Oregonians is 65 percent,
17 36.5 percent for African American Oregonians, 48.4 percent for Native
18 American Oregonians and 45.9 percent for Latinx Oregonians; and

19 “Whereas a 2015 Portland Housing Bureau report revealed approximately
20 68.8 percent of Black renters and 42.9 percent of Black homeowners are
21 cost-burdened and spend over 30 percent of their income on rent or housing
22 costs; and

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

29 “Whereas only 13.1 percent of White Oregonians live in poverty but 28.7
30 percent of Black Oregonians live in poverty, 22.3 percent of Hispanic

1 Oregonians live in poverty and 24.4 percent of Native American Oregonians
2 live in poverty; and

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

8 “Whereas according to Prosperity Now, if the number of people of color-
9 owned firms were proportional to the distribution of people of color in the
10 labor force, people of color would own 1.1 million more businesses with em-
11 ployees and would add about nine million jobs and about \$300 million in
12 workers’ income to the United States economy; and

13 “Whereas in Oregon, the number of United States Small Business Ad-
14 ministration loans to Black-owned businesses dropped by more than 90 per-
15 cent in 2008 to five loans and has remained in the single digits every year
16 since, and in 2017 the United States Small Business Administration backed
17 only three loans to Black-owned businesses in Oregon; and

18 “Whereas according to McKinsey & Company, companies in the top
19 quartile for ethnic and cultural diversity on their executive teams were 33
20 percent more likely to have above-average profitability than companies in
21 the fourth quartile, and companies with the most ethnically and culturally
22 diverse boards worldwide are 43 percent more likely to experience higher
23 profits; and

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

28 “Whereas cannabis equity programs in other states and municipalities
29 using the race neutral qualification standards have failed to create equitable
30 market participation and leverage the benefits of diversity; now,

1 therefore,”.

2 Delete lines 9 through 12 and delete pages 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,**
22 **the Commission on Asian and Pacific Islander Affairs and the Com-**
23 **mission on Indian Services.**

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

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

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

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

4 **“(3) The term of office of each member of the board is four years.**
5 **A member shall hold office until a successor has been appointed and**
6 **qualified. Before the expiration of the term of a member, the Governor**
7 **shall appoint a successor whose term begins on September 1 next fol-**
8 **lowing. A member is eligible for reappointment. If there is a vacancy**
9 **for any cause, the Governor shall make an appointment to become**
10 **immediately effective for the unexpired term.**

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

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

16 **“(6) A majority of the members constitutes a quorum for the**
17 **transaction of business.**

18 **“(7)(a) The Governor may remove a member who no longer meets**
19 **the requirements of this section or for any other cause deemed suffi-**
20 **cient by the Governor.**

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

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

30 **“(d) The Governor’s power of removal under this subsection is ab-**

1 solute and there is no right of review of the power of removal in any
2 court.

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

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

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

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

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

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

14 **“(b) May not:**

15 **“(A) Hold any other public office, except that the director may hold**
16 **a voluntary public position or be a notary public as defined in ORS**
17 **192.215.**

18 **“(B) Have any financial or property interest in a premises where**
19 **cannabis is sold, or be a spouse or minor child of an individual who**
20 **has a financial or property interest described in this paragraph.**

21 **“(C) Have any financial or property interest in an entity that is**
22 **partially or wholly dedicated to the cultivation, manufacture, distrib-**
23 **ution, sale, transportation or storage of cannabis.**

24 **“(D) Own stock in a corporation that has any interest in a premises**
25 **where cannabis is cultivated, manufactured, distributed, sold, trans-**
26 **ported or stored.**

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

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

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

3 “SECTION 2. (1) The Equity Investment and Accountability Board,
4 in partnership with the Equity Investment and Accountability Office,
5 shall:

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

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

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

10 “(d) Partner with any offices in each city and county charged with
11 equity oversight to monitor, measure and report equity indicators re-
12 lated to cannabis.

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

16 “(f) Audit applications for licenses issued under section 16 of this
17 2021 Act, verify information related to the applicant’s residency and
18 previous convictions and whether the applicant is an individual.

19 “(g) Establish guidelines for social equity plans submitted to the
20 Oregon Liquor Control Commission and review the plans for the pur-
21 pose of making necessary revisions to the guidelines.

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

24 “SECTION 3. (1) The Equity Investment and Accountability Board,
25 in partnership with the Equity Investment and Accountability Office,
26 and in conjunction with the equity liaisons of the Oregon Health Au-
27 thority and the Oregon Liquor Control Commission, shall annually
28 review and report on key performance indicators of equity and any
29 additional indicators as determined necessary by the board and the
30 office. The report must include a review of the qualification criteria

1 described in section 16 (1)(b) of this 2021 Act to ensure that holders of
2 licenses issued under section 16 of this 2021 Act represent communities
3 most negatively impacted by cannabis prohibition initiatives and that
4 the Oregon cannabis industry is continuously becoming more racially
5 inclusive. The report described in this section must include:

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

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

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

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

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

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

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

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

25 “(b) Demographics for all applicants for licenses issued under ORS
26 475B.070, 475B.090, 475B.100 and 475B.105;

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

29 “(d) The number of cannabis equity licenses issued under section
30 16 of this 2021 Act;

1 “(e) The average time in which the commission approves or rejects
2 an application for a cannabis equity license under section 16 of this
3 2021 Act;

4 “(f) The average time in which the commission approves or rejects
5 an application for licenses issued under ORS 475B.070, 475B.090,
6 475B.100 and 475B.105 and sections 22, 27, 32 and 34 of this 2021 Act; and

7 “(g) Any other information required by the board by rule.

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

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

11 **“SECTION 5. (1) The equity liaison of the Oregon Health Authority
12 shall report quarterly to the Equity Investment and Accountability
13 Board and the Equity Investment and Accountability Office on the
14 following:**

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

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

19 **“(c) Information regarding services that are funded, directly or in-
20 directly, by the authority and that provide educational, mental health
21 or drug abuse and addiction support to individuals who are American
22 Indian, Alaska Native, Black, Hispanic or Latinx; and**

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

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

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

27 **“SECTION 6. (1) The Equity Investment and Accountability Board,
28 in partnership with the Equity Investment and Accountability Office,
29 may, with the approval of the Governor, appoint any directors, depu-
30 ties, counsel, assistants, investigators or other employees as the board**

1 determines necessary to carry out the duties of the board and the of-
2 fice.

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

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

10 “(a) To community programs and partners that support land-
11 ownership, homeownership and income building through jobs and
12 entrepreneurship for individuals who are American Indian, Alaska
13 Native, Black, Hispanic or Latinx, and that prioritize support for in-
14 dividuals who are American Indian, Alaska Native, Black, Hispanic or
15 Latinx.

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

17 “(c) To programs that support cannabis businesses owned by indi-
18 viduals who are American Indian, Alaska Native, Black, Hispanic or
19 Latinx with a variety of funding options and technical assistance and
20 that prioritize funding for holders of licenses issued under section 16
21 of this 2021 Act to address funding gaps for individuals who are
22 American Indian, Alaska Native, Black, Hispanic or Latinx. A program
23 must be culturally competent and demonstrate past success in assist-
24 ing individuals who are American Indian, Alaska Native, Black,
25 Hispanic or Latinx with funding the launching and scaling of busi-
26 nesses.

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

30 “(e) For other purposes as the board and the office determine ap-

1 **appropriate.**

2 **“(2) The board and the office may:**

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

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

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

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

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

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

14 **“(b) Misuse of moneys from the Cannabis Equity Fund by a recipi-**
15 **ent of the moneys; and**

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

18 **“(2) In the manner prescribed in ORS chapter 183 for contested**
19 **cases, the board may impose a form of discipline approved by the**
20 **Governor, including but not limited to revoking the transfer of moneys**
21 **from the fund.**

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

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

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

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

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

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

17 **“(2) The authority, with the advice of the equity liaison of the au-**
18 **thority and in consultation with the Equity Investment and Account-**
19 **ability Board and the Equity Investment and Accountability Office,**
20 **shall adopt rules to carry out this section.**

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

22 **“475B.040. (1) An applicant for a license or renewal of a license issued**
23 **under ORS 475B.010 to 475B.545 shall apply to the Oregon Liquor Control**
24 **Commission in the form required by the commission by rule, showing the**
25 **name and address of the applicant, location of the premises that is to be**
26 **operated under the license and other pertinent information required by the**
27 **commission. The commission may not issue or renew a license until the ap-**
28 **plicant has complied with the provisions of ORS 475B.010 to 475B.545 and**
29 **rules adopted under ORS 475B.010 to 475B.545.**

30 **“(2)(a) An applicant for a license or renewal of a license issued un-**

1 **der ORS 475B.010 to 475B.545 shall submit with the application a social**
2 **equity plan that meets the requirements established by the commis-**
3 **sion, in consultation with the equity liaison of the commission, by**
4 **rule.**

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

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

13 **“[(3)] (4) Except as provided in subsection [(2)] (3) of this section, a re-**
14 **vocation of, or a refusal to issue or renew, a license issued under ORS**
15 **475B.010 to 475B.545 is subject to the requirements for contested case pro-**
16 **ceedings under ORS chapter 183.**

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

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

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

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

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

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

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

29 **“(A) Demographics for registry identification cardholders, as de-**
30 **finied in ORS 475B.791;**

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

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

7 “(b) Not later than August 31, 2022, the authority shall submit to
8 the Equity Investment and Accountability Board and the Equity In-
9 vestment and Accountability Office the information described in this
10 subsection.

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

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

14 “(B) Demographics for all applicants for licenses issued under ORS
15 475B.070, 475B.090, 475B.100 and 475B.105; and

16 “(C) The average time in which the commission approves or rejects
17 an application for licenses issued under ORS 475B.070, 475B.090,
18 475B.100 and 475B.105.

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

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

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

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

3 **SECTION 13c. Each year until January 1, 2032, the greater of**
4 **\$5,000,000 or 25 percent of the funds allocated under section 7 (1)(a) and**
5 **(c) of this 2021 Act must be used by the recipients of the funds for the**
6 **support of cannabis businesses licensed to individuals who meet the**
7 **requirements of section 16 of this 2021 Act.**

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

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

19 On page 7, delete lines 1 through 11.

20 Delete lines 17 through 45 and insert:

21 **SECTION 16. (1) The Oregon Liquor Control Commission shall is-**
22 **sue an equity license to an applicant who:**

23 **“(a) Applies for issuance or renewal of a license under ORS 475B.070,**
24 **475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act;**

25 **“(b) Can demonstrate that the entity on behalf of which the appli-**
26 **cant applies is at least 51 percent owned by one or more individuals**
27 **who:**

28 **“(A) Have been convicted of a marijuana-related crime in any state,**
29 **each have a household income that does not exceed the area median**
30 **income for the individual’s county of residence, as adjusted for**

1 household size as determined by the Oregon Housing Stability Council
2 based on information from the United States Department of Housing
3 and Urban Development, and who are residents of this state; or

4 “(B) Are American Indian, Alaska Native, Black, Hispanic or
5 Latinx, or are members of another minority group that, through em-
6 pirical evidence that is subject to review by the Equity Investment and
7 Accountability Board and the Equity Investment and Accountability
8 Office, shows historically disproportionate community impact, dis-
9 ruption and collateral consequences from enforcement of drug-related
10 laws at a similar level to the adverse effects experienced by members
11 of the American Indian, Alaska Native, Black, Hispanic or Latinx
12 communities; and

13 “(c) Submits a declaration under penalty of perjury that the infor-
14 mation contained in the application is true and accurate.

15 “(2) The commission shall begin processing an application for a li-
16 cense under this section not more than 30 days after the date on which
17 the application was submitted.

18 “(3) The commission shall issue a provisional license under this
19 section to an applicant who meets the requirements of subsection (1)
20 of this section prior to the applicant obtaining a land use compatibility
21 statement under ORS 475B.063. A provisional license may not be re-
22 newed.

23 “(4) An application for an equity license under this section is not
24 subject to any rules of the commission that require the applicant to
25 complete an application process within a specified timeframe.

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

30 “(6)(a) Except as provided in paragraph (b) of this subsection, the

1 holder of an equity license may transfer not more than 49 percent of
2 the ownership of the licensed entity until the date established by the
3 commission, the board and the office pursuant to section 16a of this
4 2021 Act.

5 “(b) The holder of an equity license may transfer more than 49
6 percent ownership to another individual who meets the requirements
7 of subsection (1) of this section, subject to rules adopted by the com-
8 mission.

9 “(c) The commission, in consultation with the board and the office,
10 shall adopt rules to define ownership for purposes of this section. The
11 rules adopted under this paragraph must ensure that an individual li-
12 censed under this section has the right to own, control and financially
13 benefit from the entity licensed under ORS 475B.070, 475B.090, 475B.100
14 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act through reason-
15 able voting rights or net profits.

16 “(7) The commission may not charge the holder of an equity license
17 who applies for a license or renewal of a license under ORS 475B.070,
18 475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act
19 a fee in an amount greater than 40 percent of the fee otherwise es-
20 tablished for issuance or renewal of that license.

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

23 “SECTION 16a. (1) Subject to subsection (2) of this section, the date
24 on which the holder of a license issued under section 16 of this 2021
25 Act may transfer more than 49 percent ownership of the licensed en-
26 tity is January 1, 2028.

27 “(2) Not later than December 31, 2027, the Oregon Liquor Control
28 Commission, jointly with the Equity Investment and Accountability
29 Board and Equity Investment and Accountability Office, shall review
30 the issuance of licenses under section 16 of this 2021 Act and, based

1 on the review, may provide by rule of the commission that the holder
2 of a license issued under section 16 of this 2021 Act may transfer not
3 more than 49 percent ownership of the licensed entity until January
4 1, 2032.”.

5 On page 8, delete lines 1 through 9.

6 In line 18, delete “Cannabis Equity Board” and insert “Equity Investment
7 and Accountability Board, in partnership with the Equity Investment and
8 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**
12 **a cannabis on-premises consumption site is subject to regulation by**
13 **the Oregon Liquor Control Commission.**

14 **“(2)(a) An applicant for a cannabis on-premises consumption license**
15 **under this section 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**
20 **cannabis on-premises consumption 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**
24 **is compulsory under ORS 339.020; or**

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

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

1 **“(3) The commission shall adopt rules that:**
2 **“(a) Require a person that holds a license issued under this section**
3 **to renew the license annually;**
4 **“(b) Establish application, licensure and renewal of licensure fees**
5 **for a license issued under this section;**
6 **“(c) Allow the colocation of a cannabis on-premises consumption**
7 **site operated by a person that holds a license under this section and:**
8 **“(i) A marijuana retailer that holds a license under ORS 475B.105**
9 **at a single premises, as long as the cannabis on-premises consumption**
10 **site and the marijuana retailer occupy different areas of the premises;**
11 **“(ii) A shared processing facility that holds a license issued under**
12 **section 32 of this 2021 Act at a single premises, as long as the cannabis**
13 **on-premises consumption site and the shared processing facility oc-**
14 **cupy different areas of the premises;**
15 **“(iii) A marijuana grow site registered under ORS 475B.810 at a**
16 **single premises, as long as the cannabis on-premises consumption site**
17 **and the marijuana grow site occupy different areas of the premises;**
18 **“(d) Allow consumers to bring into a cannabis on-premises con-**
19 **sumption site marijuana items purchased from a colocated marijuana**
20 **retailer;**
21 **“(e) Allow outdoors, in designated areas of a premises for which a**
22 **license has been issued under this section and that are not visible to**
23 **the public without assistance, the consumption of marijuana items**
24 **intended to be smoked, aerosolized or vaporized and the use of topical**
25 **cannabinoid products;**
26 **“(f) Prohibit the consumption of cannabinoid edibles at a premises**
27 **for which a license has been issued under this section;**
28 **“(g) Prohibit the consumption and sale of alcoholic beverages on a**
29 **premises for which a license has been issued under this section; and**
30 **“(h) Require a person that holds a license issued under this section**

1 to obtain a cannabis on-premises consumption site sanitation certifi-
2 cate under subsection (4) of this section.

3 “(4)(a) The Oregon Health Authority shall adopt rules related to the
4 sanitation of a cannabis on-premises consumption site as are reason-
5 ably necessary to protect the public health of individuals using the
6 cannabis on-premises consumption site.

7 “(b) The rules adopted under this subsection may include:

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

10 “(B) The establishment of a fee schedule for the certificate pro-
11 gram;

12 “(C) Inspection criteria;

13 “(D) Grounds to suspend, revoke or refuse to issue or renew a cer-
14 tificate under this subsection; and

15 “(E) Other rules necessary to carry out the provisions of this sub-
16 section.

17 “(c) The authority shall inspect a cannabis on-premises consump-
18 tion site once every six months to ensure compliance with rules
19 adopted under this subsection.

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

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

28 “(6) Fees adopted under subsection (3)(b) of this section:

29 “(a) May not exceed, together with other fees collected under ORS
30 475B.010 to 475B.545, the cost of administering ORS 475B.010 to

1 **475B.545; and**

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

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

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

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

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

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

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

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

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

16 **“(B)** Within 1,000 feet of:

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

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

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

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

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

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

30 **“(c)** Allow the colocation of a cannabis on-premises consumption site op-

1 erated by a person that holds a license under this section and:

2 “(i) A marijuana retailer that holds a license under ORS 475B.105 at a
3 single premises, as long as the cannabis on-premises consumption site and
4 the marijuana retailer occupy different areas of the premises;

5 “(ii) A shared processing facility that holds a license issued under section
6 32 of this 2021 Act at a single premises, as long as the cannabis on-premises
7 consumption site and the shared processing facility occupy different areas
8 of the premises;

9 “(iii) A marijuana grow site registered under ORS 475B.810 at a single
10 premises, as long as the cannabis on-premises consumption site and the
11 marijuana grow site occupy different areas of the premises;

12 “(d) Allow consumers to bring into a cannabis on-premises consumption
13 site marijuana items purchased from a colocated marijuana retailer;

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

18 “(f) Prohibit the consumption of cannabinoid edibles at a premises for
19 which a license has been issued under this section;

20 “(g) Prohibit the consumption and sale of alcoholic beverages on a prem-
21 ises for which a license has been issued under this section; and

22 “(h) Require a person that holds a license issued under this section to
23 obtain a cannabis on-premises consumption site sanitation certificate under
24 subsection (4) of this section.

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

29 “(b) The rules adopted under this subsection may include:

30 “(A) The establishment of a cannabis on-premises consumption site sani-

1 tation certificate program;

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

3 “(C) Inspection criteria;

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

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

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

10 “(d) Fees adopted under this subsection may not exceed the cost of ad-
11 ministering this subsection and shall be deposited into the Public Health
12 Account established under ORS 431.210.

13 “(5) The commission shall consult the authority in the adoption of rules
14 to allow the colocation of a cannabis on-premises consumption site and a
15 marijuana grow site registered under ORS 475B.810, including rules estab-
16 lishing marijuana plant limits for a marijuana grow site described in this
17 subsection.

18 “(6) Fees adopted under subsection (3)(b) of this section:

19 “(a) May not exceed, together with other fees collected under ORS
20 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

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

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

27 On page 12, delete lines 1 through 16.

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

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

30 **“SECTION 26. Sections 27 to 27b of this 2021 Act are added to and**

1 made a part of ORS 475B.010 to 475B.545.

2 **“SECTION 27. (1) The Oregon Liquor Control Commission shall is-**
3 **sue a cannabis delivery license to an applicant who:**

4 **“(a) Applies for the license in the manner described in ORS**
5 **475B.040;**

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

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

9 **“(B) Is a marijuana retailer licensed under ORS 475B.105 authorized**
10 **by the commission to make deliveries of marijuana items and, as**
11 **demonstrated by information recorded in the system described in ORS**
12 **475B.177, makes at least 60 percent of the marijuana retailer’s sales**
13 **transactions as delivery transactions;**

14 **“(d) If the applicant is not a marijuana retailer licensed under ORS**
15 **475B.105, demonstrates to the commission that the applicant has legal**
16 **access to a premises at which the applicant may store the applicant’s**
17 **inventory of marijuana items prior to delivery; and**

18 **“(e) Meets any other requirements established by the commission**
19 **by rule.**

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

23 **“(3)(a) The holder of a cannabis delivery license issued under this**
24 **section may deliver marijuana items to a residence or a hotel, inn or**
25 **other dwelling unit that is made available for short-term or transient**
26 **occupancy. A delivery may be made only to a premises located in an**
27 **area that allows the establishment of marijuana retailers under ORS**
28 **475B.968.**

29 **“(b) A delivery may not be made to a dormitory or similar residence**
30 **that is located on the campus of a private or public institution of**

1 **higher education.**

2 **“(c) If the holder of a cannabis delivery license is a marijuana**
3 **retailer licensed under ORS 475B.105, the cannabis delivery license**
4 **holder may deliver marijuana items that are part of the marijuana**
5 **retailer’s own inventory or part of the inventory of another marijuana**
6 **retailer licensed under ORS 475B.105.**

7 **“(d) If the holder of a cannabis delivery license is not a marijuana**
8 **retailer licensed under ORS 475B.105, the cannabis delivery license**
9 **holder may deliver marijuana items that are part of the inventory of**
10 **any marijuana retailer licensed under ORS 475B.105 or part of the de-**
11 **livery license holder’s own inventory.**

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

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

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

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

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

24 **“(6) In adopting rules under this section, the commission shall**
25 **consult the equity liaison of the commission.**

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

27 **“(a) May not exceed, together with other fees collected under ORS**
28 **475B.010 to 475B.545, the cost of administering ORS 475B.010 to**
29 **475B.545; and**

30 **“(b) Shall be deposited into the Marijuana Control and Regulation**

1 **Fund established under ORS 475B.296.**

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

5 **“(A) A marijuana processor that holds a license issued under ORS**
6 **475B.090;**

7 **“(B) A marijuana wholesaler that holds a license issued under ORS**
8 **475B.100;**

9 **“(C) A marijuana retailer that holds a license issued under ORS**
10 **475B.105;**

11 **“(D) A shared processor that holds a license issued under section**
12 **32 of this 2021 Act; or**

13 **“(E) A person that holds a shared processing facility license issued**
14 **under section 34 of this 2021.**

15 **“(2) Marijuana items received under subsection (1) of this section**
16 **may be received at a premises described in section 27 (1) of this 2021**
17 **Act or at a premises for which a license has been issued under ORS**
18 **475B.090, 475B.100 or 475B.105 or section 32 or 34 of this 2021 Act.**

19 **“(3) A person that holds a delivery license under section 27 of this**
20 **2021 Act may, for the purpose of making deliveries under section 27**
21 **of this 2021 Act, store at the premises described in section 27 (1) of this**
22 **2021 Act marijuana items received from a person described in sub-**
23 **section (1) of this section.**

24 **“(4) Marijuana items received and stored under this section shall**
25 **be considered the inventory of the person that holds the delivery li-**
26 **cence under section 27 of this 2021 Act.**

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

29 **“SECTION 27b. (1) The delivery of marijuana items under section**
30 **27 of this 2021 Act may be made in an area subject to the jurisdiction**

1 of a city or county that has adopted an ordinance allowing for the
2 establishment of marijuana retailers that hold a license issued under
3 ORS 475B.105.

4 “(2) A city or county described in subsection (1) of this section may
5 not impose a tax or fee on the retail price or delivery cost of
6 marijuana items delivered within the city or county.

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

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

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

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

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

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

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

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

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

27 “[3)(a)] (2)(a) The holder of a cannabis delivery license issued under this
28 section may deliver marijuana items to a residence or a hotel, inn or other
29 dwelling unit that is made available for short-term or transient occupancy.
30 A delivery may be made only to a premises located in an area that allows

1 the establishment of marijuana retailers under ORS 475B.968.

2 “(b) A delivery may not be made to a dormitory or similar residence that
3 is located on the campus of a private or public institution of higher educa-
4 tion.

5 “(c) If the holder of a cannabis delivery license is a marijuana retailer
6 licensed under ORS 475B.105, the cannabis delivery license holder may de-
7 liver marijuana items that are part of the marijuana retailer’s own inventory
8 or part of the inventory of another marijuana retailer licensed under ORS
9 475B.105.

10 “(d) If the holder of a cannabis delivery license is not a marijuana retailer
11 licensed under ORS 475B.105, the cannabis delivery license holder may de-
12 liver marijuana items that are part of the inventory of any marijuana
13 retailer licensed under ORS 475B.105 or part of the delivery license holder’s
14 own inventory.

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

19 “[~~(5)(a)~~] **(3)(a)** The commission shall adopt rules that:

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

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

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

26 “[~~(6)~~] **(4)** In adopting rules under this section, the commission shall con-
27 sult the equity liaison of the commission.

28 “[~~(7)~~] **(5)** Fees adopted under subsection [~~(5)(a)(B)~~] **(3)(a)(B)** of this sec-
29 tion:

30 “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and
2 “(b) Shall be deposited into the Marijuana Control and Regulation Fund
3 established under ORS 475B.296.

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

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

9 “475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and**
10 **section 27a of this 2021 Act**, [*a marijuana producer that holds a license is-*
11 *ssued under ORS 475B.070, marijuana processor that holds a license issued*
12 *under ORS 475B.090 or marijuana wholesaler that holds a license issued un-*
13 *der ORS 475B.100*] **the following licensees** may deliver marijuana items
14 only to or on a premises for which a license has been issued under ORS
15 475B.070, 475B.090, 475B.100 or 475B.105 **or section 22, 32 or 34 of this 2021**
16 **Act**, or to a registry identification cardholder or designated primary
17 caregiver as allowed under ORS 475B.010 to 475B.545[.]:

18 **“(a) A marijuana producer that holds a license issued under ORS**
19 **475B.070;**

20 **“(b) A marijuana processor that holds a license issued under ORS**
21 **475B.090;**

22 **“(c) A marijuana wholesaler that holds a license issued under ORS**
23 **475B.100;**

24 **“(d) A person that holds a cannabis on-premises consumption li-**
25 **cence issued under section 22 of this 2021 Act;**

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

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

30 “(2) A licensee to which marijuana items may be delivered under sub-

1 section (1) of this section may receive marijuana items only from:

2 “(a)(A) A marijuana producer that holds a license issued under ORS
3 475B.070[.];

4 “(B) A marijuana processor that holds a license issued under ORS
5 475B.090[.];

6 “(C) A marijuana wholesaler that holds a license issued under ORS
7 475B.100[.];

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

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

11 “(F) **A person that holds a cannabis on-premises consumption li-**
12 **cence issued under section 22 of this 2021 Act;**

13 “(G) **A shared processor that holds a license issued under section**
14 **32 of this 2021 Act; or**

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

17 “(b) A researcher of cannabis that holds a certificate issued under ORS
18 475B.286 and that transfers limited amounts of marijuana, usable marijuana,
19 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in
20 accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

21 “(c) A marijuana grow site registered under ORS 475B.810, marijuana
22 processing site registered under ORS 475B.840, or a medical marijuana
23 dispensary registered under ORS 475B.858, acting in accordance with proce-
24 dures adopted by the Oregon Liquor Control Commission under ORS
25 475B.167; or

26 “(d) A marijuana grow site registered under ORS 475B.810, acting in ac-
27 cordance with ORS 475B.825 and any procedures adopted by rule by the
28 commission.

29 “(3) **Except as provided in section 22 of this 2021 Act,** the sale of
30 marijuana items by a marijuana retailer that holds a license issued under

1 ORS 475B.105 must be restricted to the premises for which the license has
2 been issued, but deliveries may be made by a marijuana retailer to consumers
3 pursuant to a bona fide order received at the premises prior to delivery **if**
4 **the marijuana retailer holds a delivery license issued under section 27**
5 **of this 2021 Act or is otherwise authorized by the commission to make**
6 **deliveries.**

7 “(4) The commission may by order waive the requirements of subsections
8 (1) and (2) of this section to ensure compliance with ORS 475B.010 to
9 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued
10 under this subsection does not constitute a waiver of any other requirement
11 of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010
12 to 475B.545.

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

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

18 **“(3) The Oregon Liquor Control Commission may take any action**
19 **before the operative date specified in subsection (1) of this section that**
20 **is necessary to enable the commission to exercise, on and after the**
21 **operative date specified in subsection (1) of this section, all of the du-**
22 **ties, functions and powers conferred on the commission by sections**
23 **27 to 27b of this 2021 Act and the amendments to ORS 475B.206 by**
24 **section 29 of this 2021 Act.”.**

25 On page 15, delete lines 1 through 30.

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

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

28 “(a) The list described in subsection (1) of this section and recommen-
29 dations of additional offenses that a conviction for which should be consid-
30 ered a qualifying marijuana offense as defined in ORS 475B.401; and

1 “(b) Recommendations for improvements to the process of setting aside
2 qualifying marijuana convictions, including expansion of the process de-
3 scribed in ORS 475B.401 to include marijuana-related offenses that are not
4 qualifying marijuana offenses.

5 “(3) No later than July 1, 2022, the office of public defense services shall
6 submit, in the manner provided in ORS 192.245, the report described in sub-
7 section (2) of this section to the interim committees of the Legislative As-
8 sembly related to the judiciary, to the Judicial Department and to the Equity
9 Investment and Accountability Board and the Equity Investment and Ac-
10 countability Office.”.

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

12 In line 16, delete “Cannabis Equity Board” and insert “Equity Investment
13 and Accountability Board and the Equity Investment and Accountability
14 Office”.

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

17 “(2)(a)”.

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

19 Delete lines 25 through 28 and insert:

20 “(3)(a) The Department of State Police shall, no later than 90 days after
21 the operative date specified in section 49 of this 2021 Act, provide to the
22 office of public defense services information concerning all persons who may
23 qualify to have an arrest, citation or other charge set aside under ORS
24 475B.401.”.

25 After line 31, insert:

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

30 “(b) The municipal and justice courts shall make best efforts to ensure

1 that the information provided under paragraph (a) of this subsection is suf-
2 ficient to identify the person and the specific case resulting in the con-
3 viction.

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

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

12 Delete lines 43 through 45 and insert:

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

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

19 On page 20, delete lines 1 and 2.

20 In line 33, after “court” insert “finds that the prosecuting attorney has
21 not met the burden of proof and”.

22 On page 21, after line 22, insert:

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

25 In line 23, delete “(3)” and insert “(4)”.

26 In line 24, after the first “office,” insert “an attorney contracted by the
27 office under subsection (3) of this section,”.

28 In line 26, delete “(4)” and insert “(5)”.

29 Delete lines 27 through 29 and insert:

30 “(6) Beginning on July 1, 2022, and every six months thereafter, the office

1 of public defense services shall prepare a report for the Equity Investment
2 and Accountability Board and the Equity Investment and Accountability
3 Office detailing progress made in setting aside convictions, arrests, citations
4 and other charges under this section.”.

5 On page 22, delete lines 28 through 45.

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

7 “**NOTE:** Sections 44a and 44b were deleted by amendment. Subsequent
8 sections were not renumbered.”.

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

10 In line 16, delete “, 40 and”.

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

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

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

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

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

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

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

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

30 “(A) Ten percent of the moneys in the account must be transferred to the

1 cities of this state in the following shares:

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

9 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
10 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
11 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
12 ceding the date of the transfer for premises located in each city compared
13 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100
14 and 475B.105 on the last business day of that calendar quarter for all prem-
15 ises in this state located in cities; and

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

18 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
19 flect the total commercially available area of all grow canopies associated
20 with marijuana producer licenses held pursuant to ORS 475B.070 on the last
21 business day of the calendar quarter preceding the date of the transfer for
22 all premises located in each county compared to the total commercially
23 available area of all grow canopies associated with marijuana producer li-
24 censes held pursuant to ORS 475B.070 on the last business day of that cal-
25 endar quarter for all premises located in this state; and

26 “(ii) Fifty percent of the 10 percent must be transferred in shares that
27 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
28 475B.105 on the last business day of the calendar quarter preceding the date
29 of the transfer for premises located in each county compared to the number
30 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last

1 business day of that calendar quarter for all premises in this state.

2 “[*(c)*] **(d)** After making the transfer of moneys required by [*subsection (7)*
3 *of this section*] **paragraph (b) of this subsection**, eighty percent of the re-
4 maining moneys in the Oregon Marijuana Account must be used as follows:

5 “(A) Forty percent of the moneys in the account [*must be used solely for*
6 *purposes for which moneys in the State School Fund established under ORS*
7 *327.008 may be used*] **must be used as follows:**

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

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

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

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

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

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

23 “**(i) Purposes related to alcohol and drug abuse prevention, early inter-**
24 **vention and treatment services[.];**

25 “**(ii) Assisting the Oregon Health Authority in administering ORS**
26 **475B.785 to 475B.949; and**

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

29 “(4)(a) A city that has an ordinance prohibiting the establishment of a
30 premises for which issuance of a license under ORS 475B.070, 475B.090,

1 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
2 under subsection [(3)(b)(A)] **(3)(c)(A)** of this section.

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

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

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

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

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

1 “(d) The Department of Revenue shall have the benefit of all laws of the
2 state pertaining to the collection of income and excise taxes and may proceed
3 to collect the amounts described in the notice under paragraph (c) of this
4 subsection. An assessment of tax is not necessary and the collection de-
5 scribed in this subsection is not precluded by any statute of limitations.

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

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

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

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

23 “(b) If a city fails to comply with this subsection, the city is not eligible
24 to receive transfers of moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this
25 section. If a county fails to comply with this subsection, the county is not
26 eligible to receive transfers of moneys under subsection [(3)(b)(B)] **(3)(c)(B)**
27 of this section.

28 “(c) A city or county that repeals an ordinance as provided in ORS
29 475B.496 shall file an updated certification with the Oregon Department of
30 Administrative Services in a form and manner prescribed by the department,

1 noting the effective date of the change. A city or county that repeals an or-
2 dinance as provided in ORS 475B.496 is eligible to receive quarterly transfers
3 of moneys under this section for quarters where the repeal is effective for
4 the entire quarter and the updated certification was filed at least 30 days
5 before the date of transfer.

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

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

13 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
14 rate and distinct from the General Fund.

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

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

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

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

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

29 “(i) Seventy-five percent of the 10 percent must be transferred in shares
30 that reflect the population of each city of this state that is not exempt from

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

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

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

15 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
16 flect the total commercially available area of all grow canopies associated
17 with marijuana producer licenses held pursuant to ORS 475B.070 on the last
18 business day of the calendar quarter preceding the date of the transfer for
19 all premises located in each county compared to the total commercially
20 available area of all grow canopies associated with marijuana producer li-
21 censes held pursuant to ORS 475B.070 on the last business day of that cal-
22 endar quarter for all premises located in this state; and

23 “(ii) Fifty percent of the 10 percent must be transferred in shares that
24 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
25 475B.105 on the last business day of the calendar quarter preceding the date
26 of the transfer for premises located in each county compared to the number
27 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
28 business day of that calendar quarter for all premises in this state.

29 “(d) After making the transfer of moneys required by paragraph (b) of this
30 subsection, eighty percent of the remaining moneys in the Oregon Marijuana

1 Account must be used as follows:

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

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

5 “(ii) Twenty-five percent of the 40 percent solely for the purposes de-
6 scribed in ORS 329.843; and

7 “(iii) Twenty-five percent of the 40 percent solely for the purposes de-
8 scribed in ORS 329.845;

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

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

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

18 “(i) Purposes related to alcohol and drug abuse prevention, early inter-
19 vention and treatment services;

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

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

24 “(4)(a) A city that has an ordinance prohibiting the establishment of a
25 premises for which issuance of a license under ORS 475B.070, 475B.090,
26 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
27 under subsection (3)(c)(A) of this section.

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

1 section.

2 “(c) A county that has an ordinance prohibiting the establishment of a
3 premises for which issuance of a license under ORS 475B.090, 475B.100 or
4 475B.105 is required is not eligible to receive transfers of moneys under
5 subsection (3)(c)(B)(ii) of this section.

6 “(5)(a) A city or county that is ineligible under subsection (4) of this
7 section to receive a transfer of moneys from the Oregon Marijuana Account
8 during a given quarter but has received a transfer of moneys for that quarter
9 shall return the amount transferred to the Department of Revenue, with in-
10 terest as described under paragraph (f) of this subsection. An ineligible city
11 or county may voluntarily transfer the moneys to the Department of Revenue
12 immediately upon receipt of the ineligible transfer.

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

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

26 “(d) The Department of Revenue shall have the benefit of all laws of the
27 state pertaining to the collection of income and excise taxes and may proceed
28 to collect the amounts described in the notice under paragraph (c) of this
29 subsection. An assessment of tax is not necessary and the collection de-
30 scribed in this subsection is not precluded by any statute of limitations.

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

5 “(f) Interest under this section shall accrue at the rate established in ORS
6 305.220 beginning on the date the ineligible transfer was made.

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

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

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

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

30 **“SECTION 51b.** ORS 475B.759, as amended by section 10, chapter 2,

1 Oregon Laws 2021 (Ballot Measure 110 (2020)), and sections 51 and 51a of
2 this 2021 Act, is amended to read:

3 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
4 rate and distinct from the General Fund.

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

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

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

13 “(c) Subject to subsection (4) of this section, and after making the transfer
14 of moneys required by paragraph (b) of this subsection, the department shall
15 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Ac-
16 count as follows:

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

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

26 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
27 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
28 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
29 ceding the date of the transfer for premises located in each city compared
30 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100

1 and 475B.105 on the last business day of that calendar quarter for all prem-
2 ises in this state located in cities; and

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

5 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
6 flect the total commercially available area of all grow canopies associated
7 with marijuana producer licenses held pursuant to ORS 475B.070 on the last
8 business day of the calendar quarter preceding the date of the transfer for
9 all premises located in each county compared to the total commercially
10 available area of all grow canopies associated with marijuana producer li-
11 censes held pursuant to ORS 475B.070 on the last business day of that cal-
12 endar quarter for all premises located in this state; and

13 “(ii) Fifty percent of the 10 percent must be transferred in shares that
14 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
15 475B.105 on the last business day of the calendar quarter preceding the date
16 of the transfer for premises located in each county compared to the number
17 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
18 business day of that calendar quarter for all premises in this state.

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

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

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

25 “(ii) Twenty-five percent of the 40 percent solely for the purposes de-
26 scribed in ORS 329.843; and

27 “(iii) Twenty-five percent of the 40 percent solely for the purposes de-
28 scribed in ORS 329.845;

29 “(B) Twenty percent of the moneys in the account must be used solely for
30 mental health treatment or for alcohol and drug abuse prevention, early

1 intervention and treatment;

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

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

7 “(i) Purposes related to alcohol and drug abuse prevention, early inter-
8 vention and treatment services;

9 “(ii) Assisting the Oregon Health Authority in administering ORS
10 475B.785 to 475B.949; and

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

13 “(4)(a) A city that has an ordinance prohibiting the establishment of a
14 premises for which issuance of a license under ORS 475B.070, 475B.090,
15 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
16 under subsection (3)(c)(A) of this section.

17 “(b) A county that has an ordinance prohibiting the establishment of a
18 premises for which issuance of a license under ORS 475B.070 is required is
19 not eligible to receive transfers of moneys under subsection (3)(c)(B)(i) of this
20 section.

21 “(c) A county that has an ordinance prohibiting the establishment of a
22 premises for which issuance of a license under ORS 475B.090, 475B.100 or
23 475B.105 is required is not eligible to receive transfers of moneys under
24 subsection (3)(c)(B)(ii) of this section.

25 “(5)(a) A city or county that is ineligible under subsection (4) of this
26 section to receive a transfer of moneys from the Oregon Marijuana Account
27 during a given quarter but has received a transfer of moneys for that quarter
28 shall return the amount transferred to the Department of Revenue, with in-
29 terest as described under paragraph (f) of this subsection. An ineligible city
30 or county may voluntarily transfer the moneys to the Department of Revenue

1 immediately upon receipt of the ineligible transfer.

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

11 “(c) As soon as the order under paragraph (b) of this subsection becomes
12 final, the director shall notify the Department of Revenue and the ineligible
13 city or county. Upon notification, the Department of Revenue immediately
14 shall proceed to collect the amount stated in the notice.

15 “(d) The Department of Revenue shall have the benefit of all laws of the
16 state pertaining to the collection of income and excise taxes and may proceed
17 to collect the amounts described in the notice under paragraph (c) of this
18 subsection. An assessment of tax is not necessary and the collection de-
19 scribed in this subsection is not precluded by any statute of limitations.

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

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

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

30 “(6)(a) Not later than July 1 of each year, each city and county in this

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

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

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

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

20 “475B.760. (1) All moneys received by the Department of Revenue under
21 ORS 475B.700 to 475B.760 shall be deposited in the State Treasury and cred-
22 ited to a suspense account established under ORS 293.445. The department
23 may pay expenses for the administration and enforcement of ORS 475B.700
24 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.
25 Amounts necessary to pay administrative and enforcement expenses are
26 continuously appropriated to the department from the suspense account.

27 “(2) After the payment of administrative and enforcement expenses and
28 refunds or credits arising from erroneous overpayments, the department shall
29 credit the balance of the moneys received by the department under this sec-
30 tion **as follows:**

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

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

5 “**SECTION 51d.** Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure
6 110 (2020)), is amended to read:

7 “**Sec. 5.** (1) The Drug Treatment and Recovery Services Fund is estab-
8 lished in the State Treasury, separate and distinct from the General Fund.
9 Interest earned by the **Drug Treatment and Recovery Services** Fund shall
10 be credited to the fund.

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

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

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

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

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

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

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

24 “[(5)(a)] **(4)(a)** Pursuant to subsection (2)(b) of this section, the Legisla-
25 tive Assembly shall appropriate or transfer to the fund an amount sufficient
26 to fully fund the grants program required by section 2, **chapter 2, Oregon**
27 **Laws 2021 (Ballot Measure 110 (2020)).**

28 “(b) The total amount deposited and transferred into the fund shall not
29 be less than \$57 million for the first year [*this Act*] **chapter 2, Oregon Laws**
30 **2021 (Ballot Measure 110 (2020)),** is in effect.

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

4 “[*i*] **(A) \$57 million multiplied by** the percentage *[(if any)]*, **if any**, by
5 which the monthly averaged U.S. City Average Consumer Price Index for the
6 12 consecutive months ending *[December]* **August** 31 of the prior calendar
7 year exceeds the monthly index for the fourth quarter of the calendar year
8 2020; and[,]

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

11 On page 29, delete lines 1 through 6.

12 Delete lines 22 through 29 and insert:

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

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

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

21 **“(4) The Department of Revenue may take any action before the**
22 **operative date specified in subsection (1) of this section that is neces-**
23 **sary to enable the department to exercise, on and after the operative**
24 **date specified in subsection (1) of this section, all of the duties, func-**
25 **tions and powers conferred on the department by the amendments to**
26 **ORS 137.300, 475B.759 and 475B.760 and section 16, chapter 103, Oregon**
27 **Laws 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure**
28 **110 (2020)), by sections 50 to 52 of this 2021 Act.”.**

29 On page 30, line 29, delete “Cannabis Equity Board” and insert ‘Equity
30 Investment and Accountability Board, the Equity Investment and Account-

1 ability Office”.

2
