

HB 3112-13  
(LC 1467)  
4/30/21 (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 two full-time staff members, including a director appointed by**  
6 **the Governor. The director shall, with the approval of the Equity In-**  
7 **vestment and Accountability Board, select a staff member.**

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

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

11 **“(b) May not:**

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

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

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

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

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

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

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

30 **“SECTION 2. (1) The Equity Investment and Accountability Board,**

1 in partnership with the Equity Investment and Accountability Office,  
2 shall:

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

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

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

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

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

13 “(f) Audit applications for licenses issued under section 16 of this  
14 2021 Act, verify information related to the applicant’s residency and  
15 previous convictions and whether the applicant is an individual.

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

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

22 “(3) 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 fice 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;

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

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

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

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

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

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

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

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

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

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

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

30       “SECTION 6. (1) The Equity Investment and Accountability Board,

1 in partnership with the Equity Investment and Accountability Office,  
2 may, with the approval of the Governor, appoint any directors, depu-  
3 ties, counsel, assistants, investigators or other employees as the board  
4 determines necessary to carry out the duties of the board and the of-  
5 fice.

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

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

13 “(a) To culturally competent community programs and partners  
14 that support landownership, homeownership and income building  
15 through jobs, education, high-quality child care and entrepreneurship  
16 with priority placed on supporting individuals who are American In-  
17 dian, Alaska Native, Black, Hispanic or Latinx.

18 “(b) To courts, the Department of State Police, the Judicial De-  
19 partment and the office of public defense services, as defined in ORS  
20 151.211, to cover costs incurred under ORS 475B.401.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29       “SECTION 9. The Cannabis Equity Fund is established separate and  
30 distinct from the General Fund. Interest earned by the Cannabis Eq-

1 uity Fund shall be credited to the fund. The Cannabis Equity Fund  
2 consists of moneys deposited into the fund under ORS 137.300 and  
3 475B.760 and may include moneys appropriated, allocated, deposited or  
4 transferred to the fund by the Legislative Assembly or otherwise and  
5 interest earned on the moneys in the fund. The moneys in the fund  
6 are continuously appropriated to the Equity Investment and Account-  
7 ability Board and the Equity Investment and Accountability Office for:

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

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

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

16 “(2) The commission, with the advice of the equity liaison of the  
17 commission and in consultation with the Equity Investment and Ac-  
18 countability Board and the Equity Investment and Accountability Of-  
19 fice, shall adopt rules to carry out this section.

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

24 “(2) The authority, with the advice of the equity liaison of the au-  
25 thority and in consultation with the Equity Investment and Account-  
26 ability Board and the Equity Investment and Accountability Office,  
27 shall adopt rules to carry out this section.

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

29 “475B.040. (1) An applicant for a license or renewal of a license issued  
30 under ORS 475B.010 to 475B.545 shall apply to the Oregon Liquor Control

1 Commission in the form required by the commission by rule, showing the  
2 name and address of the applicant, location of the premises that is to be  
3 operated under the license and other pertinent information required by the  
4 commission. The commission may not issue or renew a license until the ap-  
5 plicant has complied with the provisions of ORS 475B.010 to 475B.545 and  
6 rules adopted under ORS 475B.010 to 475B.545.

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

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

15 **“[(2)] (3) The commission may reject any application that is not submitted  
16 in the form required by the commission by rule. The commission shall give  
17 applicants an opportunity to be heard if an application is rejected. A hearing  
18 under this subsection is not subject to the requirements for contested case  
19 proceedings under ORS chapter 183.**

20 **“[(3)] (4) Except as provided in subsection [(2)] (3) of this section, a re-  
21 vocation of, or a refusal to issue or renew, a license issued under ORS  
22 475B.010 to 475B.545 is subject to the requirements for contested case pro-  
23 ceedings under ORS chapter 183.**

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

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

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

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

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

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

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

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

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

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

14       “(b) Not later than August 31, 2022, the authority shall submit to  
15 the Equity Investment and Accountability Board and the Equity In-  
16 vestment and Accountability Office the information described in this  
17 subsection.

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

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

21       “(B) Demographics for all applicants for licenses issued under ORS  
22 475B.070, 475B.090, 475B.100 and 475B.105; and

23       “(C) The average time in which the commission approves or rejects  
24 an application for licenses issued under ORS 475B.070, 475B.090,  
25 475B.100 and 475B.105.

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

28       “SECTION 13a. (1) The Oregon Health Authority shall dedicate at  
29 least two full-time employees to taking any actions before the opera-  
30 tive date specified in section 14 of this 2021 Act that is necessary to

1 enable the authority to exercise the duties, functions and powers  
2 conferred on the authority by sections 1 to 10 and 13 of this 2021 Act.

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

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

10 “SECTION 13c. Each year until January 1, 2032, the greater of  
11 \$5,000,000 or 25 percent of the funds allocated under section 7 (1)(a) and  
12 (c) of this 2021 Act must be used by the recipients of the funds for the  
13 support of cannabis businesses licensed to individuals who meet the  
14 requirements of section 16 of this 2021 Act.

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

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

26 On page 7, delete lines 1 through 11.

27 Delete lines 17 through 45 and insert:

28 “SECTION 16. (1) The Oregon Liquor Control Commission shall is-  
29 sue an equity license to an applicant who:

30 “(a) Applies for issuance or renewal of a license under ORS 475B.070,



1 475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act  
2 or is a licensee;

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

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

12 “(B) Are American Indian, Alaska Native, Black, Hispanic or  
13 Latinx, or are members of another minority group that, through em-  
14 pirical evidence that is subject to review by the Equity Investment and  
15 Accountability Board and the Equity Investment and Accountability  
16 Office, shows historically disproportionate community impact, dis-  
17 ruption and collateral consequences from enforcement of drug-related  
18 laws at a similar level to the adverse effects experienced by members  
19 of the American Indian, Alaska Native, Black, Hispanic or Latinx  
20 communities; and

21 “(c)(A) If the applicant is an individual who is Black, Hispanic or  
22 Latinx, submits a declaration under penalty of perjury that the infor-  
23 mation contained in the application is true and accurate.

24 “(B) If the applicant is an individual who is American Indian or  
25 Alaska Native, provides verifiable documentation of enrollment in a  
26 state or federally recognized tribe or that the individual is a descend-  
27 ant of a parent or grandparent enrolled in a state or federally recog-  
28 nized tribe.

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

1 the application was submitted.

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

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

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

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

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

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

30 “(7) The commission may not charge the holder of an equity license

1 who applies for a license or renewal of a license under ORS 475B.070,  
2 475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act  
3 a fee in an amount greater than 40 percent of the fee otherwise es-  
4 tablished for issuance or renewal of that license.

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

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

11 “(2) Not later than December 31, 2027, the Oregon Liquor Control  
12 Commission, jointly with the Equity Investment and Accountability  
13 Board and Equity Investment and Accountability Office, shall review  
14 the issuance of licenses under section 16 of this 2021 Act and, based  
15 on the review, may provide by rule of the commission that the holder  
16 of a license issued under section 16 of this 2021 Act may transfer not  
17 more than 49 percent ownership of the licensed entity until January  
18 1, 2032.”.

19 On page 8, delete lines 1 through 9.

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

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

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

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

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

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

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

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

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

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

6       **“(B) Within 1,000 feet of:**

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

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

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

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

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

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

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

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

26       **“(B) A marijuana producer that holds a license issued under ORS**  
27 **475B.070 at a single premises, as long as the cannabis on-premises**  
28 **consumption site and the marijuana producer occupy different areas**  
29 **of the premises;**

30       **“(d) Allow consumers to bring into a cannabis on-premises con-**

1 **sumption site marijuana items purchased from a colocated marijuana**  
2 **retailer;**

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

8 **“(f) Allow the sale and consumption of non-alcoholic beverages and**  
9 **food items that do not contain cannabinoids at a premises for which**  
10 **a license has been issued under this section;**

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

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

15 **“(i) Require a person that holds a license issued under this section**  
16 **to obtain a cannabis on-premises consumption site sanitation certif-**  
17 **icate under subsection (4) of this section.**

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

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

23 **“(A) The establishment of a cannabis on-premises consumption site**  
24 **sanitation certificate program;**

25 **“(B) The establishment of a fee schedule for the certificate pro-**  
26 **gram;**

27 **“(C) Inspection criteria;**

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

30 **“(E) Other rules necessary to carry out the provisions of this sub-**

1 **section.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1       “(B) Within 1,000 feet of:

2       “(i) A public elementary or secondary school for which attendance is

3 compulsory under ORS 339.020; or

4       “(ii) A private or parochial elementary or secondary school, teaching

5 children as described in ORS 339.030 (1)(a).

6       “(c) An applicant for a cannabis on-premises consumption license under

7 this section and the premises at which the cannabis on-premises consumption

8 site is to be located must meet the requirements of any rule adopted by the

9 commission under subsection (3) of this section.

10       “(3) The commission shall adopt rules that:

11       “(a) Require a person that holds a license issued under this section to

12 renew the license annually;

13       “(b) Establish application, licensure and renewal of licensure fees for a

14 license issued under this section;

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

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

17       “(A) A marijuana retailer that holds a license under ORS 475B.105 at a

18 single premises, as long as the cannabis on-premises consumption site and

19 the marijuana retailer occupy different areas of the premises; or

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

21 at a single premises, as long as the cannabis on-premises consumption site

22 and the marijuana producer occupy different areas of the premises;

23       “(d) Allow consumers to bring into a cannabis on-premises consumption

24 site marijuana items purchased from a colocated marijuana retailer;

25       “(e) Allow outdoors, in designated areas of a premises for which a license

26 has been issued under this section and that are not visible to the public

27 without assistance, the consumption of marijuana items intended to be

28 smoked, aerosolized or vaporized and the use of topical cannabinoid products;

29       “(f) Allow the sale and consumption of non-alcoholic beverages and food

30 items that do not contain cannabinoids at a premises for which a license has

1 been issued under this section;

2 “(g) Prohibit the consumption of cannabinoid edibles at a premises for  
3 which a license has been issued under this section;

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

6 “(i) Require a person that holds a license issued under this section to  
7 obtain a cannabis on-premises consumption site sanitation certificate under  
8 subsection (4) of this section.

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

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

14 “(A) The establishment of a cannabis on-premises consumption site sani-  
15 tation certificate program;

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

17 “(C) Inspection criteria;

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

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

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

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

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



1 subsection.

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

3 “(a) May not exceed, together with other fees collected under ORS  
4 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

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

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

11 On page 12, delete lines 1 through 16.

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

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

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

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

18 **“(a) Applies for the license in the manner described in ORS**  
19 **475B.040;**

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

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

22 **or**

23 **“(B) Is a marijuana retailer licensed under ORS 475B.105 authorized**  
24 **by the commission to make deliveries of marijuana items and, as**  
25 **demonstrated by information recorded in the system described in ORS**  
26 **475B.177, makes at least 60 percent of the marijuana retailer’s sales**  
27 **transactions as delivery transactions;**

28 **“(d) If the applicant is not a marijuana retailer licensed under ORS**  
29 **475B.105, demonstrates to the commission that the applicant has legal**  
30 **access to a premises at which the applicant may store the applicant’s**

1 inventory of marijuana items prior to delivery; and

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

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

7 “(3)(a) The holder of a cannabis delivery license issued under this  
8 section may deliver marijuana items to a residence or a hotel, inn or  
9 other dwelling unit that is made available for short-term or transient  
10 occupancy. A delivery may be made only to a premises located in an  
11 area that allows the establishment of marijuana retailers under ORS  
12 475B.968.

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

16 “(c) If the holder of a cannabis delivery license is a marijuana  
17 retailer licensed under ORS 475B.105, the cannabis delivery license  
18 holder may deliver marijuana items that are part of the marijuana  
19 retailer’s own inventory or part of the inventory of another marijuana  
20 retailer licensed under ORS 475B.105.

21 “(d) If the holder of a cannabis delivery license is not a marijuana  
22 retailer licensed under ORS 475B.105, the cannabis delivery license  
23 holder may deliver marijuana items that are part of the inventory of  
24 any marijuana retailer licensed under ORS 475B.105 or part of the de-  
25 livery license holder’s own inventory.

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

1       **“(5)(a) 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; and**  
4       **“(B) Establish application, licensure and renewal of licensure fees**  
5 **for a license issued under this section.**  
6       **“(b) The commission may adopt other rules as necessary to carry**  
7 **out this section.**  
8       **“(6) In adopting rules under this section, the commission shall**  
9 **consult the equity liaison of the commission.**  
10       **“(7) Fees adopted under subsection (5)(a)(B) of this section:**  
11       **“(a) May not exceed, together with other fees collected under ORS**  
12 **475B.010 to 475B.545, the cost of administering ORS 475B.010 to**  
13 **475B.545; and**  
14       **“(b) Shall be deposited into the Marijuana Control and Regulation**  
15 **Fund established under ORS 475B.296.**  
16       **“SECTION 27a. (1)(a) A person that holds a delivery license under**  
17 **section 27 of this 2021 Act may, for the purpose of making deliveries**  
18 **under section 27 of this 2021 Act, receive marijuana items from:**  
19       **“(A) A marijuana producer that holds a license issued under ORS**  
20 **475B.070;**  
21       **“(B) A marijuana processor that holds a license issued under ORS**  
22 **475B.090;**  
23       **“(C) A marijuana wholesaler that holds a license issued under ORS**  
24 **475B.100;**  
25       **“(D) A marijuana retailer that holds a license issued under ORS**  
26 **475B.105;**  
27       **“(E) A shared processor that holds a license issued under section**  
28 **32 of this 2021 Act; or**  
29       **“(F) A person that holds a shared processing facility license issued**  
30 **under section 34 of this 2021.**

1       “(2) Marijuana items received under subsection (1) of this section  
2 may be received at a premises described in section 27 (1) of this 2021  
3 Act or at a premises for which a license has been issued under ORS  
4 475B.090, 475B.100 or 475B.105 or section 32 or 34 of this 2021 Act.

5       “(3) A person that holds a delivery license under section 27 of this  
6 2021 Act may, for the purpose of making deliveries under section 27  
7 of this 2021 Act, store at the premises described in section 27 (1) of this  
8 2021 Act marijuana items received from a person described in sub-  
9 section (1) of this section.

10       “(4) Marijuana items received and stored under this section shall  
11 be considered the inventory of the person that holds the delivery li-  
12 cense under section 27 of this 2021 Act.

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

15       “SECTION 27b. (1) The delivery of marijuana items under section  
16 27 of this 2021 Act may be made in an area subject to the jurisdiction  
17 of a city or county that has adopted an ordinance allowing for the  
18 establishment of marijuana retailers that hold a license issued under  
19 ORS 475B.105.

20       “(2)(a) For purposes of ORS 475B.491, a marijuana item delivered  
21 under section 27 of this 2021 Act is sold at the premises for which a  
22 license has been issued under section 27 of this 2021 Act.

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

26       “(3) A city or county described in subsection (1) of this section may  
27 not impose a tax or fee on the retail price or delivery cost of  
28 marijuana items delivered within the city or county.

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

30       “**Sec. 27.** (1) The Oregon Liquor Control Commission shall issue a

1 cannabis delivery license to an applicant who:

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

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

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

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

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

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

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

19 “[*(3)(a)*] **(2)(a)** The holder of a cannabis delivery license issued under this  
20 section may deliver marijuana items to a residence or a hotel, inn or other  
21 dwelling unit that is made available for short-term or transient occupancy.  
22 A delivery may be made only to a premises located in an area that allows  
23 the establishment of marijuana retailers under ORS 475B.968.

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

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

1 475B.105.

2 “(d) If the holder of a cannabis delivery license is not a marijuana retailer  
3 licensed under ORS 475B.105, the cannabis delivery license holder may de-  
4 liver marijuana items that are part of the inventory of any marijuana  
5 retailer licensed under ORS 475B.105 or part of the delivery license holder’s  
6 own inventory.

7 “[4] *The holder of a cannabis delivery license issued under this section*  
8 *that qualified for licensure under subsection (1)(c)(B) of this section may not*  
9 *transfer more than 49 percent ownership of the licensed entity to an entity that*  
10 *does not qualify for a license under section 16 of this 2021 Act.]*

11 “[5(a)] **(3)(a)** The commission shall adopt rules that:

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

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

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

18 “[6] **(4)** In adopting rules under this section, the commission shall con-  
19 sult the equity liaison of the commission.

20 “[7] **(5)** Fees adopted under subsection [(5)(a)(B)] **(3)(a)(B)** of this sec-  
21 tion:

22 “(a) May not exceed, together with other fees collected under ORS  
23 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

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

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

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

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

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

12 **“(b) A marijuana processor that holds a license issued under ORS**  
13 **475B.090;**

14 **“(c) A marijuana wholesaler that holds a license issued under ORS**  
15 **475B.100;**

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

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

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

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

24 **“(a)(A) A marijuana producer that holds a license issued under ORS**  
25 **475B.070[.];**

26 **“(B) A marijuana processor that holds a license issued under ORS**  
27 **475B.090[.];**

28 **“(C) A marijuana wholesaler that holds a license issued under ORS**  
29 **475B.100[.];**

30 **“(D) A marijuana retailer that holds a license issued under ORS 475B.105**

1 [or];

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

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

5 “(G) **A shared processor that holds a license issued under section**  
6 **32 of this 2021 Act; or**

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

9 “(b) A researcher of cannabis that holds a certificate issued under ORS  
10 475B.286 and that transfers limited amounts of marijuana, usable marijuana,  
11 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in  
12 accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

13 “(c) A marijuana grow site registered under ORS 475B.810, marijuana  
14 processing site registered under ORS 475B.840, or a medical marijuana  
15 dispensary registered under ORS 475B.858, acting in accordance with proce-  
16 dures adopted by the Oregon Liquor Control Commission under ORS  
17 475B.167; or

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

21 “(3) **Except as provided in section 22 of this 2021 Act,** the sale of  
22 marijuana items by a marijuana retailer that holds a license issued under  
23 ORS 475B.105 must be restricted to the premises for which the license has  
24 been issued, but deliveries may be made by a marijuana retailer to consumers  
25 pursuant to a bona fide order received at the premises prior to delivery **if**  
26 **the marijuana retailer holds a delivery license issued under section 27**  
27 **of this 2021 Act or is otherwise authorized by the commission to make**  
28 **deliveries.**

29 “(4) The commission may by order waive the requirements of subsections  
30 (1) and (2) of this section to ensure compliance with ORS 475B.010 to



1 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued  
2 under this subsection does not constitute a waiver of any other requirement  
3 of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010  
4 to 475B.545.

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

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

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

17 On page 15, delete lines 1 through 30.

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

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

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

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

27 “(3) No later than July 1, 2022, the office of public defense services shall  
28 submit, in the manner provided in ORS 192.245, the report described in sub-  
29 section (2) of this section to the interim committees of the Legislative As-  
30 sembly related to the judiciary, to the Judicial Department and to the Equity

1 Investment and Accountability Board and the Equity Investment and Ac-  
2 countability Office.”.

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

4 In line 16, delete “Cannabis Equity Board” and insert “Equity Investment  
5 and Accountability Board and the Equity Investment and Accountability  
6 Office”.

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

9 “(2)(a)”.

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

11 Delete lines 25 through 28 and insert:

12 “(3)(a) The Department of State Police shall, no later than 90 days after  
13 the operative date specified in section 49 of this 2021 Act, provide to the  
14 office of public defense services information concerning all persons who may  
15 qualify to have an arrest, citation or other charge set aside under ORS  
16 475B.401.”.

17 After line 31, insert:

18 “(4)(a) All municipal and justice courts in this state shall, no later than  
19 90 days after the operative date specified in section 49 of this 2021 Act,  
20 provide to the office of public defense services information concerning all  
21 persons who may qualify to have a conviction set aside under ORS 475B.401.

22 “(b) The municipal and justice courts shall make best efforts to ensure  
23 that the information provided under paragraph (a) of this subsection is suf-  
24 ficient to identify the person and the specific case resulting in the con-  
25 viction.

26 “(5)(a) All district attorneys in this state shall, no later than 90 days after  
27 the operative date specified in section 49 of this 2021 Act, provide to the  
28 office of public defense services information concerning all persons who may  
29 qualify to have an arrest, citation or other charge set aside under ORS  
30 475B.401.

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

4 Delete lines 43 through 45 and insert:

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

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

11 On page 20, delete lines 1 and 2.

12 Delete lines 29 through 35 and insert:

13 “(5)(a) If the court receives an objection from the prosecuting attorney,  
14 the court shall hold a hearing to determine whether the conviction or other  
15 record sought to be set aside is for a qualifying marijuana offense. The  
16 prosecuting attorney has the burden of establishing, by a preponderance of  
17 the evidence, that the conviction or other record is not for a qualifying  
18 marijuana offense.

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

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

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

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

29 “(2)(a) For any person whom the office has determined is eligible for relief  
30 under ORS 475B.401, the office shall notify the person, within 28 days of re-

1 ceiving the information, that the person is eligible for relief, and shall file  
2 a motion to set aside the conviction, arrest, citation or charge under ORS  
3 475B.401.

4 “(b) If the office cannot determine whether a person is eligible for relief,  
5 the office shall make reasonable efforts to notify the person, within 28 days  
6 of receiving the information, that the person may qualify for relief under  
7 ORS 475B.401, but the office is unable to definitively determine eligibility.

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

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

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

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

21 On page 22, delete lines 28 through 45.

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

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

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

26 In line 16, delete “, 40 and”.

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

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

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

1 Oregon Laws 2021 (Ballot Measure 110 (2020)), is amended to read:

2 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-  
3 rate and distinct from the General Fund.

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

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

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

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

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

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

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

1 ises in this state located in cities; and

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

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

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

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

21 “(A) Forty percent of the moneys in the account [*must be used solely for*  
22 *purposes for which moneys in the State School Fund established under ORS*  
23 *327.008 may be used*] **must be used as follows:**

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

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

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

30 “(B) Twenty percent of the moneys in the account must be used solely for

1 mental health treatment or for alcohol and drug abuse prevention, early  
2 intervention and treatment;

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

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

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

11 “(ii) **Assisting the Oregon Health Authority in administering ORS**  
12 **475B.785 to 475B.949; and**

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

15 “(4)(a) A city that has an ordinance prohibiting the establishment of a  
16 premises for which issuance of a license under ORS 475B.070, 475B.090,  
17 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys  
18 under subsection [(3)(b)(A)] **(3)(c)(A)** of this section.

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

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

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

1 terest as described under paragraph (f) of this subsection. An ineligible city  
2 or county may voluntarily transfer the moneys to the Department of Revenue  
3 immediately upon receipt of the ineligible transfer.

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

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

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

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

26 “(f) Interest under this section shall accrue at the rate established in ORS  
27 305.220 beginning on the date the ineligible transfer was made.

28 “(g) Both the moneys and the interest collected from or returned by an  
29 ineligible city or county shall be redistributed to the cities or counties that  
30 were eligible to receive a transfer under subsection [(3)(b)] **(3)(c)** of this



1 section on the date the ineligible transfer was made.

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

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

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

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

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

29 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-  
30 rate and distinct from the General Fund.

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

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

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

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

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

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

22      “(ii) Twenty-five percent of the 10 percent must be transferred in shares  
23      that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,  
24      475B.100 and 475B.105 on the last business day of the calendar quarter pre-  
25      ceding the date of the transfer for premises located in each city compared  
26      to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100  
27      and 475B.105 on the last business day of that calendar quarter for all prem-  
28      ises in this state located in cities; and

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

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

9       “(ii) Fifty percent of the 10 percent must be transferred in shares that  
10 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and  
11 475B.105 on the last business day of the calendar quarter preceding the date  
12 of the transfer for premises located in each county compared to the number  
13 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last  
14 business day of that calendar quarter for all premises in this state.

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

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

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

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

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

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

28       “(C) Fifteen percent of the moneys in the account must be transferred to  
29 the State Police Account established under ORS 181A.020 to be prioritized  
30 for use in covering any costs incurred by the Department of State Police as

1 a result of ORS 475B.401 and [*sections 37 and 38*] **section 37** of this 2021 Act;  
2 and

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

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

6 “(ii) Assisting the Oregon Health Authority in administering ORS  
7 475B.785 to 475B.949; and

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

10 “(4)(a) A city that has an ordinance prohibiting the establishment of a  
11 premises for which issuance of a license under ORS 475B.070, 475B.090,  
12 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys  
13 under subsection (3)(c)(A) of this section.

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

18 “(c) A county that has an ordinance prohibiting the establishment of a  
19 premises for which issuance of a license under ORS 475B.090, 475B.100 or  
20 475B.105 is required is not eligible to receive transfers of moneys under  
21 subsection (3)(c)(B)(ii) of this section.

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

29 “(b) If the Director of the Oregon Department of Administrative Services  
30 determines that a city or county received a transfer of moneys under sub-

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

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

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

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

21 “(f) Interest under this section shall accrue at the rate established in ORS  
22 305.220 beginning on the date the ineligible transfer was made.

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

27 “(6)(a) Not later than July 1 of each year, each city and county in this  
28 state shall certify with the Oregon Department of Administrative Services  
29 whether the city or county has an ordinance prohibiting the establishment  
30 of a premises for which issuance of a license under ORS 475B.070, 475B.090,

1 475B.100 or 475B.105 is required. The certification shall be made concurrently  
2 with the certifications under ORS 221.770, in a form and manner prescribed  
3 by the Oregon Department of Administrative Services.

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

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

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

19 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-  
20 rate and distinct from the General Fund.

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

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

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

29 “(c) Subject to subsection (4) of this section, and after making the transfer  
30 of moneys required by paragraph (b) of this subsection, the department shall

1 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Ac-  
2 count as follows:

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

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

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

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

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

29 “(ii) Fifty percent of the 10 percent must be transferred in shares that  
30 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and

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

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

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

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

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

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

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

18 “(C) Fifteen percent of the moneys in the account must be transferred to  
19 the State Police Account established under ORS 181A.020 to be prioritized  
20 for use in covering any costs incurred by the Department of State Police as  
21 a result of ORS 475B.401 [*and section 37 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 the  
28 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)(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)(c)(B)(i) of this  
6 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)(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)(c) of this section but was ineligible to receive that transfer under  
21 subsection (4) of this section, the director shall provide notice to the ineli-  
22 gible city or county and order the city or county to return the amount re-  
23 ceived to the Department of Revenue, with interest as described under  
24 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)(c) of this section on  
15 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)(c)(A) of this section. If  
25 a county fails to comply with this subsection, the county is not eligible to  
26 receive transfers of moneys under subsection (3)(c)(B) of this section.

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

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

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

6 “475B.760. (1) All moneys received by the Department of Revenue under  
7 ORS 475B.700 to 475B.760 shall be deposited in the State Treasury and cred-  
8 ited to a suspense account established under ORS 293.445. The department  
9 may pay expenses for the administration and enforcement of ORS 475B.700  
10 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.  
11 Amounts necessary to pay administrative and enforcement expenses are  
12 continuously appropriated to the department from the suspense account.

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

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

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

21 **“SECTION 51d.** Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure  
22 110 (2020)), is amended to read:

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

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

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

30 “(b) Moneys appropriated or otherwise transferred to the fund by the

1 Legislative Assembly;

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

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

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

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

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

14 “(b) The total amount deposited and transferred into the fund shall not  
15 be less than \$57 million for the first year [*this Act*] **chapter 2, Oregon Laws**  
16 **2021 (Ballot Measure 110 (2020))**, is in effect.

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

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

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

27 On page 29, delete lines 1 through 6.

28 Delete lines 22 through 29 and insert:

29 **“SECTION 53. (1) The amendments to ORS 137.300, 475B.759 and**  
30 **475B.760 and section 16, chapter 103, Oregon Laws 2018, and section 5,**

1 **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), by sections**  
2 **50 to 52 of this 2021 Act become operative on August 22, 2022.**

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

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

7 **“(4) The Department of Revenue may take any action before the**  
8 **operative date specified in subsection (1) of this section that is neces-**  
9 **sary to enable the department to exercise, on and after the operative**  
10 **date specified in subsection (1) of this section, all of the duties, func-**  
11 **tions and powers conferred on the department by the amendments to**  
12 **ORS 137.300, 475B.759 and 475B.760 and section 16, chapter 103, Oregon**  
13 **Laws 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure**  
14 **110 (2020)), by sections 50 to 52 of this 2021 Act.”.**

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

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