

Requested by Senator KNOPP

**PROPOSED AMENDMENTS TO
SENATE BILL 1541**

1 On page 1 of the printed bill, delete line 29 and delete pages 2 through
2 4 and insert:

3 **“SECTION 4.** ORS 475C.726 is amended to read:

4 “475C.726. (1) There is established the Oregon Marijuana Account, sepa-
5 rate and distinct from the General Fund.

6 “(2) The account consists of moneys transferred to the account under ORS
7 475C.734.

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

10 “(b) Before making other transfers of moneys required by this section **and**
11 **subject to section 6 of this 2022 Act**, the department shall transfer quar-
12 terly to the Drug Treatment and Recovery Services Fund all moneys in the
13 Oregon Marijuana Account in excess of \$11,250,000.

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

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

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

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

6 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
7 that reflect the number of licenses held pursuant to ORS 475C.065, 475C.085,
8 475C.093 and 475C.097 on the last business day of the calendar quarter pre-
9 ceding the date of the transfer for premises located in each city compared
10 to the number of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093
11 and 475C.097 on the last business day of that calendar quarter for all prem-
12 ises in this state located in cities; and

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

15 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
16 flect the total commercially available area of all grow canopies associated
17 with marijuana producer licenses held pursuant to ORS 475C.065 on the last
18 business day of the calendar quarter preceding the date of the transfer for
19 all premises located in each county compared to the total commercially
20 available area of all grow canopies associated with marijuana producer li-
21 censes held pursuant to ORS 475C.065 on the last business day of that cal-
22 endar quarter for all premises located in this state; and

23 “(ii) Fifty percent of the 10 percent must be transferred in shares that
24 reflect the number of licenses held pursuant to ORS 475C.085, 475C.093 and
25 475C.097 on the last business day of the calendar quarter preceding the date
26 of the transfer for premises located in each county compared to the number
27 of licenses held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last
28 business day of that calendar quarter for all premises in this state.

29 “(d) After making the transfer of moneys required by paragraph (b) of this
30 subsection, 80 percent of the remaining moneys in the Oregon Marijuana

1 Account must be used as follows:

2 “(A) Forty percent of the moneys in the account must be used solely for
3 purposes for which moneys in the State School Fund established under ORS
4 327.008 may be used;

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

8 “(C) Fifteen percent of the moneys in the account must be used solely for
9 purposes for which moneys in the State Police Account established under
10 ORS 181A.020 may be used; and

11 “(D) Five percent of the moneys in the account must be used solely for
12 purposes related to alcohol and drug abuse prevention, early intervention
13 and treatment services.

14 “(4)(a) A city that has an ordinance prohibiting the establishment of a
15 premises for which issuance of a license under ORS 475C.065, 475C.085,
16 475C.093 or 475C.097 is required is not eligible to receive transfers of moneys
17 under subsection (3)(c)(A) of this section.

18 “(b) A county that has an ordinance prohibiting the establishment of a
19 premises for which issuance of a license under ORS 475C.065 is required is
20 not eligible to receive transfers of moneys under subsection (3)(c)(B)(i) of this
21 section.

22 “(c) A county that has an ordinance prohibiting the establishment of a
23 premises for which issuance of a license under ORS 475C.085, 475C.093 or
24 475C.097 is required is not eligible to receive transfers of moneys under
25 subsection (3)(c)(B)(ii) of this section.

26 “(d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county
27 ordinance adopted on or after January 1, 2018, that prohibits the establish-
28 ment of a premises for which a license under ORS 475C.065, 475C.085,
29 475C.093 or 475C.097 is required but allows in the unincorporated area of the
30 county the continued operation of an existing premises for which a license

1 under ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required.

2 “(B) A county that adopts an ordinance described in subparagraph (A) of
3 this paragraph shall certify the adoption of the ordinance under subsection
4 (6) of this section.

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

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

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

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

30 “(e) If a city or county is subject to an order to return moneys from an

1 ineligible transfer, the city or county shall be denied any further relief in
2 connection with the ineligible transfer on or after the date that the order
3 becomes final.

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

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

10 “(6)(a) Not later than July 1 of each year, each city and county in this
11 state shall certify with the Oregon Department of Administrative Services
12 whether the city or county has an ordinance prohibiting the establishment
13 of a premises for which issuance of a license under ORS 475C.065, 475C.085,
14 475C.093 or 475C.097 is required and whether the county has an ordinance
15 described in subsection (4)(d) of this section. The certification shall be made
16 concurrently with the certifications under ORS 221.770, in a form and man-
17 ner prescribed by the Oregon Department of Administrative Services.

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

22 “(c) A city or county that repeals an ordinance as provided in ORS
23 475C.457 shall file an updated certification with the Oregon Department of
24 Administrative Services in a form and manner prescribed by the department,
25 noting the effective date of the change. A city or county that repeals an or-
26 dinance as provided in ORS 475C.457 is eligible to receive quarterly transfers
27 of moneys under this section for quarters where the repeal is effective for
28 the entire quarter and the updated certification was filed at least 30 days
29 before the date of transfer.

30 **“SECTION 5. Section 6 of this 2022 Act is added to and made a part**

1 of ORS 475C.670 to 475C.734.

2 **“SECTION 6. (1) The Department of Revenue may not transfer to**
3 **the Drug Treatment and Recovery Services Fund moneys from the**
4 **Oregon Marijuana Account that exceed the total amount transferred**
5 **to the Drug Treatment and Recovery Services Fund from the Oregon**
6 **Marijuana Account during the biennium ending June 30, 2023.**

7 **“(2) The department shall transfer any excess moneys described in**
8 **subsection (1) of this section from the Oregon Marijuana Account to**
9 **the State Police Account established under ORS 181A.020 for the pur-**
10 **poses described in section 2 of this 2022 Act.**

11 **“SECTION 7. There is appropriated to the Department of State Po-**
12 **lice, for the biennium ending June 30, 2023, out of the General Fund,**
13 **the amount of \$2,000,000, for the purpose of carrying out section 2 of**
14 **this 2022 Act.**

15 **“SECTION 8. (1) Section 2 of this 2022 Act and the amendments to**
16 **ORS 181A.020 by section 3 of this 2022 Act become operative on January**
17 **1, 2023.**

18 **“(2) Section 6 of this 2022 Act and the amendments to ORS 475C.726**
19 **by section 4 of this 2022 Act become operative on June 30, 2023.**

20 **“(3) The Department of State Police may take any action before the**
21 **operative date specified in subsection (1) of this section that is neces-**
22 **sary to enable the department to exercise, on and after the operative**
23 **date specified in subsection (1) of this section, all of the duties, func-**
24 **tions and powers conferred on the department by section 2 of this 2022**
25 **Act and the amendments to ORS 181A.020 by section 3 of this 2022 Act.**

26 **“SECTION 9. This 2022 Act being necessary for the immediate**
27 **preservation of the public peace, health and safety, an emergency is**
28 **declared to exist, and this 2022 Act takes effect on its passage.”.**

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