



March 11, 2019

Dear Chair Lively and members of the Committee-House Committee on Economic Development

RE: HB2233 Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises at which temporary events are conducted SB639 Provides for regulation by OLCC of consumption and sale of marijuana items at temporary events, including licensure of premises on which temporary event are held.

Public Hearing scheduled HB2233

Committee Meetings	Meeting Type	Date	Location
Committee House Committee On Economic Development	Public Hearing 🔗	3/13/2019 1:00 PM	HR D

<https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/HB2233>

We are opposed to HB2233 and SB269.

As we know two recent audits, one by the Secretary of State and one by OLCC in a legislative report of which both note that Oregon has a massive marijuana production oversupply.

<https://oregonsos.com/blog/2019/1/29/audit-of-oregons-framework-for-regulating-marijuana>

<https://www.oregon.gov/olcc/marijuana/Documents/Bulletins/2019%20Supply%20and%20Demand%20Legislative%20Report%20FINAL%20for%20Publication%28PDF%29.pdf>

Clackamas County has had over 545 marijuana land use applications applied for since January of 2016, with over 98% of those being for marijuana production.

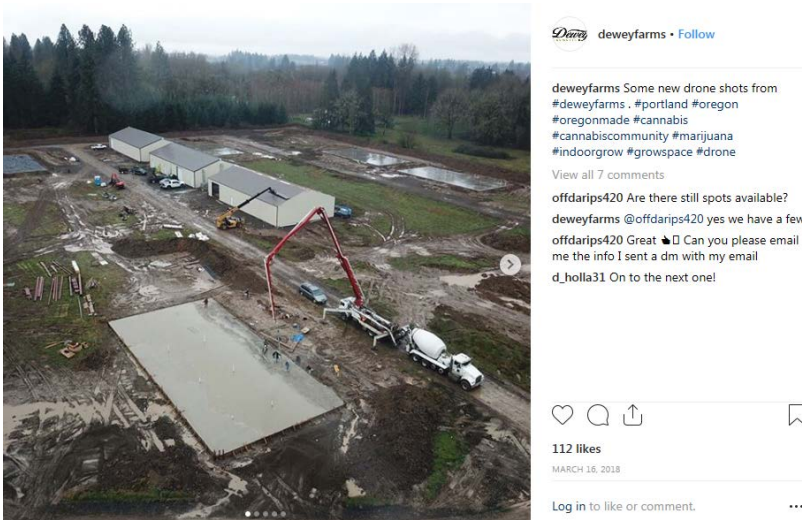
Large out-of-state and in state investors have been setting up EFU industrialized rent a marijuana grow building, in the middle of our EFU farm lands. Below are 4 examples.

- **267,264 sq. Ft. with 60 buildings** on 20 acres includes indoor growing, processing and hemp production. 60' x 100' cement slabs are being poured to erect steel buildings on prime farmland. They have already been burglarized and have ruined the quality of life and property values of surrounding property owners.



<https://katu.com/news/local/thieves-smash-walls-with-sledgehammers-steal-pot-plants-from-licensed-grow-facility>

- **300,000 sq. ft. with 56 buildings** on 40 acres for indoor production who already have code violations for setting up a weapons shooting range on the same property



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offdarips420 Are there still spots available?

deweyfarms @offdarips420 yes we have a few

offdarips420 Great 🍀 Can you please email me the info I sent a dm with my email d_holla31 On to the next one!

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MARCH 16, 2018

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- **358,000 sq. ft. with 89 buildings** on 26 acres that includes processing with 16 OLCC indoor and outdoor production in over 74 greenhouses



- **687,720 sq. ft. with 58 buildings** on 19 acres for indoor and outdoor production in over 15 buildings-33 greenhouses 10 8 x 40 cargo containers

PROJECT OVERVIEW



On February 6, 2019 Clackamas County Commissioners votes unanimously through ZDO271 to ban multi licensed marijuana productions sites in our EFU, AGF, and Timber zones, allowing only 1 OLCC or OHA marijuana production license on 1 tract of land.

OLCC has received over 2357 marijuana production applications with over 1, 115 active licenses along with the below in process:

https://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf

	License Active	Approved Not Paid	Assigned	Ready For Assignment	Without Approved LUCS	Grand Total
Laboratory	21	0	9	0	1	31
Processor	210	0	122	121	125	578
Producer	1115	6	316	566	219	2222
Retailer	606	4	100	118	118	946
Wholesaler	147	0	62	71	69	349
Research	0	0	2	0	2	4
Grand Total	2099	10	611	876	534	4130

Urban Oregon legalized marijuana, but rural Oregon is paying the price with the over production and industrialization of our prime rural farmland. Adding any additional consumption and sale of marijuana items at temporary events, including licensure of premises at which temporary events are conducted, would:

- Continue to exacerbate the existing and already challenging enforcement challenges, related to DUII as we already have learned the lessons that many impaired marijuana users have gotten behind the wheel and taken the lives of many innocent victims.

- Many marijuana production sites are leasing their sites to as many as 60 marijuana growers at one site address. HB2233 does not reflect any regulations that would limit the number of temporary events that could be held at these multi-site locations, therefore opening the door for potentially large events that can impact the entire surrounding community.
- Marijuana advocates push the issue that renters, the poor, and people of color and those living in public housing often are not allowed to possess smoked marijuana in their own homes and that it is discrimination to not allow them to go someplace to socially smoke their marijuana. It is a well-known fact that 60% of the sales in dispensaries goes to marijuana edible products, which is an alternative to smoking, so we disagree that those who are living in public housing do not have other options. We are not sure how the poor and people of color are even related to this discussion, unless the marijuana advocates are insinuating that the homeless who are poor or people of color who might be homeless don't have a place to smoke marijuana?
- Advocates tout that cannabis smoke is not associated with cancer, yet neglect to put forth the continued studies revealing the potential risks of second hand marijuana smoke on others. Clearly Oregon's ICAA reveals the importance of protecting the general public from second hand smoke.

<https://www.drugabuse.gov/publications/research-reports/marijuana/what-are-effects-secondhand-exposure-to-marijuana-smoke>

We oppose HB2233 and encourage the committee to consider the risks that would be involved with allowing such use. We also want to convey that tourists do not come to Oregon to smoke marijuana, they come to Oregon for its beauty, such as skiing, fishing, hiking, Kayaking, boating, hunting, and simply enjoying the great outdoors that Oregon has to offer.

Personal responsibility begins with those who unleash laws into our communities that are impossible to enforce.

While smoking lounges sound lofty in terms of removing people from smoking marijuana in public view HB2233 does little to remove those who are openly smoking marijuana from public view. Oregon has seen increased public view marijuana smoking use in our cities and counties and on our public recreational lands, in the federal parks and lake areas, in the parking lots in ski areas, because Oregon lacks sufficient law enforcement resources to enforce these types of laws. Insinuating that by allowing smoking lounges, event smoking and on premise licensed event areas will reduce marijuana public view use is absolutely ridiculous, as it will expand use in public places under HB2233. We know that underage marijuana use is illegal, but let's not forget the many teens that are now openly using smoked marijuana in public places, on school

grounds, in their cars, and through vaping in the classroom, will we now suggest a bill that provides a place for them to smoke? As the recent SOS audit and the OLLC legislative report has revealed marijuana production and use in Oregon is out-of-control.

We will continue to oppose socially smoked marijuana consumption facilities and events as it attempts to carve out special uses on behalf of a federally illegal drug that potentially puts public safety at risk.

Being opposed to marijuana smoking lounges and event and premise use and sales isn't discrimination, but determination by the marijuana advocates who continue to push their agenda to normalize and socialize the use of smoked marijuana in our communities.

We oppose both SB639 and HB2233.

Respectfully submitted,

Shirley Morgan

Below are just a few of the hundreds of victims that have been impacted by those smoking marijuana and driving.

<http://www.katu.com/news/local/Woman-dies-after-being-hit-by-driver-smoking-pot-in-Gresham-police-say-330922082.html>

http://www.oregonlive.com/portland/index.ssf/2015/12/driver_was_high_on_marijuana_w.html

http://www.oregonlive.com/portland/index.ssf/2015/12/lakeisha_holloway_driver_in_fa.html

http://www.masslive.com/politics/index.ssf/2016/02/six_takeaways_from_colorado_co.html

<http://koin.com/2016/07/05/john-kitzhabers-son-injured-in-car-crash/>

<http://www.ktvz.com/news/prineville-man-gets-3-year-sentence-in-fatal-drugged-driving-crash/670179518>

<http://www.ktvz.com/news/salem-man-jailed-in-plainview-drugged-driving-crash/675014980>

<http://koin.com/2018/01/12/beaverton-man-killed-in-crash-near-cloverdale/>

<http://katu.com/news/local/driver-crashes-into-patrol-vehicle-in-southeast-portland>

House Bill 2233

Sponsored by Representatives HELM, NOSSE, FAHEY; Representatives MARSH, PILUSO, SALINAS (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises at which temporary events are conducted. Creates local option for cities and counties.

Provides for regulation by commission of consumption of marijuana items at cannabis lounges, including licensure of premises at which cannabis lounges are located. Requires cannabis lounges to obtain sanitation certificate from Oregon Health Authority. Creates local option for cities and counties.

Take effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to marijuana; creating new provisions; amending ORS 475B.015, 475B.025, 475B.227, 475B.381, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766, 475B.769 and 475B.968; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

TEMPORARY EVENT LICENSES

SECTION 1. Sections 2 to 4 of this 2019 Act are added to and made a part of ORS 475B.010 to 475B.545.

SECTION 2. (1) The consumption and sale of marijuana items at a temporary event is subject to regulation by the Oregon Liquor Control Commission.

(2)(a) A person conducting a temporary event for the consumption of marijuana items must hold a temporary event license issued by the commission for the premises at which the temporary event is held.

(b) An applicant for a temporary event license under this section must:

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

(B) Provide proof that the applicant is 21 years of age or older.

(c) The premises at which an applicant intends to conduct a temporary event may not be located:

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

(B) Within 1,000 feet of:

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

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

(d) An applicant for a temporary event license under this section and the premises at

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 which the temporary event is to be conducted must meet the requirements of any rule
2 adopted by the commission under subsection (3) of this section.

3 (3) The commission shall adopt rules that:

4 (a) Establish application and licensure fees for a license issued under this section;

5 (b) Establish the maximum term of a license issued under this section;

6 (c) Prohibit licenses issued under this section from being continuously issued for a single
7 location;

8 (d) Require marijuana items sold on a premises for which a license has been issued under
9 this section to be sold by a marijuana retailer that holds a license issued under ORS 475B.105;

10 (e) Allow the consumption of marijuana items in designated areas of a premises for which
11 a license has been issued under this section;

12 (f) Require each enclosed portion of a premises for which a license has been issued under
13 this section where marijuana items are smoked, aerosolized or vaporized to have a venti-
14 lation system that:

15 (A) Exhausts smoke, aerosols and vapors from that portion of the premises; and

16 (B) Is designed and terminated in accordance with state building code standards for the
17 applicable occupancy classification; and

18 (g) Require a premises for which a license has been issued under this section to meet any
19 public health and safety standards and industry best practices established by the commission
20 by rule.

21 (4) Fees adopted under subsection (3)(a) of this section:

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

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

26
27 **CANNABIS LOUNGES**
28

29 **SECTION 3.** (1) The consumption of marijuana items at a cannabis lounge is subject to
30 regulation by the Oregon Liquor Control Commission.

31 (2)(a) A person providing for the communal consumption of marijuana items at a public
32 or private club must hold a cannabis lounge license issued by the commission for the prem-
33 ises at which the consumption occurs.

34 (b) An applicant for a cannabis lounge license under this section must:

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

36 (B) Provide proof that the applicant is 21 years of age or older.

37 (c) The premises at which an applicant intends to operate a cannabis lounge may not be
38 located:

39 (A) In an area that is zoned exclusively for residential use; or

40 (B) Within 1,000 feet of:

41 (i) A public elementary or secondary school for which attendance is compulsory under
42 ORS 339.020; or

43 (ii) A private or parochial elementary or secondary school, teaching children as described
44 in ORS 339.030 (1)(a).

45 (d) An applicant for a cannabis lounge license under this section and the premises at

1 which the cannabis lounge is to be located must meet the requirements of any rule adopted
2 by the commission under subsection (3) of this section.

3 (3) The commission shall adopt rules that:

4 (a) Require a person that holds a license issued under this section to renew the license
5 annually;

6 (b) Establish application, licensure and renewal of licensure fees for a license issued un-
7 der this section;

8 (c) Allow the colocation of a cannabis lounge operated by a person that holds a license
9 under this section and a marijuana retailer that holds a license under ORS 475B.105 at a
10 single premises as long as the cannabis lounge and the marijuana retailer occupy different
11 areas of the premises;

12 (d) Allow consumers to bring into a cannabis lounge marijuana items purchased from a
13 colocated marijuana retailer;

14 (e) Restrict the consumption of cannabinoid edibles and the use of topical cannabinoid
15 products to designated enclosed areas and designated outdoor areas of a premises for which
16 a license has been issued under this section;

17 (f) Restrict the consumption of marijuana items intended to be smoked, aerosolized or
18 vaporized to designated outdoor areas of a premises for which a license has been issued un-
19 der this section;

20 (g) Prohibit the production, propagation, processing and sale of marijuana items on a
21 premises for which a license has been issued under this section;

22 (h) Prohibit the consumption and sale of alcoholic beverages and tobacco products on a
23 premises for which a license has been issued under this section;

24 (i) Require each portion of a premises for which a license has been issued under this
25 section where marijuana items are smoked, aerosolized or vaporized to have a ventilation
26 system that:

27 (A) Exhausts smoke, aerosols and vapors from that portion of the premises; and

28 (B) Is designed and terminated in accordance with state building code standards for the
29 applicable occupancy classification; and

30 (j) Require a cannabis lounge to obtain a cannabis lounge sanitation certificate under
31 subsection (4) of this section.

32 (4)(a) The Oregon Health Authority shall adopt rules related to the sanitation of a
33 cannabis lounge as are reasonably necessary to protect the public health of persons using
34 the cannabis lounge.

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

36 (A) The establishment of a cannabis lounge sanitation certificate program;

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

38 (C) Inspection criteria;

39 (D) Grounds to suspend, revoke or refuse to issue or renew a certificate under this sub-
40 section; and

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

42 (c) The authority shall inspect a cannabis lounge once every six months to ensure com-
43 pliance with rules adopted under this subsection.

44 (d) Fees adopted under this subsection may not exceed the cost of administering this
45 subsection and shall be deposited in the Public Health Account established under ORS

1 **431.210.**

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

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

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

7
8 **TEMPORARY LOCAL OPTION**

9
10 **SECTION 4.** (1) As used in this section, “qualifying city or county” means a city or
11 county that prohibited the establishment of an entity described in ORS 475B.968.

12 (2) The governing body of a qualifying city or county may adopt ordinances that allow the
13 establishment of one or more of the following in the area subject to the jurisdiction of the
14 city or county or the unincorporated area subject to the jurisdiction of the county:

15 (a) Premises for which a temporary event license must be issued under section 2 of this
16 2019 Act;

17 (b) Premises for which a cannabis lounge license must be issued under section 3 of this
18 2019 Act; or

19 (c) Any combination of the entities described in this subsection.

20 (3) If the governing body of a qualifying city or county adopts an ordinance under sub-
21 section (2) of this section, the governing body must provide the text of the ordinance to the
22 Oregon Liquor Control Commission.

23 (4) Upon receiving notice of an allowance under subsection (3) of this section, the com-
24 mission shall initiate licensing of those entities to which the allowance applies.

25 (5) Notwithstanding any other provisions of law, a qualifying city or county that adopts
26 an ordinance under subsection (2) of this section may not impose a tax or fee on the pro-
27 duction, processing or sale of marijuana or any product into which marijuana has been in-
28 corporated.

29
30 **EXCEPTIONS TO PUBLIC USE RESTRICTIONS**

31
32 **SECTION 5.** ORS 475B.381 is amended to read:

33 475B.381. (1)(a) Except as provided in paragraph (b) of this subsection, it is unlawful for any
34 person to engage in the use of marijuana items in a public place.

35 (b) A person 21 years of age or older may engage in the use of marijuana items in des-
36 ignated areas of a premises for which a license has been issued under section 2 or 3 of this
37 2019 Act.

38 (2) A violation of subsection (1)(a) of this section is a Class B violation.

39
40 **CONFORMING AMENDMENTS**

41
42 **SECTION 6.** ORS 475B.015 is amended to read:

43 475B.015. As used in ORS 475B.010 to 475B.545:

44 (1) “Cannabinoid” means any of the chemical compounds that are the active constituents of
45 marijuana.

- 1 (2) “Cannabinoid concentrate” means a substance obtained by separating cannabinoids from
 2 marijuana by:
- 3 (a) A mechanical extraction process;
- 4 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-
 5 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
- 6 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
 7 volve the use of high heat or pressure; or
- 8 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with
 9 the Oregon Health Authority, by rule.
- 10 (3) “Cannabinoid edible” means food or potable liquid into which a cannabinoid concentrate,
 11 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.
- 12 (4) “Cannabinoid extract” means a substance obtained by separating cannabinoids from
 13 marijuana by:
- 14 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane
 15 or propane;
- 16 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
 17 sure; or
- 18 (c) Any other process identified by the commission, in consultation with the authority, by rule.
- 19 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for
 20 human consumption or use, including a product intended to be applied to the skin or hair, that
 21 contains cannabinoids or dried marijuana leaves or flowers.
- 22 (b) “Cannabinoid product” does not include:
- 23 (A) Usable marijuana by itself;
- 24 (B) A cannabinoid concentrate by itself;
- 25 (C) A cannabinoid extract by itself; or
- 26 (D) Industrial hemp, as defined in ORS 571.300.
- 27 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items
 28 other than for the purpose of resale.
- 29 (7) “Deliver” means the actual, constructive or attempted transfer from one person to another
 30 of a marijuana item, whether or not there is an agency relationship.
- 31 (8) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.
- 32 (9)(a) “Financial consideration” means value that is given or received either directly or indi-
 33 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- 34 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid
 35 concentrates that are delivered within the scope of and in compliance with ORS 475B.301.
- 36 (10) “Homegrown” means grown by a person 21 years of age or older for noncommercial pur-
 37 poses.
- 38 (11) “Household” means a housing unit and any place in or around a housing unit at which the
 39 occupants of the housing unit are producing, processing, possessing or storing homegrown
 40 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.
- 41 (12) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a
 42 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
 43 rately from any other persons in the building and that has direct access from the outside of the
 44 building or through a common hall.
- 45 (13) “Immature marijuana plant” means a marijuana plant that is not flowering.

1 (14) "Licensee" means a person that holds a license issued under ORS 475B.070, 475B.090,
2 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act.**

3 (15) "Licensee representative" means an owner, director, officer, manager, employee, agent or
4 other representative of a licensee, to the extent that the person acts in a representative capacity.

5 (16)(a) "Manufacture" means producing, propagating, preparing, compounding, converting or
6 processing a marijuana item, either directly or indirectly, by extracting from substances of natural
7 origin.

8 (b) "Manufacture" includes any packaging or repackaging of a marijuana item or the labeling
9 or relabeling of a container containing a marijuana item.

10 (17)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
11 Cannabis family Cannabaceae and marijuana seeds.

12 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

13 (18) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family
14 Cannabaceae.

15 (19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and
16 cannabinoid extracts.

17 (20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family
18 Cannabaceae.

19 (21) "Marijuana processor" means a person that processes marijuana items in this state.

20 (22) "Marijuana producer" means a person that produces marijuana in this state.

21 (23) "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

22 (24)(a) "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

23 (b) "Marijuana seeds" does not include the seeds of industrial hemp, as defined in ORS 571.300.

24 (25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for
25 resale to a person other than a consumer.

26 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana
27 plant.

28 (27) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract"
29 means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concen-
30 tration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the
31 cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a
32 valid registry identification card issued under ORS 475B.797.

33 (28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid pro-
34 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a
35 debilitating medical condition, as defined in ORS 475B.791.

36 (29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-
37 nancial consideration.

38 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to
39 475B.545:

40 (A) All public and private enclosed areas at the location that are used in the business operated
41 at the location, including offices, kitchens, rest rooms and storerooms;

42 (B) All areas outside a building that the commission has specifically licensed for the processing,
43 wholesale sale or retail sale of marijuana items; and

44 (C) For a location that the commission has specifically licensed for the production of marijuana
45 outside a building, that portion of the location used to produce marijuana.

1 (b) "Premises" does not include a primary residence.

2 (31)(a) "Processes" means the processing, compounding or conversion of marijuana into
3 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

4 (b) "Processes" does not include packaging or labeling.

5 (32)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of
6 marijuana.

7 (b) "Produces" does not include:

8 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
9 wise producing marijuana; or

10 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
11 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or
12 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

13 (33) "Propagate" means to grow immature marijuana plants or to breed or produce marijuana
14 seeds.

15 (34) "Public place" means a place to which the general public has access and includes, but is
16 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
17 rooms or apartments designed for actual residence, and highways, streets, schools, places of
18 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

19 (35) "Registry identification cardholder" has the meaning given that term in ORS 475B.791.

20 (36)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

21 (b) "Usable marijuana" does not include:

22 (A) Marijuana seeds;

23 (B) The stalks and roots of marijuana; or

24 (C) Waste material that is a by-product of producing or processing marijuana.

25 **SECTION 7.** ORS 475B.025 is amended to read:

26 475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers
27 specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission
28 to carry out the commission's duties, functions and powers under ORS 475B.010 to 475B.545. The
29 jurisdiction, supervision, duties, functions and powers of the commission extend to any person that
30 produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The
31 commission may sue and be sued.

32 (2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545
33 include the following:

34 (a) To regulate the production, processing, transportation, delivery, sale and purchase of
35 marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

36 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,
37 processing or sale of marijuana items, or other licenses related to the consumption of marijuana
38 items, and to permit, in the commission's discretion, the transfer of a license between persons.

39 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
40 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public
41 health and safety.

42 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-
43 minister or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that
44 charges the commission with a duty, function or power related to marijuana. Powers described in
45 this paragraph include, but are not limited to:

- 1 (A) Issuing subpoenas;
- 2 (B) Compelling the attendance of witnesses;
- 3 (C) Administering oaths;
- 4 (D) Certifying official acts;
- 5 (E) Taking depositions as provided by law;
- 6 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-
- 7 timony; and
- 8 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
- 9 475B.070, 475B.090, 475B.100 and 475B.105 **and sections 2 and 3 of this 2019 Act**, provided that any
- 10 fee established by the commission is reasonably calculated not to exceed the cost of the activity for
- 11 which the fee is charged.
- 12 (e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:
- 13 (A) That is appealing to minors;
- 14 (B) That promotes excessive use;
- 15 (C) That promotes illegal activity; or
- 16 (D) That otherwise presents a significant risk to public health and safety.
- 17 (f) To regulate the use of marijuana items for other purposes as deemed necessary or appropri-
- 18 ate by the commission.
- 19 (3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the
- 20 Marijuana Control and Regulation Fund established under ORS 475B.296.
- 21 **SECTION 8.** ORS 475B.227, as amended by section 21, chapter 103, Oregon Laws 2018, is
- 22 amended to read:
- 23 475B.227. (1) For purposes of this section:
- 24 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as
- 25 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior
- 26 to the marijuana item leaving this state.
- 27 (b) "Marijuana item" includes industrial hemp products and commodities that contain more than
- 28 0.3 percent tetrahydrocannabinol.
- 29 (2) A person may not import marijuana items into this state or export marijuana items from this
- 30 state.
- 31 (3) Except as provided in subsection (4) of this section, a violation of this section is a Class B
- 32 violation.
- 33 (4) A violation of this section is a:
- 34 (a) Class A misdemeanor, if the importation or exportation:
- 35 (A) Is not for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*
- 36 *475B.100 or 475B.105*] **is a licensee**; or
- 37 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-
- 38 ified in ORS 475B.337 (1)(a) to (f).
- 39 (b) Class C felony, if the importation or exportation:
- 40 (A) Is for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*
- 41 *475B.100 or 475B.105*] **is a licensee**;
- 42 (B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum
- 43 amount specified in ORS 475B.337 (1)(a) to (f); or
- 44 (C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds
- 45 a license issued under ORS 475B.105.

SECTION 9. ORS 475B.486 is amended to read:

475B.486. (1) For purposes of this section, “reasonable regulations” includes:

(a) Reasonable conditions on the manner in which a marijuana producer that holds a license issued under ORS 475B.070 may produce marijuana or in which a researcher of cannabis that holds a certificate issued under ORS 475B.286 may produce marijuana or propagate immature marijuana plants;

(b) Reasonable conditions on the manner in which a marijuana processor that holds a license issued under ORS 475B.090 may process marijuana or in which a researcher of cannabis that holds a certificate issued under ORS 475B.286 may process marijuana;

(c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license issued under ORS 475B.100 may sell marijuana at wholesale;

(d) Reasonable conditions on the manner in which a marijuana retailer that holds a license issued under ORS 475B.105 may sell marijuana items;

(e) Reasonable conditions on the manner in which a person that holds a license issued under section 2 or 3 of this 2019 Act may operate;

[(e)] (f) Reasonable limitations on the hours during which a premises for which a license has been issued under ORS 475B.010 to 475B.545 may operate;

[(f)] (g) Reasonable requirements related to the public’s access to a premises for which a license or certificate has been issued under ORS 475B.010 to 475B.545; and

[(g)] (h) Reasonable limitations on where a premises for which a license or certificate may be issued under ORS 475B.010 to 475B.545 may be located.

(2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license or certificate has been issued under ORS 475B.010 to 475B.545 if the premises are located in the area subject to the jurisdiction of the city or county, except that the governing body of a city or county may not:

(a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS 475B.105 from being located within a distance that is greater than 1,000 feet of another premises for which a license has been issued under ORS 475B.105.

(b) Adopt an ordinance that imposes a setback requirement for an agricultural building used to produce marijuana located on a premises for which a license has been issued under ORS 475B.070 if the agricultural building:

(A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and building code requirements at the time of construction;

(B) Is located at an address where a marijuana grow site first registered with the Oregon Health Authority under ORS 475B.810 on or before January 1, 2015;

(C) Was used to produce marijuana pursuant to the provisions of ORS 475B.785 to 475B.949 on or before January 1, 2015; and

(D) Has four opaque walls and a roof.

SECTION 10. ORS 475B.575 is amended to read:

475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS 475B.550 to 475B.590, the Oregon Liquor Control Commission may refuse to issue or renew, or may suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act.**

SECTION 11. ORS 475B.635 is amended to read:

475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a person that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act.**

SECTION 12. ORS 475B.645 is amended to read:

475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS 475B.600 to 475B.655, the Oregon Liquor Control Commission may refuse to issue or renew, or may suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act.**

SECTION 13. ORS 475B.766 is amended to read:

475B.766. A financial institution that provides financial services customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or [by] ORS chapter 723 to **the following** [*a marijuana processing site registered under ORS 475B.840, a medical marijuana dispensary registered under ORS 475B.858, a marijuana producer that holds a license under ORS 475B.070, a marijuana processor that holds a license under ORS 475B.090, a marijuana wholesaler that holds a license under ORS 475B.100, a marijuana retailer that holds a license under ORS 475B.105, a laboratory that holds a license under ORS 475B.560 or a person to whom a permit has been issued under ORS 475B.266*] is exempt from any criminal law of this state an element of which may be proven by substantiating that a person provides financial services customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who possesses, delivers or manufactures marijuana or marijuana derived products:

- (1) **A marijuana processing site registered under ORS 475B.840;**
 - (2) **A medical marijuana dispensary registered under ORS 475B.858;**
 - (3) **A marijuana producer that holds a license issued under ORS 475B.070;**
 - (4) **A marijuana processor that holds a license issued under ORS 475B.090;**
 - (5) **A marijuana wholesaler that holds a license issued under ORS 475B.100;**
 - (6) **A marijuana retailer that holds a license issued under ORS 475B.105;**
 - (7) **A laboratory that holds a license under ORS 475B.560;**
 - (8) **A person to whom a permit has been issued under ORS 475B.266;**
 - (9) **A person that holds a temporary event license issued under section 2 of this 2019 Act;**
- or**
- (10) **A person that holds a cannabis lounge license issued under section 3 of this 2019 Act.**

SECTION 14. ORS 475B.769 is amended to read:

475B.769. (1) Notwithstanding any law relating to the exemption of information from public disclosure under ORS 475B.010 to 475B.545 or 475B.550 to 475B.590, upon the request of a financial institution, the Oregon Liquor Control Commission shall provide to the financial institution the following information:

- (a) Whether a person with whom the financial institution is doing business holds a license under ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 **or section 2 or 3 of this 2019 Act** or a permit under ORS 475B.266;
- (b) The name of any other business or individual affiliated with the person;

1 (c) A copy of the application, and any supporting documentation submitted with the application,
 2 for a license or a permit submitted by the person;

3 (d) If applicable, data relating to sales and the volume of product sold by the person;

4 (e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.545,
 5 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545,
 6 475B.550 to 475B.590 and 475B.600 to 475B.655;

7 (f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.545,
 8 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,
 9 475B.550 to 475B.590 or 475B.600 to 475B.655; and

10 (g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.545,
 11 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,
 12 475B.550 to 475B.590 or 475B.600 to 475B.655.

13 (2) Upon receiving a request under subsection (1) of this section, the commission shall provide
 14 the requesting financial institution with the requested information.

15 (3) The commission may charge a financial institution a reasonable fee to cover the adminis-
 16 trative costs of providing information under this section.

17 **SECTION 15.** ORS 475B.968 is amended to read:

18 475B.968. (1) The governing body of a city or county may adopt ordinances to be referred to the
 19 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
 20 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 21 or in the unincorporated area subject to the jurisdiction of the county:

22 (a) Marijuana processing sites registered under ORS 475B.840;

23 (b) Medical marijuana dispensaries registered under ORS 475B.858;

24 (c) Marijuana producers that hold a license issued under ORS 475B.070;

25 (d) Marijuana processors that hold a license issued under ORS 475B.090;

26 (e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

27 (f) Marijuana retailers that hold a license issued under ORS 475B.105;

28 (g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon
 29 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;

30 (h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission
 31 has designated as an exclusively medical licensee under ORS 475B.127;

32 (i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commis-
 33 sion has designated as an exclusively medical licensee under ORS 475B.129;

34 (j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission
 35 has designated as an exclusively medical licensee under ORS 475B.131; [*or*]

36 **(k) Persons that hold a license issued under section 2 of this 2019 Act;**

37 **(L) Persons that hold a license issued under section 3 of this 2019 Act; or**

38 [*k*] **(m)** Any combination of the entities described in this subsection.

39 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
 40 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
 41 proval at the next statewide general election.

42 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
 43 erning body must provide the text of the ordinance:

44 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
 45 ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana

1 processing site registered under ORS 475B.840; or

2 (b) To the commission, if the ordinance concerns a premises for which a license has been issued
3 under ORS 475B.010 to 475B.545.

4 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
5 shall discontinue registering those entities to which the prohibition applies until the date of the next
6 statewide general election.

7 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission
8 shall discontinue licensing those premises to which the prohibition applies until the date of the next
9 statewide general election.

10 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
11 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
12 section, the authority shall begin registering the entity to which the allowance applies on the first
13 business day of the January immediately following the date of the statewide general election.

14 (b) If an allowance is approved at the next statewide general election under subsection (2) of
15 this section, and the allowance concerns an entity described in subsection (1)(c) to [(j)] (L) of this
16 section, the commission shall begin licensing the premises to which the allowance applies on the
17 first business day of the January immediately following the date of the next statewide general
18 election.

19 (6) If the electors of a city or county approve an ordinance prohibiting or allowing an estab-
20 lishment described in subsection (1)(a), (b) or (g) to [(j)] (L) of this section, the governing body of
21 the city or county may amend the ordinance, without referring the amendment to the electors of the
22 city or county, to prohibit or allow any other establishment described in subsection (1)(a), (b) or (g)
23 to [(j)] (L) of this section.

24 (7) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under
25 this section that prohibits the establishment of an entity described in subsection (1) of this section
26 may not impose a tax or fee on the production, processing or sale of marijuana or any product into
27 which marijuana has been incorporated.

28 (8) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject
29 to an ordinance adopted under this section if the medical marijuana dispensary:

30 (a) Is registered under ORS 475B.858 on or before the date on which the governing body adopts
31 the ordinance; and

32 (b) Has successfully completed a city or county land use application process.

33 (9) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to
34 an ordinance adopted under this section if the marijuana processing site:

35 (a) Is registered under ORS 475B.840 on or before the date on which the governing body adopts
36 the ordinance; and

37 (b) Has successfully completed a city or county land use application process.

38
39 **CAPTIONS**

40
41 **SECTION 16. The unit captions used in this 2019 Act are provided only for the conven-**
42 **ience of the reader and do not become part of the statutory law of this state or express any**
43 **legislative intent in the enactment of this 2019 Act.**

44
45 **OPERATIVE AND EFFECTIVE DATES**

1 **SECTION 17.** (1) Sections 2 to 4 of this 2019 Act and the amendments to ORS 475B.015,
2 475B.025, 475B.227, 475B.381, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766, 475B.769 and
3 475B.968 by sections 5 to 15 of this 2019 Act become operative on January 1, 2020.

4 (2) The Oregon Health Authority and the Oregon Liquor Control Commission may take
5 any action before the operative date specified in subsection (1) of this section that is neces-
6 sary to enable the authority and the commission to exercise, on and after the operative date
7 specified in subsection (1) of this section, all of the duties, functions and powers conferred
8 on the authority and the commission by sections 2 to 4 of this 2019 Act and the amendments
9 to ORS 475B.015, 475B.025, 475B.227, 475B.381, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766,
10 475B.769 and 475B.968 by sections 5 to 15 of this 2019 Act.

11 **SECTION 18.** This 2019 Act takes effect on the 91st day after the date on which the 2019
12 regular session of the Eightieth Legislative Assembly adjourns sine die.

Senate Bill 639

Sponsored by Senator FREDERICK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Provides for regulation by Oregon Liquor Control Commission of consumption and sale of marijuana items at temporary events, including licensure of premises on which temporary events are held. Creates local option for cities and counties.

Provides for regulation by commission of consumption and sale of marijuana items at cannabis lounges, including licensure of premises where cannabis lounges are located. Creates local option for cities and counties.

Allows for delivery of marijuana items to consumers at specified permanent and temporary residences.

Allows marijuana producers and marijuana processors to offer tours of licensed premises to members of public who are 21 years of age or older.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to marijuana; creating new provisions; amending ORS 433.850, 475B.015, 475B.025, 475B.109, 475B.115, 475B.119, 475B.206, 475B.220, 475B.227, 475B.301, 475B.381, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766, 475B.769 and 475B.968; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

TEMPORARY EVENT LICENSES

SECTION 1. Sections 2 to 5 of this 2019 Act are added to and made a part of ORS 475B.010 to 475B.545.

SECTION 2. (1) The consumption and sale of marijuana items at a temporary event is subject to regulation by the Oregon Liquor Control Commission.

(2)(a) A person conducting a temporary event for the consumption of marijuana items must hold a temporary event license issued by the commission for the premises at which the temporary event is conducted.

(b) An applicant for a temporary event license under this section must:

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

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

(C) Submit a plan to the commission, in a form and manner prescribed by the commission, detailing how persons under 21 years of age will be prevented from gaining access to the premises at which the temporary event is to be conducted.

(c) The premises at which an applicant intends to conduct a temporary event may not be located:

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

(B) Within 1,000 feet of:

(i) A public elementary or secondary school for which attendance is compulsory under

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **ORS 339.020; or**

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

4 **(d) An applicant for a temporary event license under this section and the premises at**
5 **which the temporary event is to be conducted must meet the requirements of any rule**
6 **adopted by the commission under subsection (3) of this section.**

7 **(3) The commission shall adopt rules that:**

8 **(a) Establish application and licensure fees for a license issued under this section;**

9 **(b) Establish the maximum term of a license issued under this section;**

10 **(c) Prohibit licenses issued under this section from being continuously issued for a single**
11 **location;**

12 **(d) Require marijuana items sold on a premises for which a license has been issued under**
13 **this section to be sold by a marijuana retailer that holds a license issued under ORS 475B.105;**

14 **(e) Allow the consumption of marijuana items in designated areas of a premises for which**
15 **a license has been issued under this section;**

16 **(f) Require each enclosed portion of a premises for which a license has been issued under**
17 **this section where marijuana items are smoked, aerosolized or vaporized to have a venti-**
18 **lation system that:**

19 **(A) Exhausts smoke, aerosols and vapors from that portion of the premises; and**

20 **(B) Is designed and terminated in accordance with state building code standards for the**
21 **applicable occupancy classification; and**

22 **(g) Require a premises for which a license has been issued under this section to meet any**
23 **public health and safety standards and industry best practices established by the commission**
24 **by rule.**

25 **(4) The commission may not adopt rules that:**

26 **(a) Prohibit a person that holds a license issued under this section from adopting policies**
27 **that allow persons attending the temporary event to bring marijuana items into the tempo-**
28 **rary event; or**

29 **(b) Impose public health or safety standards on temporary events if those standards**
30 **serve no purpose other than deterring the consumption of marijuana items at a temporary**
31 **event.**

32 **(5) Fees adopted under subsection (3)(a) of this section:**

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

35 **(b) Shall be deposited in the Marijuana Control and Regulation Fund established under**
36 **ORS 475B.296.**

37
38 **CANNABIS LOUNGES**
39

40 **SECTION 3. (1) The consumption of marijuana items at a cannabis lounge is subject to**
41 **regulation by the Oregon Liquor Control Commission.**

42 **(2)(a) A person providing for the communal consumption of marijuana items at a public**
43 **or private club must hold a cannabis lounge license issued by the commission for the prem-**
44 **ises at which the consumption occurs.**

45 **(b) An applicant for a cannabis lounge license under this section must:**

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

2 (B) Provide proof that the applicant is 21 years of age or older.

3 (c) The premises at which an applicant intends to operate a cannabis lounge may not be
4 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 is compulsory under
8 ORS 339.020; or

9 (ii) A private or parochial elementary or secondary school, teaching children as described
10 in ORS 339.030 (1)(a).

11 (d) An applicant for a cannabis lounge license under this section and the premises at
12 which the cannabis lounge is to be located must meet the requirements of any rule adopted
13 by the commission under subsection (3) of this section.

14 (3) The commission shall adopt rules that:

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

17 (b) Establish application, licensure and renewal of licensure fees for a license issued un-
18 der this section;

19 (c) Restrict the consumption of marijuana items to designated enclosed areas of a
20 premises for which a license has been issued under this section;

21 (d) Prohibit the production, propagation and processing of marijuana items on a premises
22 for which a license has been issued under this section;

23 (e) Require marijuana items sold on a premises for which a license has been issued under
24 this section to be sold by a marijuana retailer that holds a license issued under ORS 475B.105;

25 (f) Require each portion of a premises for which a license has been issued under this
26 section where marijuana items are smoked, aerosolized or vaporized to have a ventilation
27 system that:

28 (A) Exhausts smoke, aerosols and vapors from that portion of the premises; and

29 (B) Is designed and terminated in accordance with state building code standards for the
30 applicable occupancy classification; and

31 (g) Require a premises for which a license has been issued under this section to meet any
32 public health and safety standards and industry best practices established by the commission
33 by rule.

34 (4) The commission may not adopt rules that:

35 (a) Prohibit a person that holds a license issued under this section from adopting policies
36 that allow patrons to bring marijuana items into a cannabis lounge operated by the person
37 for their own consumption;

38 (b) Impose public health or safety standards on a cannabis lounge if those standards
39 serve no purpose other than deterring the consumption of marijuana items at the cannabis
40 lounge; or

41 (c) Prohibit the colocation of a cannabis lounge and a marijuana retailer that holds a li-
42 cense issued under ORS 475B.105.

43 (5) Fees adopted under subsection (3)(b) of this section:

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

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

3
4 **TEMPORARY LOCAL OPTION**

5
6 **SECTION 4.** (1) The Oregon Liquor Control Commission may not issue a license under:

7 (a) Section 2 of this 2019 Act to an applicant applying for a license for a premises that
8 is located within a city or unincorporated area of a county in which the governing body has
9 not adopted an ordinance allowing the establishment of a temporary event under section 2
10 of this 2019 Act.

11 (b) Section 3 of this 2019 Act to an applicant applying for a license for a premises that
12 is located within a city or unincorporated area of a county in which the governing body has
13 not adopted an ordinance allowing the establishment of a cannabis lounge under section 3
14 of this 2019 Act.

15 (2) If the governing body of a city or county adopts an ordinance described in this sec-
16 tion, the governing body must provide the text of the ordinance to the commission in a
17 manner established by the commission.

18
19 **TOURS**

20
21 **SECTION 5.** (1) A marijuana producer that holds a license issued under ORS 475B.070 or
22 a marijuana processor that holds a license issued under ORS 475B.090 may offer tours to the
23 public of the premises for which the license has been issued.

24 (2) A tour may be offered only to persons who are 21 years of age or older.

25 (3) A marijuana producer that holds a license issued under ORS 475B.070 or a marijuana
26 processor that holds a license issued under ORS 475B.090 that offers tours under this section
27 may enter into a contract with a marijuana retailer that holds a license issued under ORS
28 475B.105 to allow the marijuana retailer to sell marijuana items during the tour on the
29 premises of the marijuana producer or the marijuana processor offering the tour.

30 (4) The Oregon Liquor Control Commission may:

31 (a) Require a marijuana producer that holds a license issued under ORS 475B.070 or a
32 marijuana processor that holds a license issued under ORS 475B.090 to submit to the com-
33 mission, in a form and manner prescribed by the commission, a plan that details how the
34 marijuana producer or marijuana processor will:

35 (A) Prevent persons who are under 21 years of age from entering the premises of the
36 marijuana producer or marijuana processor during a tour; and

37 (B) Ensure the health and safety of persons taking a tour.

38 (b) Adopt rules as necessary to carry out the provisions of this section.

39
40 **EXCEPTIONS TO PUBLIC USE RESTRICTIONS**

41
42 **SECTION 6.** ORS 475B.381 is amended to read:

43 475B.381. (1)(a) **Except as provided in paragraph (b) of this subsection,** it is unlawful for any
44 person to engage in the use of marijuana items in a public place.

45 (b) A person 21 years of age or older may engage in the use of marijuana items in des-

1 **ignated areas of a premises for which a license has been issued under section 2 or 3 of this**
 2 **2019 Act.**

3 (2) A violation of subsection (1)(a) of this section is a Class B violation.

4 **SECTION 7.** ORS 433.850 is amended to read:

5 433.850. (1) An employer:

6 (a) Shall provide for employees a place of employment that is free of all smoke, aerosols and
 7 vapors containing inhalants; and

8 (b) May not allow employees to smoke, aerosolize or vaporize inhalants at the place of employ-
 9 ment.

10 (2) Notwithstanding subsection (1) of this section:

11 (a) The owner or person in charge of a hotel or motel may designate up to 25 percent of the
 12 sleeping rooms of the hotel or motel as rooms in which the smoking, aerosolizing or vaporizing of
 13 inhalants is permitted.

14 (b) Smoking of noncommercial tobacco products for ceremonial purposes is permitted in spaces
 15 designated for traditional ceremonies in accordance with the American Indian Religious Freedom
 16 Act, 42 U.S.C. 1996.

17 (c) The smoking of tobacco products is permitted in a smoke shop.

18 (d) The smoking of cigars is permitted in a cigar bar that generated on-site retail sales of cigars
 19 of at least \$5,000 for the calendar year ending December 31, 2006.

20 (e) A performer may smoke or carry a lighted smoking instrument that does not contain tobacco
 21 or cannabis, and may aerosolize or vaporize a substance that does not contain nicotine or a
 22 cannabinoid, while performing in a scripted stage, motion picture or television production if:

23 (A) The production is produced by an organization whose primary purpose is producing scripted
 24 productions; and

25 (B) The act of smoking, aerosolizing or vaporizing is an integral part of the production.

26 (f) The medical use of marijuana is permitted in the place of employment of a licensee of a
 27 professional licensing board as described in ORS 475B.919.

28 **(g) The smoking of marijuana and the aerosolizing or vaporizing of a substance that**
 29 **contains cannabinoids is allowed in designated areas of a premises for which a license has**
 30 **been issued under section 2 or 3 of this 2019 Act.**

31 (3) An employer, except in those places described in subsection (2) of this section, shall post
 32 signs that provide notice of the provisions of ORS 433.835 to 433.875.

33
 34 **DELIVERY OF MARIJUANA ITEMS**

35
 36 **SECTION 8.** ORS 475B.206 is amended to read:

37 475B.206. (1) Except as provided in ORS 475B.136 and 475B.873, a marijuana producer that holds
 38 a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS
 39 475B.090 or marijuana wholesaler that holds a license issued under ORS 475B.100 may deliver
 40 marijuana items only to or on a premises for which a license has been issued under ORS 475B.070,
 41 475B.090, 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act**, or to a registry identification
 42 cardholder or designated primary caregiver as allowed under ORS 475B.010 to 475B.545.

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

45 (a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor

1 that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued
2 under ORS 475B.100 or marijuana retailer that holds a license issued under ORS 475B.105;

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

7 (c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered
8 under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in
9 accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167.

10 (3)(a) **Except as provided in sections 2, 3 and 5 of this 2019 Act**, the sale of marijuana items
11 by a marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the
12 premises for which the license has been issued, but deliveries may be made by a marijuana retailer
13 to consumers pursuant to a bona fide order received at the premises prior to delivery.

14 (b) **A delivery of marijuana items under this subsection may be made to a residence,**
15 **hotel, inn or other dwelling unit that is made available for short-term or transient occu-**
16 **pancy. The premises to which the delivery is made may be located in an area subject to the**
17 **jurisdiction of a city or county that prohibits the establishment of one or more entities de-**
18 **scribed in ORS 475B.968.**

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

21 (4) The commission may by order waive the requirements of subsections (1) and (2) of this sec-
22 tion to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to
23 475B.545. An order issued under this subsection does not constitute a waiver of any other require-
24 ment of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

25 26 CONFORMING AMENDMENTS

27
28 **SECTION 9.** ORS 475B.015 is amended to read:

29 475B.015. As used in ORS 475B.010 to 475B.545:

30 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents of
31 marijuana.

32 (2) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from
33 marijuana by:

34 (a) A mechanical extraction process;

35 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as water, vege-
36 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

37 (c) A chemical extraction process using carbon dioxide, provided that the process does not in-
38 involve the use of high heat or pressure; or

39 (d) Any other process identified by the Oregon Liquor Control Commission, in consultation with
40 the Oregon Health Authority, by rule.

41 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate,
42 cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

43 (4) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
44 marijuana by:

45 (a) A chemical extraction process using a hydrocarbon-based solvent, such as butane, hexane

- 1 or propane;
- 2 (b) A chemical extraction process using carbon dioxide, if the process uses high heat or pres-
3 sure; or
- 4 (c) Any other process identified by the commission, in consultation with the authority, by rule.
- 5 (5)(a) “Cannabinoid product” means a cannabinoid edible and any other product intended for
6 human consumption or use, including a product intended to be applied to the skin or hair, that
7 contains cannabinoids or dried marijuana leaves or flowers.
- 8 (b) “Cannabinoid product” does not include:
- 9 (A) Usable marijuana by itself;
- 10 (B) A cannabinoid concentrate by itself;
- 11 (C) A cannabinoid extract by itself; or
- 12 (D) Industrial hemp, as defined in ORS 571.300.
- 13 (6) “Consumer” means a person who purchases, acquires, owns, holds or uses marijuana items
14 other than for the purpose of resale.
- 15 (7) “Deliver” means the actual, constructive or attempted transfer from one person to another
16 of a marijuana item, whether or not there is an agency relationship.
- 17 (8) “Designated primary caregiver” has the meaning given that term in ORS 475B.791.
- 18 (9)(a) “Financial consideration” means value that is given or received either directly or indi-
19 rectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- 20 (b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid
21 concentrates that are delivered within the scope of and in compliance with ORS 475B.301.
- 22 (10) “Homegrown” means grown by a person 21 years of age or older for noncommercial pur-
23 poses.
- 24 (11) “Household” means a housing unit and any place in or around a housing unit at which the
25 occupants of the housing unit are producing, processing, possessing or storing homegrown
26 marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.
- 27 (12) “Housing unit” means a house, an apartment or a mobile home, or a group of rooms or a
28 single room that is occupied as separate living quarters, in which the occupants live and eat sepa-
29 rately from any other persons in the building and that has direct access from the outside of the
30 building or through a common hall.
- 31 (13) “Immature marijuana plant” means a marijuana plant that is not flowering.
- 32 (14) “Licensee” means a person that holds a license issued under ORS 475B.070, 475B.090,
33 475B.100 or 475B.105 **or section 2 or 3 of this 2019 Act.**
- 34 (15) “Licensee representative” means an owner, director, officer, manager, employee, agent or
35 other representative of a licensee, to the extent that the person acts in a representative capacity.
- 36 (16)(a) “Manufacture” means producing, propagating, preparing, compounding, converting or
37 processing a marijuana item, either directly or indirectly, by extracting from substances of natural
38 origin.
- 39 (b) “Manufacture” includes any packaging or repackaging of a marijuana item or the labeling
40 or relabeling of a container containing a marijuana item.
- 41 (17)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant
42 Cannabis family Cannabaceae and marijuana seeds.
- 43 (b) “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
- 44 (18) “Marijuana flowers” means the flowers of the plant genus Cannabis within the plant family
45 Cannabaceae.

1 (19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and
2 cannabinoid extracts.

3 (20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family
4 Cannabaceae.

5 (21) "Marijuana processor" means a person that processes marijuana items in this state.

6 (22) "Marijuana producer" means a person that produces marijuana in this state.

7 (23) "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

8 (24)(a) "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

9 (b) "Marijuana seeds" does not include the seeds of industrial hemp, as defined in ORS 571.300.

10 (25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for
11 resale to a person other than a consumer.

12 (26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana
13 plant.

14 (27) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract"
15 means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concen-
16 tration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the
17 cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a
18 valid registry identification card issued under ORS 475B.797.

19 (28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid pro-
20 ducts, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a
21 debilitating medical condition, as defined in ORS 475B.791.

22 (29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-
23 nancial consideration.

24 (30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to
25 475B.545:

26 (A) All public and private enclosed areas at the location that are used in the business operated
27 at the location, including offices, kitchens, rest rooms and storerooms;

28 (B) All areas outside a building that the commission has specifically licensed for the processing,
29 wholesale sale or retail sale of marijuana items; and

30 (C) For a location that the commission has specifically licensed for the production of marijuana
31 outside a building, that portion of the location used to produce marijuana.

32 (b) "Premises" does not include a primary residence.

33 (31)(a) "Processes" means the processing, compounding or conversion of marijuana into
34 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

35 (b) "Processes" does not include packaging or labeling.

36 (32)(a) "Produces" means the manufacture, planting, cultivation, growing or harvesting of
37 marijuana.

38 (b) "Produces" does not include:

39 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
40 wise producing marijuana; or

41 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
42 marijuana wholesaler or marijuana retailer if the marijuana processor, marijuana wholesaler or
43 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

44 (33) "Propagate" means to grow immature marijuana plants or to breed or produce marijuana
45 seeds.

1 (34) “Public place” means a place to which the general public has access and includes, but is
 2 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
 3 rooms or apartments designed for actual residence, and highways, streets, schools, places of
 4 amusement, parks, playgrounds and areas used in connection with public passenger transportation.

5 (35) “Registry identification cardholder” has the meaning given that term in ORS 475B.791.

6 (36)(a) “Usable marijuana” means the dried leaves and flowers of marijuana.

7 (b) “Usable marijuana” does not include:

8 (A) Marijuana seeds;

9 (B) The stalks and roots of marijuana; or

10 (C) Waste material that is a by-product of producing or processing marijuana.

11 **SECTION 10.** ORS 475B.025 is amended to read:

12 475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers
 13 specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission
 14 to carry out the commission’s duties, functions and powers under ORS 475B.010 to 475B.545. The
 15 jurisdiction, supervision, duties, functions and powers of the commission extend to any person that
 16 produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The
 17 commission may sue and be sued.

18 (2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545
 19 include the following:

20 (a) To regulate the production, processing, transportation, delivery, sale and purchase of
 21 marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

22 (b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production,
 23 processing or sale of marijuana items, or other licenses related to the consumption of marijuana
 24 items, and to permit, in the commission’s discretion, the transfer of a license between persons.

25 (c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS
 26 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public
 27 health and safety.

28 (d) To exercise all powers incidental, convenient or necessary to enable the commission to ad-
 29 minister or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that
 30 charges the commission with a duty, function or power related to marijuana. Powers described in
 31 this paragraph include, but are not limited to:

32 (A) Issuing subpoenas;

33 (B) Compelling the attendance of witnesses;

34 (C) Administering oaths;

35 (D) Certifying official acts;

36 (E) Taking depositions as provided by law;

37 (F) Compelling the production of books, payrolls, accounts, papers, records, documents and tes-
 38 timony; and

39 (G) Establishing fees in addition to the application, licensing and renewal fees described in ORS
 40 475B.070, 475B.090, 475B.100 and 475B.105 **and sections 2 and 3 of this 2019 Act**, provided that any
 41 fee established by the commission is reasonably calculated not to exceed the cost of the activity for
 42 which the fee is charged.

43 (e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

44 (A) That is appealing to minors;

45 (B) That promotes excessive use;

1 (C) That promotes illegal activity; or

2 (D) That otherwise presents a significant risk to public health and safety.

3 (f) To regulate the use of marijuana items for other purposes as deemed necessary or appropri-
4 ate by the commission.

5 (3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the
6 Marijuana Control and Regulation Fund established under ORS 475B.296.

7 **SECTION 11.** ORS 475B.109, as amended by section 11, chapter 103, Oregon Laws 2018, is
8 amended to read:

9 475B.109. Notwithstanding ORS 475B.105 (2)(d) **or section 2 or 3 of this 2019 Act**, a marijuana
10 retailer, **a temporary event licensed under section 2 of this 2019 Act or a cannabis lounge li-**
11 **censed under section 3 of this 2019 Act** may be located within 1,000 feet of a school if:

12 (1)(a) The marijuana retailer, **temporary event or cannabis lounge** is not located within 500
13 feet of:

14 (A) A public elementary or secondary school for which attendance is compulsory under ORS
15 339.020; or

16 (B) A private or parochial elementary or secondary school, teaching children as described in
17 ORS 339.030 (1)(a); and

18 (b) The Oregon Liquor Control Commission determines that there is a physical or geographic
19 barrier capable of preventing children from traversing to the premises of the marijuana retailer,
20 **temporary event or cannabis lounge**; or

21 (2) The marijuana retailer was established before August 1, 2017, in accordance with a city or
22 county ordinance adopted under section 29b, chapter 83, Oregon Laws 2016.

23 **SECTION 12.** ORS 475B.115 is amended to read:

24 475B.115. If a school described in ORS 475B.105 (2)(d) **or section 2 or 3 of this 2019 Act** that
25 has not previously been attended by children is established within 1,000 feet of a premises for which
26 a license has been issued under ORS 475B.105 **or section 2 or 3 of this 2019 Act**, the marijuana
27 retailer, **temporary event or cannabis lounge** located at that premises may remain at that lo-
28 cation unless the Oregon Liquor Control Commission revokes the license of the marijuana retailer,
29 **temporary event or cannabis lounge** under ORS 475B.256.

30 **SECTION 13.** ORS 475B.119 is amended to read:

31 475B.119. (1) The Oregon Liquor Control Commission may adopt rules establishing the circum-
32 stances under which the commission may require a [*marijuana retailer that holds a license issued*
33 *under ORS 475B.105*] **licensee** to use an age verification scanner or any other equipment used to
34 verify a person's age for the purpose of ensuring that the [*marijuana retailer*] **licensee** does not:

35 (a) Sell marijuana items to a person under 21 years of age;

36 (b) **Allow a person under 21 years of age to use marijuana items on the premises for**
37 **which the licensee holds a license; or**

38 (c) **Allow a person under 21 years of age to enter the premises for which the licensee**
39 **holds a license.**

40 (2) Information obtained under this section may not be retained after verifying a person's age
41 and may not be used for any purpose other than verifying a person's age.

42 **SECTION 14.** ORS 475B.227, as amended by section 21, chapter 103, Oregon Laws 2018, is
43 amended to read:

44 475B.227. (1) For purposes of this section:

45 (a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as

1 luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior
2 to the marijuana item leaving this state.

3 (b) "Marijuana item" includes industrial hemp products and commodities that contain more than
4 0.3 percent tetrahydrocannabinol.

5 (2) A person may not import marijuana items into this state or export marijuana items from this
6 state.

7 (3) Except as provided in subsection (4) of this section, a violation of this section is a Class B
8 violation.

9 (4) A violation of this section is a:

10 (a) Class A misdemeanor, if the importation or exportation:

11 (A) Is not for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*
12 *475B.100 or 475B.105*] **is a licensee**; or

13 (B) Concerns an amount of marijuana items that exceeds the applicable maximum amount spec-
14 ified in ORS 475B.337 (1)(a) to (f).

15 (b) Class C felony, if the importation or exportation:

16 (A) Is for consideration and the person [*holds a license issued under ORS 475B.070, 475B.090,*
17 *475B.100 or 475B.105*] **is a licensee**;

18 (B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum
19 amount specified in ORS 475B.337 (1)(a) to (f); or

20 (C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds
21 a license issued under ORS 475B.105.

22 **SECTION 15.** ORS 475B.301, as amended by section 21, chapter 116, Oregon Laws 2018, is
23 amended to read:

24 475B.301. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055,
25 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.085, 475B.090, 475B.100, 475B.105, 475B.115,
26 475B.119, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.173, 475B.177,
27 475B.206, 475B.211, 475B.216, 475B.224, 475B.232, 475B.236, 475B.241, 475B.246, 475B.256, 475B.261,
28 475B.266, 475B.276, 475B.281, 475B.286, 475B.296, 475B.461, 475B.474, 475B.479, 475B.486, 475B.491,
29 475B.501, 475B.506, 475B.514, 475B.518, 475B.521, 475B.523, 475B.526 and 475B.529 **and sections 2**
30 **and 3 of this 2019 Act** do not apply:

31 (1) To the production or storage of homegrown plants in the genus *Cannabis* within the plant
32 family *Cannabaceae* that are otherwise subject to ORS 475B.010 to 475B.545 at a household by one
33 or more persons 21 years of age and older, if the total amount of homegrown plants at the household
34 does not exceed four plants at any time.

35 (2) To the possession or storage of usable marijuana items at a household by one or more per-
36 sons 21 years of age or older, if the total amount of usable marijuana at the household does not
37 exceed eight ounces of usable marijuana at any time.

38 (3) To the making, processing, possession or storage of cannabinoid products at a household by
39 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
40 household does not exceed 16 ounces in solid form at any time.

41 (4) To the making, processing, possession or storage of cannabinoid products at a household by
42 one or more persons 21 years of age and older, if the total amount of cannabinoid products at the
43 household does not exceed 72 ounces in liquid form at any time.

44 (5) To the making, processing, possession or storage of cannabinoid concentrates at a household
45 by one or more persons 21 years of age or older, if the total amount of cannabinoid concentrates

1 at the household does not exceed 16 ounces at any time.

2 (6) To the possession of cannabinoid extracts at a household by one or more persons 21 years
3 of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a
4 license under ORS 475B.105, or transferred by a medical marijuana dispensary registered by the
5 Oregon Health Authority under ORS 475B.858, and the total amount of cannabinoid extracts at the
6 household does not exceed one ounce at any time.

7 (7) To the delivery of not more than one ounce of usable marijuana at a time by a person 21
8 years of age or older to another person 21 years of age or older for noncommercial purposes.

9 (8) To the delivery of not more than 16 ounces of cannabinoid products in solid form at a time
10 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
11 purposes.

12 (9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time
13 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
14 purposes.

15 (10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a
16 person 21 years of age or older to another person 21 years of age or older for noncommercial pur-
17 poses.

18 **SECTION 16.** ORS 475B.486 is amended to read:

19 475B.486. (1) For purposes of this section, “reasonable regulations” includes:

20 (a) Reasonable conditions on the manner in which a marijuana producer that holds a license
21 issued under ORS 475B.070 may produce marijuana or in which a researcher of cannabis that holds
22 a certificate issued under ORS 475B.286 may produce marijuana or propagate immature marijuana
23 plants;

24 (b) Reasonable conditions on the manner in which a marijuana processor that holds a license
25 issued under ORS 475B.090 may process marijuana or in which a researcher of cannabis that holds
26 a certificate issued under ORS 475B.286 may process marijuana;

27 (c) Reasonable conditions on the manner in which a marijuana wholesaler that holds a license
28 issued under ORS 475B.100 may sell marijuana at wholesale;

29 (d) Reasonable conditions on the manner in which a marijuana retailer that holds a license is-
30 sued under ORS 475B.105 may sell marijuana items;

31 **(e) Reasonable conditions on the manner in which a person that holds a license issued**
32 **under section 2 or 3 of this 2019 Act may operate;**

33 [(e)] **(f)** Reasonable limitations on the hours during which a premises for which a license has
34 been issued under ORS 475B.010 to 475B.545 may operate;

35 [(f)] **(g)** Reasonable requirements related to the public’s access to a premises for which a license
36 or certificate has been issued under ORS 475B.010 to 475B.545; and

37 [(g)] **(h)** Reasonable limitations on where a premises for which a license or certificate may be
38 issued under ORS 475B.010 to 475B.545 may be located.

39 (2) Notwithstanding ORS 30.935, 215.253 (1) or 633.738, the governing body of a city or county
40 may adopt ordinances that impose reasonable regulations on the operation of businesses located at
41 premises for which a license or certificate has been issued under ORS 475B.010 to 475B.545 if the
42 premises are located in the area subject to the jurisdiction of the city or county, except that the
43 governing body of a city or county may not:

44 (a) Adopt an ordinance that prohibits a premises for which a license has been issued under ORS
45 475B.105 **or section 2 or 3 of this 2019 Act** from being located within a distance that is greater

1 than 1,000 feet of another premises for which a license has been issued under ORS 475B.105 **or**
 2 **section 2 or 3 of this 2019 Act.**

3 **(b) Impose a fee in excess of \$500 for any process in which the governing body authorizes**
 4 **the establishment of a temporary event for which a license is required under section 2 of this**
 5 **2019 Act.**

6 **(c) Impose a fee in excess of \$1,000 for any process in which the governing body author-**
 7 **izes the establishment of a cannabis lounge for which a license is required under section 3**
 8 **of this 2019 Act.**

9 [(b)] **(d)** Adopt an ordinance that imposes a setback requirement for an agricultural building
 10 used to produce marijuana located on a premises for which a license has been issued under ORS
 11 475B.070 if the agricultural building:

12 (A) Was constructed on or before July 1, 2015, in compliance with all applicable land use and
 13 building code requirements at the time of construction;

14 (B) Is located at an address where a marijuana grow site first registered with the Oregon Health
 15 Authority under ORS 475B.810 on or before January 1, 2015;

16 (C) Was used to produce marijuana pursuant to the provisions of ORS 475B.785 to 475B.949 on
 17 or before January 1, 2015; and

18 (D) Has four opaque walls and a roof.

19 **SECTION 17.** ORS 475B.575 is amended to read:

20 475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee
 21 violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS
 22 475B.550 to 475B.590, the Oregon Liquor Control Commission may refuse to issue or renew, or may
 23 suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section**
 24 **2 or 3 of this 2019 Act.**

25 **SECTION 18.** ORS 475B.635 is amended to read:

26 475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS
 27 475B.600 to 475B.655, the Oregon Liquor Control Commission may inspect the premises of a person
 28 that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section 2 or 3 of this**
 29 **2019 Act.**

30 **SECTION 19.** ORS 475B.645 is amended to read:

31 475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee
 32 violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS
 33 475B.600 to 475B.655, the Oregon Liquor Control Commission may refuse to issue or renew, or may
 34 suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105 **or section**
 35 **2 or 3 of this 2019 Act.**

36 **SECTION 20.** ORS 475B.766 is amended to read:

37 475B.766. A financial institution that provides financial services customarily provided by finan-
 38 cial institutions pursuant to powers granted by ORS 717.200 to 717.320, 717.900 and 717.905, the
 39 Bank Act or [by] ORS chapter 723 to **the following** [*a marijuana processing site registered under*
 40 *ORS 475B.840, a medical marijuana dispensary registered under ORS 475B.858, a marijuana producer*
 41 *that holds a license under ORS 475B.070, a marijuana processor that holds a license under ORS*
 42 *475B.090, a marijuana wholesaler that holds a license under ORS 475B.100, a marijuana retailer that*
 43 *holds a license under ORS 475B.105, a laboratory that holds a license under ORS 475B.560 or a per-*
 44 *son to whom a permit has been issued under ORS 475B.266] is exempt from any criminal law of this
 45 state an element of which may be proven by substantiating that a person provides financial services*

1 customarily provided by financial institutions pursuant to powers granted by ORS 717.200 to 717.320,
 2 717.900 and 717.905, the Bank Act or ORS chapter 723 to a person who possesses, delivers or man-
 3 ufactures marijuana or marijuana derived products:

- 4 (1) **A marijuana processing site registered under ORS 475B.840;**
- 5 (2) **A medical marijuana dispensary registered under ORS 475B.858;**
- 6 (3) **A marijuana producer that holds a license issued under ORS 475B.070;**
- 7 (4) **A marijuana processor that holds a license issued under ORS 475B.090;**
- 8 (5) **A marijuana wholesaler that holds a license issued under ORS 475B.100;**
- 9 (6) **A marijuana retailer that holds a license issued under ORS 475B.105;**
- 10 (7) **A laboratory that holds a license under ORS 475B.560;**
- 11 (8) **A person to whom a permit has been issued under ORS 475B.266;**
- 12 (9) **A person that holds a temporary event license issued under section 2 of this 2019 Act;**

13 **or**

14 (10) **A person that holds a cannabis lounge license issued under section 3 of this 2019**
 15 **Act.**

16 **SECTION 21.** ORS 475B.769 is amended to read:

17 475B.769. (1) Notwithstanding any law relating to the exemption of information from public dis-
 18 closure under ORS 475B.010 to 475B.545 or 475B.550 to 475B.590, upon the request of a financial
 19 institution, the Oregon Liquor Control Commission shall provide to the financial institution the fol-
 20 lowing information:

21 (a) Whether a person with whom the financial institution is doing business holds a license under
 22 ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 **or section 2 or 3 of this 2019 Act** or a
 23 permit under ORS 475B.266;

24 (b) The name of any other business or individual affiliated with the person;

25 (c) A copy of the application, and any supporting documentation submitted with the application,
 26 for a license or a permit submitted by the person;

27 (d) If applicable, data relating to sales and the volume of product sold by the person;

28 (e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.545,
 29 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545,
 30 475B.550 to 475B.590 and 475B.600 to 475B.655;

31 (f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.545,
 32 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,
 33 475B.550 to 475B.590 or 475B.600 to 475B.655; and

34 (g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.545,
 35 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545,
 36 475B.550 to 475B.590 or 475B.600 to 475B.655.

37 (2) Upon receiving a request under subsection (1) of this section, the commission shall provide
 38 the requesting financial institution with the requested information.

39 (3) The commission may charge a financial institution a reasonable fee to cover the adminis-
 40 trative costs of providing information under this section.

41 **SECTION 22.** ORS 475B.968 is amended to read:

42 475B.968. (1) The governing body of a city or county may adopt ordinances to be referred to the
 43 electors of the city or county as described in subsection (2) of this section that prohibit or allow the
 44 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 45 or in the unincorporated area subject to the jurisdiction of the county:

- 1 (a) Marijuana processing sites registered under ORS 475B.840;
- 2 (b) Medical marijuana dispensaries registered under ORS 475B.858;
- 3 (c) Marijuana producers that hold a license issued under ORS 475B.070;
- 4 (d) Marijuana processors that hold a license issued under ORS 475B.090;
- 5 (e) Marijuana wholesalers that hold a license issued under ORS 475B.100;
- 6 (f) Marijuana retailers that hold a license issued under ORS 475B.105;
- 7 (g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon
- 8 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;
- 9 (h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission
- 10 has designated as an exclusively medical licensee under ORS 475B.127;
- 11 (i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commis-
- 12 sion has designated as an exclusively medical licensee under ORS 475B.129;
- 13 (j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission
- 14 has designated as an exclusively medical licensee under ORS 475B.131; *[or]*
- 15 **(k) Persons that hold a license issued under section 2 of this 2019 Act;**
- 16 **(L) Persons that hold a license issued under section 3 of this 2019 Act; or**
- 17 *[(k)] (m)* Any combination of the entities described in this subsection.
- 18 (2) If the governing body of a city or county adopts an ordinance under this section, the gov-
- 19 erning body shall submit the measure of the ordinance to the electors of the city or county for ap-
- 20 proval at the next statewide general election.
- 21 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
- 22 erning body must provide the text of the ordinance:
- 23 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
- 24 ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana
- 25 processing site registered under ORS 475B.840; or
- 26 (b) To the commission, if the ordinance concerns a premises for which a license has been issued
- 27 under ORS 475B.010 to 475B.545.
- 28 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the authority
- 29 shall discontinue registering those entities to which the prohibition applies until the date of the next
- 30 statewide general election.
- 31 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the commission
- 32 shall discontinue licensing those premises to which the prohibition applies until the date of the next
- 33 statewide general election.
- 34 (5)(a) If an allowance is approved at the next statewide general election under subsection (2)
- 35 of this section, and the allowance concerns an entity described in subsection (1)(a) or (b) of this
- 36 section, the authority shall begin registering the entity to which the allowance applies on the first
- 37 business day of the January immediately following the date of the statewide general election.
- 38 (b) If an allowance is approved at the next statewide general election under subsection (2) of
- 39 this section, and the allowance concerns an entity described in subsection (1)(c) to *[(j)] (L)* of this
- 40 section, the commission shall begin licensing the premises to which the allowance applies on the
- 41 first business day of the January immediately following the date of the next statewide general
- 42 election.
- 43 (6) If the electors of a city or county approve an ordinance prohibiting or allowing an estab-
- 44 lishment described in subsection (1)(a), (b) or (g) to *[(j)] (L)* of this section, the governing body of
- 45 the city or county may amend the ordinance, without referring the amendment to the electors of the

1 city or county, to prohibit or allow any other establishment described in subsection (1)(a), (b) or (g)
 2 to [(j)] (L) of this section.

3 (7) Notwithstanding any other provisions of law, a city or county that adopts an ordinance under
 4 this section that prohibits the establishment of an entity described in subsection (1) of this section
 5 may not impose a tax or fee on the production, processing or sale of marijuana or any product into
 6 which marijuana has been incorporated.

7 (8) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject
 8 to an ordinance adopted under this section if the medical marijuana dispensary:

9 (a) Is registered under ORS 475B.858 on or before the date on which the governing body adopts
 10 the ordinance; and

11 (b) Has successfully completed a city or county land use application process.

12 (9) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to
 13 an ordinance adopted under this section if the marijuana processing site:

14 (a) Is registered under ORS 475B.840 on or before the date on which the governing body adopts
 15 the ordinance; and

16 (b) Has successfully completed a city or county land use application process.

17 **SECTION 23.** ORS 475B.220 is amended to read:

18 475B.220. (1) As used in this section, “information that may be used to identify a consumer”
 19 means information that may be acquired through the production of a piece of identification as de-
 20 scribed in ORS 475B.216, whether the information is contained in a piece of identification described
 21 in ORS 475B.216 or in a different document or record.

22 (2) A consumer may not be required to procure for the purpose of acquiring or purchasing a
 23 marijuana item a piece of identification other than:

24 (a) A piece of identification described in ORS 475B.216; and

25 (b) If the consumer is a registry identification cardholder, as defined in ORS 475B.791, a registry
 26 identification card, as defined in ORS 475B.791.

27 (3) A marijuana retailer may not record and retain any information that may be used to identify
 28 a consumer, except as necessary to make deliveries to consumers pursuant to ORS 475B.206 (3), *as*
 29 *required by any rules adopted under ORS 475B.206 (3)*.

30 (4) A marijuana retailer may not transfer any information that may be used to identify a con-
 31 sumer to any other person.

32 (5)(a) Notwithstanding subsection (3) of this section, a marijuana retailer may record and retain
 33 the name and contact information of a consumer for the purpose of notifying the consumer of ser-
 34 vices that the marijuana retailer provides or of discounts, coupons and other marketing information
 35 if:

36 (A) The marijuana retailer asks the consumer whether the marijuana retailer may record and
 37 retain the information; and

38 (B) The consumer consents to the recording and retention of the information.

39 (b) This subsection does not authorize a marijuana retailer to transfer information that may be
 40 used to identify a consumer.

41 (6) This section does not apply to deidentified information the documentation and transfer of
 42 which is required by the Department of Revenue for purposes of ORS 475B.707.

43
 44 **CAPTIONS**

1 SECTION 24. The unit captions used in this 2019 Act are provided only for the conven-
2 ience of the reader and do not become part of the statutory law of this state or express any
3 legislative intent in the enactment of this 2019 Act.

4
5 **OPERATIVE AND EFFECTIVE DATES**
6

7 SECTION 25. (1) Sections 2 to 5 of this 2019 Act and the amendments to ORS 433.850,
8 475B.015, 475B.025, 475B.109, 475B.115, 475B.119, 475B.206, 475B.220, 475B.227, 475B.301,
9 475B.381, 475B.486, 475B.575, 475B.635, 475B.645, 475B.766, 475B.769 and 475B.968 by sections 6
10 to 23 of this 2019 Act become operative on January 1, 2020.

11 (2) The Oregon Liquor Control Commission may take any action before the operative date
12 specified in subsection (1) of this section that is necessary to enable the commission to ex-
13 ercise, on and after the operative date specified in subsection (1) of this section, all of the
14 duties, functions and powers conferred on the commission by sections 2 to 5 of this 2019 Act
15 and the amendments to ORS 433.850, 475B.015, 475B.025, 475B.109, 475B.115, 475B.119,
16 475B.206, 475B.220, 475B.227, 475B.301, 475B.381, 475B.486, 475B.575, 475B.635, 475B.645,
17 475B.766, 475B.769 and 475B.968 by sections 6 to 23 of this 2019 Act.

18 SECTION 26. This 2019 Act takes effect on the 91st day after the date on which the 2019
19 regular session of the Eightieth Legislative Assembly adjourns sine die.