

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 collocated 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**

