

House Bill 3067

Sponsored by Representative MARSH (at the request of League of Oregon Cities (LOC))

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 cities and counties to certify annually that city or county has not adopted ordinance prohibiting establishment requiring marijuana-related business license and is therefore eligible for distribution of Oregon Marijuana Account moneys. Requires certification with Oregon Department of Administrative Services.

Applies to transfers of moneys in calendar quarters beginning on or after January 1, 2020.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to distribution of marijuana tax revenues to local governments; creating new provisions;
3 amending ORS 475B.496 and 475B.759; and prescribing an effective date.

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

5 **SECTION 1.** ORS 475B.759, as amended by section 1, chapter 81, Oregon Laws 2018, is amended
6 to read:

7 475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the
8 General Fund.

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

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

12 (b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent
13 of the moneys in the Oregon Marijuana Account as follows:

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

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

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

26 (B) Ten percent of the moneys in the account must be transferred to counties in the following
27 shares:

28 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-
29 cially available area of all grow canopies associated with marijuana producer licenses held pursuant

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 to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer
 2 for all premises located in each county compared to the total commercially available area of all
 3 grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the
 4 last business day of that calendar quarter for all premises located in this state; and

5 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
 6 censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-
 7 endar quarter preceding the date of the transfer for premises located in each county compared to
 8 the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business
 9 day of that calendar quarter for all premises in this state.

10 (c) Eighty percent of the moneys in the Oregon Marijuana Account must be used as follows:

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

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

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

17 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
 18cohol and drug abuse prevention, early intervention and treatment services.

19 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
 20ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to
 21receive transfers of moneys under subsection (3)(b)(A) of this section.

22 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
 23ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under
 24subsection (3)(b)(B)(i) of this section.

25 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
 26ance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive
 27transfers of moneys under subsection (3)(b)(B)(ii) of this section.

28 **(d) A city or county that is ineligible under this subsection to receive a transfer of**
 29**moneys during a given quarter but has received a transfer of moneys under this section for**
 30**that quarter shall return the amount transferred to the Department of Revenue, with in-**
 31**terest at the rate established in ORS 305.220.**

32 **[(5)] (5)(a) [In a form and manner prescribed by the Oregon Liquor Control Commission,] Not**
 33**later than July 1 of each year, each city and county in this state shall certify with the**
 34**[commission] Oregon Department of Administrative Services whether the city or county has an**
 35**ordinance prohibiting the establishment of a premises for which issuance of a license under ORS**
 36**475B.070, 475B.090, 475B.100 or 475B.105 is required. The certification shall be made concu-**
 37**rently with certifications under ORS 221.770, in a form and manner prescribed by the Oregon**
 38**Department of Administrative Services.**

39 **(b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of**
 40**moneys under subsection (3)(b)(A) of this section. If a county fails to comply with this subsection,**
 41**the county is not eligible to receive transfers of moneys under subsection (3)(b)(B) of this section.**

42 **(c) A city or county that repeals an ordinance as provided in ORS 475B.496 is not eligible**
 43**to receive a subsequent quarterly transfer of moneys under this section if the city or county**
 44**fails to notify the Oregon Department of Administrative Services of the repeal as provided**
 45**in ORS 475B.496 at least five days before the date of transfer.**

1 **SECTION 2.** ORS 475B.759, as amended by sections 1 and 2, chapter 81, Oregon Laws 2018, is
 2 amended to read:

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

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

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

8 (b) Subject to subsection (4) of this section, the department shall transfer quarterly 20 percent
 9 of the moneys in the Oregon Marijuana Account as follows:

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

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

17 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number
 18 of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day
 19 of the calendar quarter preceding the date of the transfer for premises located in each city compared
 20 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the
 21 last business day of that calendar quarter for all premises in this state located in cities; and

22 (B) Ten percent of the moneys in the account must be transferred to counties in the following
 23 shares:

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

30 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
 31 censes held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the cal-
 32 endar quarter preceding the date of the transfer for premises located in each county compared to
 33 the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business
 34 day of that calendar quarter for all premises in this state.

35 (c) Eighty percent of the moneys in the Oregon Marijuana Account must be used as follows:

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

38 (B) Twenty percent of the moneys in the account must be used solely for purposes for which
 39 moneys in the Mental Health Alcoholism and Drug Services Account established under ORS 430.380
 40 may be used;

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

43 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
 44 cohool and drug abuse prevention, early intervention and treatment services.

45 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-

1 ance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to
 2 receive transfers of moneys under subsection (3)(b)(A) of this section.

3 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
 4 ance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under
 5 subsection (3)(b)(B)(i) of this section.

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

9 **(d) A city or county that is ineligible under this subsection to receive a transfer of**
 10 **moneys during a given quarter but has received a transfer of moneys under this section for**
 11 **that quarter shall return the amount transferred to the Department of Revenue, with in-**
 12 **terest at the rate established in ORS 305.220.**

13 [(5)] **(5)(a)** *[In a form and manner prescribed by the Oregon Liquor Control Commission,]* **Not**
 14 **later than July 1 of each year, each city and county in this state shall certify with the**
 15 *[commission]* **Oregon Department of Administrative Services** whether the city or county has an
 16 ordinance prohibiting the establishment of a premises for which issuance of a license under ORS
 17 475B.070, 475B.090, 475B.100 or 475B.105 is required. **The certification shall be made concu-**
 18 **rently with the certifications under ORS 221.770, in a form and manner prescribed by the**
 19 **Oregon Department of Administrative Services.**

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

23 **(c) A city or county that repeals an ordinance as provided in ORS 475B.496 is not eligible**
 24 **to receive a subsequent quarterly transfer of moneys under this section if the city or county**
 25 **fails to notify the Oregon Department of Administrative Services of the repeal as provided**
 26 **in ORS 475B.496 at least five days before the date of transfer.**

27 **SECTION 3.** ORS 475B.496 is amended to read:

28 475B.496. (1) The governing body of a city or county may repeal an ordinance that prohibits the
 29 establishment of any one or more of the following in the area subject to the jurisdiction of the city
 30 or in the unincorporated area subject to the jurisdiction of the county:

- 31 (a) Marijuana processing sites registered under ORS 475B.840;
- 32 (b) Medical marijuana dispensaries registered under ORS 475B.858;
- 33 (c) Marijuana producers that hold a license issued under ORS 475B.070;
- 34 (d) Marijuana processors that hold a license issued under ORS 475B.090;
- 35 (e) Marijuana wholesalers that hold a license issued under ORS 475B.100;
- 36 (f) Marijuana retailers that hold a license issued under ORS 475B.105;
- 37 (g) Marijuana producers that hold a license issued under ORS 475B.070 and that the Oregon
 38 Liquor Control Commission has designated as an exclusively medical licensee under ORS 475B.122;
- 39 (h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission
 40 has designated as an exclusively medical licensee under ORS 475B.127;
- 41 (i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commis-
 42 sion has designated as an exclusively medical licensee under ORS 475B.129;
- 43 (j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission
 44 has designated as an exclusively medical licensee under ORS 475B.131; or
- 45 (k) Any combination of the entities described in this subsection.

1 (2) If the governing body of a city or county repeals an ordinance under this section, the gov-
2 erning body must provide the text of the ordinance:

3 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the
4 ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana
5 processing site registered under ORS 475B.840; or

6 (b)(A) To the commission, in a form and manner prescribed by the commission, if the ordinance
7 concerns a premises for which a license has been issued under ORS 475B.010 to 475B.545[.]; **and**

8 **(B) To the Oregon Department of Administrative Services, in a form and manner pre-**
9 **scribed by the department, within 30 days of enactment of the repeal of the ordinance, if the**
10 **ordinance concerns a premises for which issuance of a license is required under ORS**
11 **475B.070, 475B.090, 475B.100 or 475B.105.**

12 **SECTION 4. The amendments to ORS 475B.496 and 475B.759 by sections 1 to 3 of this 2019**
13 **Act apply to transfers of moneys in calendar quarters beginning on or after January 1, 2020.**

14 **SECTION 5. This 2019 Act takes effect on the 91st day after the date on which the 2019**
15 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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