

House Bill 3362

Sponsored by Representative SMITH DB (at the request of Leroy Blodgett)

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**.

Prohibits person that transacts title insurance in this state from refusing to issue policy of title insurance or refusing to close or insure real property transaction solely because real property that is subject of the transaction has been used for purpose of growing, producing, manufacturing or selling cannabis, or conducting other activities related to cannabis, if growing, production, manufacture, sale or other activities occurred in compliance with state laws relating to regulation of marijuana items.

Provides that violation of provisions of Act is unfair and deceptive practice in transaction of insurance. Requires Director of Department of Consumer and Business Services to adopt rules to prohibit violation and to provide for imposing civil penalty of not more than \$5,000 for violation.

Becomes operative on January 1, 2020.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to title insurance policies for real property used in connection with production of cannabis;
3 and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2019 Act is added to and made a part of the Insurance Code.**

6 **SECTION 2. (1) A person that transacts title insurance in this state may not refuse to**
7 **issue a policy of title insurance or refuse to close or insure a real property transaction solely**
8 **because the real property that is the subject of the transaction has been used for the purpose**
9 **of growing, producing, manufacturing or selling cannabis, or conducting other activities re-**
10 **lated to cannabis, if the growing, production, manufacture, sale or other activities occurred**
11 **in compliance with ORS 475B.010 to 475B.545, 475B.550 to 475B.590, 475B.600 to 475B.655,**
12 **475B.785 to 475B.949 and 475B.968.**

13 **(2) A violation of subsection (1) of this section is an unfair and deceptive practice in the**
14 **transaction of insurance under ORS 746.240. The Director of the Department of Consumer**
15 **and Business Services shall adopt rules that prohibit the violation and that provide for im-**
16 **posing a civil penalty of not more than \$5,000 for the violation.**

17 **SECTION 3. (1) Section 2 of this 2019 Act becomes operative on January 1, 2020.**

18 **(2) The Director of the Department of Consumer and Business Services may adopt rules**
19 **and take any other action on or after the operative date specified in subsection (1) of this**
20 **section that is necessary to enable the director, on and after the operative date specified in**
21 **subsection (1) of this section, to exercise or undertake all of the duties, powers and functions**
22 **conferred on the director by section 2 of this 2019 Act.**

23 **SECTION 4. This 2019 Act takes effect on the 91st day after the date on which the 2019**
24 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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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.