

C-Engrossed
Senate Bill 218

Ordered by the House May 23
Including Senate Amendments dated April 8 and April 24 and House
Amendments dated May 23

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Office of the Governor)

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.

Authorizes Oregon Liquor Control Commission to refuse to issue initial marijuana production licenses based on supply of and demand for marijuana. **Directs commission to process certain applications for production licenses that were received on or before June 15, 2018.**

Requires commission to study effect of not issuing initial production licenses and report findings annually to interim committee of Legislative Assembly related to economic development.

Sunsets January 2, 2022.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; and declaring an emergency.

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

4 **SECTION 1. (1) The Oregon Liquor Control Commission may, based on the supply of and**
5 **demand for marijuana, as defined in ORS 475B.015, refuse to issue production licenses under**
6 **ORS 475B.070 for an amount of time that the commission determines necessary.**

7 **(2) Subsection (1) of this section does not apply to the renewal of a production license**
8 **under ORS 475B.070 or to the issuance or reissuance of a production license under ORS**
9 **475B.070 necessitated by a change in the location or ownership of a production facility or**
10 **premises.**

11 **(3)(a) Except as provided in paragraph (b) of this subsection, the commission shall pro-**
12 **cess an application for a production license under ORS 475B.070 if the application was re-**
13 **ceived on or before June 15, 2018.**

14 **(b) An applicant that submitted an application described in paragraph (a) of this sub-**
15 **section that did not submit a land use compatibility statement required under ORS 475B.063**
16 **may submit the land use compatibility statement within 21 days of the effective date of this**
17 **2019 Act. If the land use compatibility statement is timely submitted, the commission shall**
18 **process the application. If a land use compatibility statement is not timely submitted, the**
19 **commission shall inactivate the application.**

20 **(4) An applicant that submitted an application for a production license under ORS**
21 **475B.070 on or before June 15, 2018, may not change:**

22 **(a) The location for which an application was submitted; or**

23 **(b) Fifty-one percent or more of the ownership of the production facility or the premises**

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 for which the application for licensure was submitted.

2 (5) The commission shall inactivate an application for a production license under ORS
3 475B.070 that was received after June 15, 2018.

4 (6)(a) The commission shall adopt rules to establish timelines for the completion of ap-
5 plications for production licenses under ORS 475B.070, including rules to specify times by
6 which an applicant must complete any necessary steps for licensing after the applicant's
7 application is assigned to a commission staff member for processing.

8 (b) The commission may adopt other rules as necessary to carry out this section, in-
9 cluding rules that enable the commission to pause the processing of an application that has
10 been assigned to a commission staff member in consideration of commission resources to
11 process applications.

12 (7)(a) The commission shall study the effects of subsections (1) to (6) of this section on
13 the marijuana industry.

14 (b) Not later than December 31 of each year, the commission shall submit a report to
15 an interim committee of the Legislative Assembly related to economic development, in the
16 manner provided in ORS 192.245, on the findings of the study described in this subsection.

17 SECTION 2. Section 1 of this 2019 Act is repealed on January 2, 2022.

18 SECTION 3. This 2019 Act being necessary for the immediate preservation of the public
19 peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
20 on its passage.

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