

Requested by Representative KROPF

**PROPOSED AMENDMENTS TO
HOUSE BILL 3295**

1 On page 1 of the printed bill, line 2, after “475B.759” insert “and section
2 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020))”.

3 Delete lines 4 through 32 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 475B.759, as amended by section 10, chapter 2, Oregon
5 Laws 2021 (Ballot Measure 110 (2020)), is amended to read:

6 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
7 rate and distinct from the General Fund.

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

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

12 **“(b) Before making other transfers of moneys required by this sec-
13 tion, the department shall transfer quarterly to the Drug Treatment
14 and Recovery Services Fund all moneys in the Oregon Marijuana Ac-
15 count in excess of \$11,250,000.**

16 “[*(b)*] (c) Subject to subsection (4) of this section, and after making the
17 transfer of moneys required by [*subsection (7) of this section*] **paragraph (b)**
18 **of this subsection**, the department shall transfer quarterly 20 percent of the
19 moneys in the Oregon Marijuana Account as follows:

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

1 “(i) Seventy-five percent of the 10 percent must be transferred in shares
2 that reflect the population of each city of this state that is not exempt from
3 this paragraph pursuant to subsection (4)(a) of this section compared to the
4 population of all cities of this state that are not exempt from this paragraph
5 pursuant to subsection (4)(a) of this section, as determined by Portland State
6 University under ORS 190.510 to 190.610, on the date immediately preceding
7 the date of the transfer; and

8 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
9 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
10 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
11 ceding the date of the transfer for premises located in each city compared
12 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100
13 and 475B.105 on the last business day of that calendar quarter for all prem-
14 ises in this state located in cities; and

15 “(B) Ten percent of the moneys in the account must be transferred to
16 counties in the following shares:

17 “(i) Fifty percent of the 10 percent must be transferred in shares that re-
18 flect the total commercially available area of all grow canopies associated
19 with marijuana producer licenses held pursuant to ORS 475B.070 on the last
20 business day of the calendar quarter preceding the date of the transfer for
21 all premises located in each county compared to the total commercially
22 available area of all grow canopies associated with marijuana producer li-
23 censes held pursuant to ORS 475B.070 on the last business day of that cal-
24 endar quarter for all premises located in this state; and

25 “(ii) Fifty percent of the 10 percent must be transferred in shares that
26 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
27 475B.105 on the last business day of the calendar quarter preceding the date
28 of the transfer for premises located in each county compared to the number
29 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
30 business day of that calendar quarter for all premises in this state.

1 “[(c)] **(d)** After making the transfer of moneys required by [subsection (7)
2 of this section] **paragraph (b) of this subsection**, eighty percent of the re-
3 maining moneys in the Oregon Marijuana Account must be used as follows:

4 “(A) Forty percent of the moneys in the account must be used solely for
5 purposes for which moneys in the State School Fund established under ORS
6 327.008 may be used;

7 “(B) Twenty percent of the moneys in the account must be used solely for
8 mental health treatment or for alcohol and drug abuse prevention, early
9 intervention and treatment;

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

13 “(D) Five percent of the moneys in the account must be used solely for
14 purposes related to alcohol and drug abuse prevention, early intervention
15 and treatment services.

16 “(4)(a) A city that has an ordinance prohibiting the establishment of a
17 premises for which issuance of a license under ORS 475B.070, 475B.090,
18 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
19 under subsection [(3)(b)(A)] **(3)(c)(A)** of this section.

20 “(b) A county that has an ordinance prohibiting the establishment of a
21 premises for which issuance of a license under ORS 475B.070 is required is
22 not eligible to receive transfers of moneys under subsection [(3)(b)(B)(i)]
23 **(3)(c)(B)(i)** of this section.

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

28 “**(d)(A) Paragraphs (b) and (c) of this subsection do not apply to a**
29 **county ordinance adopted on or after January 1, 2018, that prohibits**
30 **the establishment of a premises for which a license under ORS**

1 **475B.070, 475B.090, 475B.100 or 475B.105 is required but allows in the**
2 **unincorporated area of the county the continued operation of an ex-**
3 **isting premises for which a license under ORS 475B.070, 475B.090,**
4 **475B.100 or 475B.105 is required.**

5 **“(B) A county that adopts an ordinance described in subparagraph**
6 **(A) of this paragraph shall certify the adoption of the ordinance under**
7 **subsection (6) of this section.**

8 “(5)(a) A city or county that is ineligible under subsection (4) of this
9 section to receive a transfer of moneys from the Oregon Marijuana Account
10 during a given quarter but has received a transfer of moneys for that quarter
11 shall return the amount transferred to the Department of Revenue, with in-
12 terest as described under paragraph (f) of this subsection. An ineligible city
13 or county may voluntarily transfer the moneys to the Department of Revenue
14 immediately upon receipt of the ineligible transfer.

15 “(b) If the Director of the Oregon Department of Administrative Services
16 determines that a city or county received a transfer of moneys under sub-
17 section [(3)(b)] **(3)(c)** of this section but was ineligible to receive that
18 transfer under subsection (4) of this section, the director shall provide notice
19 to the ineligible city or county and order the city or county to return the
20 amount received to the Department of Revenue, with interest as described
21 under paragraph (f) of this subsection. A city or county may appeal the order
22 within 30 days of the date of the order under the procedures for a contested
23 case under ORS chapter 183.

24 “(c) As soon as the order under paragraph (b) of this subsection becomes
25 final, the director shall notify the Department of Revenue and the ineligible
26 city or county. Upon notification, the Department of Revenue immediately
27 shall proceed to collect the amount stated in the notice.

28 “(d) The Department of Revenue shall have the benefit of all laws of the
29 state pertaining to the collection of income and excise taxes and may proceed
30 to collect the amounts described in the notice under paragraph (c) of this

1 subsection. An assessment of tax is not necessary and the collection de-
2 scribed in this subsection is not precluded by any statute of limitations.

3 “(e) If a city or county is subject to an order to return moneys from an
4 ineligible transfer, the city or county shall be denied any further relief in
5 connection with the ineligible transfer on or after the date that the order
6 becomes final.

7 “(f) Interest under this section shall accrue at the rate established in ORS
8 305.220 beginning on the date the ineligible transfer was made.

9 “(g) Both the moneys and the interest collected from or returned by an
10 ineligible city or county shall be redistributed to the cities or counties that
11 were eligible to receive a transfer under subsection [(3)(b)] **(3)(c)** of this
12 section on the date the ineligible transfer was made.

13 “(6)(a) Not later than July 1 of each year, each city and county in this
14 state shall certify with the Oregon Department of Administrative Services
15 whether the city or county has an ordinance prohibiting the establishment
16 of a premises for which issuance of a license under ORS 475B.070, 475B.090,
17 475B.100 or 475B.105 is required **and whether the county has an ordi-**
18 **nance described in subsection (4)(d) of this section.** The certification
19 shall be made concurrently with the certifications under ORS 221.770, in a
20 form and manner prescribed by the Oregon Department of Administrative
21 Services.

22 “(b) If a city fails to comply with this subsection, the city is not eligible
23 to receive transfers of moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this
24 section. If a county fails to comply with this subsection, the county is not
25 eligible to receive transfers of moneys under subsection [(3)(b)(B)] **(3)(c)(B)**
26 of this section.

27 “(c) A city or county that repeals an ordinance as provided in ORS
28 475B.496 shall file an updated certification with the Oregon Department of
29 Administrative Services in a form and manner prescribed by the department,
30 noting the effective date of the change. A city or county that repeals an or-

1 dinance as provided in ORS 475B.496 is eligible to receive quarterly transfers
2 of moneys under this section for quarters where the repeal is effective for
3 the entire quarter and the updated certification was filed at least 30 days
4 before the date of transfer.

5 “[*(7) Before making the transfer of moneys required by subsection (3) of this*
6 *section, the department shall transfer quarterly to the Drug Treatment and*
7 *Recovery Services Fund all moneys in the Oregon Marijuana Account in excess*
8 *of \$11,250,000.*]

9 **“SECTION 2.** Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure
10 110 (2020)), is amended to read:

11 **“Sec. 5.** (1) The Drug Treatment and Recovery Services Fund is estab-
12 lished in the State Treasury, separate and distinct from the General Fund.
13 Interest earned by the **Drug Treatment and Recovery Services Fund** shall
14 be credited to the fund.

15 “(2) The Drug Treatment and Recovery Services Fund shall consist of:

16 “(a) Moneys deposited into the fund pursuant to section 6, **chapter 2,**
17 **Oregon Laws 2021 (Ballot Measure 110 (2020));**

18 “(b) Moneys appropriated or otherwise transferred to the fund by the
19 Legislative Assembly;

20 “(c) Moneys allocated from the Oregon Marijuana Account, pursuant to
21 ORS 475B.759 [(7)] **(3)(b)**; and[,]

22 “(d) All other moneys deposited [*in*] **into** the fund from any source.

23 “(3) Moneys in the fund shall be continuously appropriated to the Oregon
24 Health Authority for the purposes set forth in section 2, **chapter 2, Oregon**
25 **Laws 2021 (Ballot Measure 110 (2020)).**

26 “[*(4) Unexpended moneys in the fund may not lapse and shall be carried*
27 *forward and may be used without regard to fiscal year or biennium.*]

28 “[*(5)(a)*] **(4)(a)** Pursuant to subsection (2)(b) of this section, the Legisla-
29 tive Assembly shall appropriate or transfer to the fund an amount sufficient
30 to fully fund the grants program required by section 2, **chapter 2, Oregon**

1 **Laws 2021 (Ballot Measure 110 (2020)).**

2 “(b) The total amount deposited and transferred into the fund shall not
3 be less than \$57 million for the first year [*this Act*] **chapter 2, Oregon Laws**
4 **2021 (Ballot Measure 110 (2020))**, is in effect.

5 “(c) In each subsequent year, [*that*] **the minimum transfer** amount set
6 forth in **paragraph (b) of this** subsection [(5)(b) of this section] shall be in-
7 creased by not less than **the sum of:**

8 “[*i*] (A) **\$57 million multiplied by** the percentage [*if any*], **if any**, by
9 which the monthly averaged U.S. City Average Consumer Price Index for the
10 12 consecutive months ending [*December*] **August** 31 of the prior calendar
11 year exceeds the monthly index for the fourth quarter of the calendar year
12 2020; and[,]

13 “[*ii*] (B) [*An amount not less than the increase*] **The annual increase,**
14 **if any**, in moneys distributed pursuant to ORS 475B.759 [(7)] **(3)(b).**”.

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