

HB 3112-14
(LC 1467)
5/10/21 (SCT/ps)

Requested by Representative FAHEY

**PROPOSED AMENDMENTS TO
HOUSE BILL 3112**

1 On page 1 of the printed bill, line 4, after “475B.759,” insert “475B.760,”.

2 In line 5, after “2018” insert “, and section 5, chapter 2, Oregon Laws 2021
3 (Ballot Measure 110 (2020))”.

4 After line 6, insert:

5 “Whereas two studies conducted by the American Civil Liberties Union
6 found that Black Oregonians were about twice as likely to be arrested for
7 cannabis as compared to White Oregonians, despite nearly identical rates of
8 use; and

9 “Whereas a 2013 American Civil Liberties Union study found that the
10 cannabis arrest rate was 3.3 times higher for individuals who are Black than
11 individuals who are White in Multnomah County, 2.8 times higher in
12 Washington County, 3.5 times higher in Lane County and 2.8 times higher
13 in Marion County; and

14 “Whereas the Oregon Criminal Justice Commission found that African
15 Americans and Native Americans in Oregon are overrepresented as compared
16 to individuals who are White for convictions of felony possession of con-
17 trolled substances; and

18 “Whereas Oregon’s prison population, both historically and presently,
19 shows an overrepresentation of Oregon’s minority groups; and

20 “Whereas in 2013, simple cannabis possession was the fourth most com-
21 mon cause of deportation for any offense and the most common cause of

1 deportation for drug law violations; and

2 “Whereas fewer than 200 cannabis-related expungements have been pro-
3 cessed since section 2, chapter 459, Oregon Laws 2019 (Senate Bill 420 (2019))
4 was enrolled, although there are over 28,000 records with eligible cannabis
5 crimes; and

6 “Whereas the term ‘marijuana’ was adopted historically to underscore the
7 drug’s ‘Mexican-ness’ to incite anti-immigrant sentiments, which found its
8 way into Oregon through early 20th century newspapers with articles titled,
9 ‘Crazed Mexican Kills One and Wounds Two,’ ‘Evil Mexican Plant that
10 Drives You Insane’ and ‘Texas Menaced by New ‘Dope’ Weed’; and

11 “Whereas 2019 cannabis sales in Oregon reached \$725.8 million, not in-
12 cluding medical cannabis sales; and

13 “Whereas cannabis website Leafly’s fourth annual national report esti-
14 mated that there were 18,274 jobs in the legal marijuana industry in Oregon
15 as of January 2020; and

16 “Whereas the vast majority of marijuana businesses are self-funded, with
17 84 percent of businesses utilizing the founder’s savings to launch the busi-
18 ness while only one percent of businesses were able to secure a bank or state
19 agency loan; and

20 “Whereas very few minority-owned businesses can afford the average
21 start-up costs to open a plant-touching cannabis business, which the Oregon
22 Cannabis Association estimates at \$400,000 in start-up capital; and

23 “Whereas a 2017 snapshot of the cannabis industry showed that less than
24 three percent of plant-touching cannabis businesses were Black-owned and
25 less than six percent were Hispanic- or Latinx-owned; and

26 “Whereas for those individuals who were formerly incarcerated, a recent
27 analysis by the Prison Policy Initiative shows that more than 27 percent are
28 unemployed, which is a higher rate than the overall unemployment rate
29 during the Great Depression; and

30 “Whereas according to John Jay College of Criminal Justice, ex-offenders

1 owe as much as 60 percent of their income to criminal debts; and

2 “Whereas according to Pew Charitable Trusts, serving time in prison re-
3 duces a person’s annual earnings by 40 percent; and

4 “Whereas according to Pew Charitable Trusts, by 48 years of age, the
5 typical former inmate will have earned \$179,000 less than if they had never
6 been incarcerated; and

7 “Whereas according to Pew Charitable Trusts, incarceration depresses the
8 total earnings of White males by two percent, Hispanic males by six percent
9 and Black males by nine percent; and

10 “Whereas according to Pew Charitable Trusts, the average family income
11 over the years during which the father is incarcerated is 22 percent lower
12 than the family income was in the year before the father was incarcerated,
13 and even in the year after the father is released from incarceration, the
14 family income remains 15 percent lower than in the year before incarcer-
15 ation; and

16 “Whereas the homeownership rate for White Oregonians is 65 percent,
17 36.5 percent for African American Oregonians, 48.4 percent for Native
18 American Oregonians and 45.9 percent for Latinx Oregonians; and

19 “Whereas a 2015 Portland Housing Bureau report revealed approximately
20 68.8 percent of Black renters and 42.9 percent of Black homeowners are
21 cost-burdened and spend over 30 percent of their income on rent or housing
22 costs; and

23 “Whereas programs to support small business were not designed with the
24 Black community in mind, as evident through the mechanisms and outcomes
25 from the CARES Act (2020) Paycheck Protection Program in which only 51
26 percent of Black-owned small businesses applied for less than \$20,000 in
27 temporary funding from the federal government and only one in 10, or 12
28 percent, received the assistance that they requested; and

29 “Whereas only 13.1 percent of White Oregonians live in poverty but 28.7
30 percent of Black Oregonians live in poverty, 22.3 percent of Hispanic

1 Oregonians live in poverty and 24.4 percent of Native American Oregonians
2 live in poverty; and

3 “Whereas according to Prosperity Now, White households in the middle-
4 income quintile, or those earning between \$37,201 and \$61,328 annually, own
5 nearly eight times as much wealth, or \$86,100, as middle-income Black
6 earners who earn \$11,000 and 10 times as much wealth as middle-income
7 Latinx earners who earn \$8,600; and

8 “Whereas according to Prosperity Now, if the number of people of color-
9 owned firms were proportional to the distribution of people of color in the
10 labor force, people of color would own 1.1 million more businesses with em-
11 ployees and would add about nine million jobs and about \$300 million in
12 workers’ income to the United States economy; and

13 “Whereas in Oregon, the number of United States Small Business Ad-
14 ministration loans to Black-owned businesses dropped by more than 90 per-
15 cent in 2008 to five loans and has remained in the single digits every year
16 since, and in 2017 the United States Small Business Administration backed
17 only three loans to Black-owned businesses in Oregon; and

18 “Whereas according to McKinsey & Company, companies in the top
19 quartile for ethnic and cultural diversity on their executive teams were 33
20 percent more likely to have above-average profitability than companies in
21 the fourth quartile, and companies with the most ethnically and culturally
22 diverse boards worldwide are 43 percent more likely to experience higher
23 profits; and

24 “Whereas a 2020 study completed by Citi Global Perspectives and Sol-
25 utions found that if the racial wealth gap were closed 20 years ago, \$16
26 trillion could have been added to the United States economy and if the gap
27 were closed today, \$5 trillion could be added over the next five years; and

28 “Whereas cannabis equity programs in other states and municipalities
29 using the race neutral qualification standards have failed to create equitable
30 market participation and leverage the benefits of diversity; now,

1 therefore,”.

2 Delete lines 9 through 12 and delete pages 2 through 6 and insert:

3

4 **“EQUITY INVESTMENT AND ACCOUNTABILITY BOARD**

5

6 **“SECTION 1. (1)(a) The Equity Investment and Accountability**
7 **Board is established as a separate office within the office of the Gov-**
8 **ernor to provide equity oversight within Oregon’s cannabis industry.**

9 **“(b) The board shall consist of at least 13 members appointed by the**
10 **Governor from the following stakeholder groups:**

11 **“(A) Equity operators;**

12 **“(B) Registry identification cardholder representatives;**

13 **“(C) Licensed health care provider representatives;**

14 **“(D) Public health representatives;**

15 **“(E) Cannabis producers, processors and retailers;**

16 **“(F) Local equity experts and leaders;**

17 **“(G) Representatives from community-based organizations that**
18 **support individuals who are American Indian, Alaska Native, Black,**
19 **Hispanic or Latinx; and**

20 **“(H) One representative each from the Commission on Hispanic**
21 **Affairs, the Commission on Black Affairs, the Commission for Women,**
22 **the Commission on Asian and Pacific Islander Affairs and the Com-**
23 **mission on Indian Services.**

24 **“(c) In appointing the members of the board, the Governor shall**
25 **strive to ensure that at least half of the members appointed are from**
26 **communities described in paragraph (b)(G) of this subsection and that**
27 **the members are from all geographical regions of this state.**

28 **“(2) The members appointed under this section:**

29 **“(a) Must have knowledge of the cannabis industry in this state and**
30 **be culturally competent.**

1 “(b) May not hold any other public office, except that a member
2 may hold a voluntary public position or be a notary public as defined
3 in ORS 194.215.

4 “(3) The term of office of each member of the board is four years.
5 A member shall hold office until a successor has been appointed and
6 qualified. Before the expiration of the term of a member, the Governor
7 shall appoint a successor whose term begins on September 1 next fol-
8 lowing. A member is eligible for reappointment. If there is a vacancy
9 for any cause, the Governor shall make an appointment to become
10 immediately effective for the unexpired term.

11 “(4) The appointment of each member of the board is subject to
12 confirmation by the Senate in the manner prescribed in ORS 171.562
13 and 171.565.

14 “(5) The board shall be overseen by a chairperson appointed by the
15 Governor.

16 “(6) A majority of the members constitutes a quorum for the
17 transaction of business.

18 “(7)(a) The Governor may remove a member who no longer meets
19 the requirements of this section or for any other cause deemed suffi-
20 cient by the Governor.

21 “(b) Before a removal under this subsection, the Governor shall
22 provide the member a copy of the charges and shall fix a time when
23 the member can be heard. The time must be at least 10 days after the
24 charges are provided to the member. The hearing must be open to the
25 public.

26 “(c) If the member is removed, the Governor shall file in the office
27 of the Secretary of State a complete statement of all charges made
28 against the member, and the findings on those charged with a record
29 of the proceedings.

30 “(d) The Governor’s power of removal under this subsection is ab-

1 solute and there is no right of review of the power of removal in any
2 court.

3 **“SECTION 1a. (1) The Equity Investment and Accountability Office**
4 **is established within the Office of the Governor. The office shall con-**
5 **sist of two full-time staff members, including a director appointed by**
6 **the Governor. The director shall, with the approval of the Equity In-**
7 **vestment and Accountability Board, select a staff member.**

8 **“(2) The director of the office:**

9 **“(a) Must have knowledge of the cannabis industry in this state and**
10 **be culturally competent.**

11 **“(b) May not:**

12 **“(A) Hold any other public office, except that the director may hold**
13 **a voluntary public position or be a notary public as defined in ORS**
14 **192.215.**

15 **“(B) Have any financial or property interest in a premises where**
16 **cannabis is sold, or be a spouse or minor child of an individual who**
17 **has a financial or property interest described in this paragraph.**

18 **“(C) Have any financial or property interest in an entity that is**
19 **partially or wholly dedicated to the cultivation, manufacture, distrib-**
20 **ution, sale, transportation or storage of cannabis.**

21 **“(D) Own stock in a corporation that has any interest in a premises**
22 **where cannabis is cultivated, manufactured, distributed, sold, trans-**
23 **ported or stored.**

24 **“(E) Receive a commission or other profit from an individual who**
25 **applies for a cannabis equity license under section 16 of this 2021 Act.**

26 **“(3) The director may select administrative staff as necessary for**
27 **the operation of the office.**

28 **“(4) The office shall partner with the board in carrying out the du-**
29 **ties, functions and powers of the board.**

30 **“SECTION 2. (1) The Equity Investment and Accountability Board,**

1 in partnership with the Equity Investment and Accountability Office,
2 shall:

3 “(a) Oversee, measure and report on cannabis equity outcomes.

4 “(b) Oversee the funding allocations under ORS 137.300 and 475B.760.

5 “(c) Establish a mechanism to track the funding allocations de-
6 scribed in paragraph (b) of this subsection.

7 “(d) Partner with any offices in each city and county charged with
8 equity oversight to monitor, measure and report equity indicators re-
9 lated to cannabis.

10 “(e) Consult, at least twice per year, with state and local agencies
11 that receive allocations under section 7 of this 2021 Act regarding the
12 agencies’ use of allocated funds.

13 “(f) Audit applications for licenses issued under section 16 of this
14 2021 Act, verify information related to the applicant’s residency and
15 previous convictions and whether the applicant is an individual.

16 “(g) Establish guidelines for social equity plans submitted to the
17 Oregon Liquor Control Commission and review the plans for the pur-
18 pose of making necessary revisions to the guidelines.

19 “(2) The board, in partnership with the office, may contract with a
20 third party to carry out the duties described in subsection (1)(f) of this
21 section.

22 “(3) The board may adopt rules as necessary to carry out this sec-
23 tion.

24 **“SECTION 3. (1) The Equity Investment and Accountability Board,**
25 **in partnership with the Equity Investment and Accountability Office,**
26 **and in conjunction with the equity liaisons of the Oregon Health Au-**
27 **thority and the Oregon Liquor Control Commission, shall annually**
28 **review and report on key performance indicators of equity and any**
29 **additional indicators as determined necessary by the board and the**
30 **office. The report must include a review of the qualification criteria**

1 described in section 16 (1)(b) of this 2021 Act to ensure that holders of
2 licenses issued under section 16 of this 2021 Act represent communities
3 most negatively impacted by cannabis prohibition initiatives and that
4 the Oregon cannabis industry is continuously becoming more racially
5 inclusive. The report described in this section must include:

6 “(a) Information regarding the cannabis equity licenses issued un-
7 der section 16 of this 2021 Act.

8 “(b) Regulatory recommendations to the authority and the com-
9 mission to improve equity outcomes.

10 “(c) The information reported to the board by the commission un-
11 der section 4 of this 2021 Act.

12 “(d) The information reported to the board by the authority under
13 section 5 of this 2021 Act.

14 “(2) The report may include additional data reporting or other re-
15 quirements as the board and the office determine necessary.

16 “(3) The board shall annually submit, in the manner provided in
17 ORS 192.245, the report described in this section to an interim com-
18 mittee of the Legislative Assembly related to cannabis on a date es-
19 tablished by the board by rule.

20 “SECTION 4. (1) The equity liaison of the Oregon Liquor Control
21 Commission shall report quarterly to the Equity Investment and Ac-
22 countability Board and the Equity Investment and Accountability Of-
23 fice on the following:

24 “(a) Demographics for all licensees, as defined in ORS 475B.015;

25 “(b) Demographics for all applicants for licenses issued under ORS
26 475B.070, 475B.090, 475B.100 and 475B.105;

27 “(c) The number of applications submitted for cannabis equity li-
28 censes under section 16 of this 2021 Act;

29 “(d) The number of cannabis equity licenses issued under section
30 16 of this 2021 Act;

1 “(e) The average time in which the commission approves or rejects
2 an application for a cannabis equity license under section 16 of this
3 2021 Act;

4 “(f) The average time in which the commission approves or rejects
5 an application for licenses issued under ORS 475B.070, 475B.090,
6 475B.100 and 475B.105 and sections 22, 27, 32 and 34 of this 2021 Act;

7 “(g) The number and types of disciplinary actions imposed on
8 licensees and, detailed by license type, the number of licenses revoked
9 by the commission; and

10 “(h) Any other information required by the board by rule.

11 “(2)(a) The board may adopt rules to carry out this section.

12 “(b) The commission, with the advice of the equity liaison of the
13 commission, may adopt rules to carry out this section.

14 “SECTION 5. (1) The equity liaison of the Oregon Health Authority
15 shall report quarterly to the Equity Investment and Accountability
16 Board and the Equity Investment and Accountability Office on the
17 following:

18 “(a) Demographics for registry identification cardholders, as defined
19 in ORS 475B.791;

20 “(b) Demographics for all individuals who hold registrations issued
21 under ORS 475B.810, 475B.840 and 475B.858;

22 “(c) Information regarding services that are funded, directly or in-
23 directly, by the authority and that provide educational, mental health
24 or drug abuse and addiction support to individuals who are American
25 Indian, Alaska Native, Black, Hispanic or Latinx; and

26 “(d) Any other information required by the board by rule.

27 “(2)(a) The board may adopt rules to carry out this section.

28 “(b) The authority, with the advice of the equity liaison of the au-
29 thority, may adopt rules to carry out this section.

30 “SECTION 6. (1) The Equity Investment and Accountability Board,

1 in partnership with the Equity Investment and Accountability Office,
2 may, with the approval of the Governor, appoint any directors, depu-
3 ties, assistants, investigators or other employees as the board deter-
4 mines necessary to carry out the duties of the board and the office.

5 “(2) In appointing and employing or contracting with individuals
6 under this section, the board may not exceed the limit on adminis-
7 trative costs established by the board.

8 “(3) The Department of Justice shall provide any legal services re-
9 quested by the board or the office to assist the board and the office in
10 carrying out the duties of the board and the office.

11 **“SECTION 7. (1) The Equity Investment and Accountability Board,**
12 **in partnership with the Equity Investment and Accountability Office**
13 **shall allocate moneys from the Cannabis Equity Fund established un-**
14 **der section 9 of this 2021 Act:**

15 “(a) To culturally competent community programs and partners
16 that support landownership, homeownership and income building
17 through jobs, education, high-quality child care and entrepreneurship
18 with priority placed on supporting individuals who are American In-
19 dian, Alaska Native, Black, Hispanic or Latinx.

20 “(b) To courts, the Department of State Police, the Judicial De-
21 partment and the office of public defense services, as defined in ORS
22 151.211, to cover costs incurred under ORS 475B.401.

23 “(c) To programs that support cannabis businesses owned by indi-
24 viduals who are American Indian, Alaska Native, Black, Hispanic or
25 Latinx with a variety of funding options and technical assistance and
26 that prioritize funding for holders of licenses issued under section 16
27 of this 2021 Act to address funding gaps for individuals who are
28 American Indian, Alaska Native, Black, Hispanic or Latinx. A program
29 must be culturally competent and demonstrate past success in assist-
30 ing individuals who are American Indian, Alaska Native, Black,

1 **Hispanic or Latinx with funding the launching and scaling of busi-**
2 **nesses.**

3 **“(d) For funding equity liaison positions within the Oregon Health**
4 **Authority and the Oregon Liquor Control Commission to measure and**
5 **report on issues related to equity at the authority and the commission.**

6 **“(e) For other purposes as the board and the office determine ap-**
7 **propriate.**

8 **“(2) The board and the office may:**

9 **“(a) Specify the manner in which a recipient of moneys from the**
10 **fund spends the moneys;**

11 **“(b) Require a recipient of moneys from the fund to report to the**
12 **board on data regarding the moneys as determined by the board; and**

13 **“(c) Review and revise the manner in which moneys transferred**
14 **from the fund to the authority are spent.**

15 **“(3) The board may adopt rules to carry out this section.**

16 **“SECTION 8. (1) The Equity Investment and Accountability Board**
17 **may, with the approval of the Governor, investigate:**

18 **“(a) A failure to report to the board under section 4 or 5 of this 2021**
19 **Act;**

20 **“(b) Misuse of moneys from the Cannabis Equity Fund by a recipi-**
21 **ent of the moneys; and**

22 **“(c) Complaints regarding the issuance of equity licenses under**
23 **section 16 of this 2021 Act.**

24 **“(2) The board, in partnership with the Equity Investment and Ac-**
25 **countability Office, may contract with a third party to carry out an**
26 **investigation described in subsection (1) of this section.**

27 **“(3) In the manner prescribed in ORS chapter 183 for contested**
28 **cases, the board may impose a form of discipline approved by the**
29 **Governor, including but not limited to revoking the transfer of moneys**
30 **from the fund.**

1 **“SECTION 9. The Cannabis Equity Fund is established separate and**
2 **distinct from the General Fund. Interest earned by the Cannabis Eq-**
3 **uity Fund shall be credited to the fund. The Cannabis Equity Fund**
4 **consists of moneys deposited into the fund under ORS 137.300 and**
5 **475B.760 and may include moneys appropriated, allocated, deposited or**
6 **transferred to the fund by the Legislative Assembly or otherwise and**
7 **interest earned on the moneys in the fund. The moneys in the fund**
8 **are continuously appropriated to the Equity Investment and Account-**
9 **ability Board and the Equity Investment and Accountability Office for:**

10 **“(1) Providing operating funds to the board and the office, including**
11 **the payment of compensation to staff of the office, not to exceed 10**
12 **percent of the moneys in the fund on July 1 of each year; and**

13 **“(2) The purposes described in section 7 of this 2021 Act.**

14 **“SECTION 10. (1) The Oregon Liquor Control Commission shall re-**
15 **quire that commission directors and staff who are involved with the**
16 **commission’s regulation of marijuana complete equity training at**
17 **least once every six months.**

18 **“(2) The commission, with the advice of the equity liaison of the**
19 **commission and in consultation with the Equity Investment and Ac-**
20 **countability Board and the Equity Investment and Accountability Of-**
21 **fice, shall adopt rules to carry out this section.**

22 **“SECTION 10a. (1) The Oregon Health Authority shall require that**
23 **authority directors and staff who are involved with the authority’s**
24 **regulation of marijuana complete equity training at least once every**
25 **six months.**

26 **“(2) The authority, with the advice of the equity liaison of the au-**
27 **thority and in consultation with the Equity Investment and Account-**
28 **ability Board and the Equity Investment and Accountability Office,**
29 **shall adopt rules to carry out this section.**

30 **“SECTION 11. ORS 475B.040 is amended to read:**

1 “475B.040. (1) An applicant for a license or renewal of a license issued
2 under ORS 475B.010 to 475B.545 shall apply to the Oregon Liquor Control
3 Commission in the form required by the commission by rule, showing the
4 name and address of the applicant, location of the premises that is to be
5 operated under the license and other pertinent information required by the
6 commission. The commission may not issue or renew a license until the ap-
7 plicant has complied with the provisions of ORS 475B.010 to 475B.545 and
8 rules adopted under ORS 475B.010 to 475B.545.

9 “(2)(a) **An applicant for a license or renewal of a license issued un-**
10 **der ORS 475B.010 to 475B.545 shall submit with the application a social**
11 **equity plan that meets the requirements established by the commis-**
12 **sion, in consultation with the equity liaison of the commission, by**
13 **rule.**

14 “(b) **In adopting rules under this subsection, the commission shall**
15 **adopt by reference rules adopted by the Equity Investment and Ac-**
16 **countability Board establishing guidelines for social equity plans.**

17 “[2)] (3) The commission may reject any application that is not submitted
18 in the form required by the commission by rule. The commission shall give
19 applicants an opportunity to be heard if an application is rejected. A hearing
20 under this subsection is not subject to the requirements for contested case
21 proceedings under ORS chapter 183.

22 “[3)] (4) Except as provided in subsection [(2)] (3) of this section, a re-
23 vocation of, or a refusal to issue or renew, a license issued under ORS
24 475B.010 to 475B.545 is subject to the requirements for contested case pro-
25 ceedings under ORS chapter 183.

26 “**SECTION 12. (1) Notwithstanding the term of office specified in**
27 **section 1 of this 2021 Act, of the members first appointed to the Equity**
28 **Investment and Accountability Board:**

29 “(a) **Three shall serve for a term ending on December 31, 2022.**

30 “(b) **Three shall serve for a term ending on December 31, 2023.**

1 “(c) Three shall serve for a term ending on December 31, 2024.

2 “(d) Four shall serve for a term ending on December 31, 2025.

3 “(2) The members described in subsection (1) of this section shall
4 be appointed by the Governor from among applicants for the mem-
5 bership positions.

6 “SECTION 13. (1)(a) Not later than August 21, 2022, the Oregon
7 Health Authority shall determine:

8 “(A) Demographics for registry identification cardholders, as de-
9 fined in ORS 475B.791;

10 “(B) Demographics for all individuals who hold registrations issued
11 under ORS 475B.810, 475B.840 and 475B.858; and

12 “(C) Information regarding services that are funded, directly or in-
13 directly, by the authority and that provide educational, mental health
14 or drug abuse and addiction support to individuals who are American
15 Indian, Alaska Native, Black, Hispanic or Latinx.

16 “(b) Not later than August 31, 2022, the authority shall submit to
17 the Equity Investment and Accountability Board and the Equity In-
18 vestment and Accountability Office the information described in this
19 subsection.

20 “(2)(a) Not later than August 21, 2022, the Oregon Liquor Control
21 Commission shall determine:

22 “(A) Demographics for all licensees, as defined in ORS 475B.015;

23 “(B) Demographics for all applicants for licenses issued under ORS
24 475B.070, 475B.090, 475B.100 and 475B.105; and

25 “(C) The average time in which the commission approves or rejects
26 an application for licenses issued under ORS 475B.070, 475B.090,
27 475B.100 and 475B.105.

28 “(b) Not later than August 31, 2022, the commission shall submit to
29 the board the information described in this subsection.

30 “SECTION 13a. (1) The Oregon Health Authority shall dedicate at

1 least two full-time employees to taking any actions before the opera-
2 tive date specified in section 14 of this 2021 Act that is necessary to
3 enable the authority to exercise the duties, functions and powers
4 conferred on the authority by sections 1 to 10 and 13 of this 2021 Act.

5 “(2) The Oregon Liquor Control Commission shall dedicate at least
6 two full-time employees to taking any actions before the operative
7 date specified in section 14 of this 2021 Act that is necessary to enable
8 the commission to exercise the duties, functions and powers conferred
9 on the commission by sections 1 to 10 and 13 of this 2021 Act.

10 “SECTION 13b. Sections 13 and 13a of this 2021 Act are repealed on
11 September 1, 2022.

12 “SECTION 13c. Each year until January 1, 2032, the greater of
13 \$5,000,000 or 25 percent of the funds allocated under section 7 (1)(a) and
14 (c) of this 2021 Act must be used by the recipients of the funds for the
15 support of cannabis businesses licensed to individuals who meet the
16 requirements of section 16 of this 2021 Act.

17 “SECTION 14. (1) Sections 1 to 10 of this 2021 Act and the amend-
18 ments to ORS 475B.040 by section 11 of this 2021 Act become operative
19 on August 22, 2022.

20 “(2) The Governor, the Oregon Health Authority and the Oregon
21 Liquor Control Commission may take any action before the operative
22 date specified in subsection (1) of this section that is necessary to en-
23 able the Governor, the authority and the commission to exercise, on
24 and after the operative date specified in subsection (1) of this section,
25 all of the duties, functions and powers conferred on the Governor, the
26 authority and the commission by sections 1 to 10 of this 2021 Act and
27 the amendments to ORS 475B.040 by section 11 of this 2021 Act.”.

28 On page 7, delete lines 1 through 11.

29 Delete lines 17 through 45 and insert:

30 “SECTION 16. (1) The Oregon Liquor Control Commission shall is-

1 sue an equity license to an applicant who:

2 “(a) Applies for issuance or renewal of a license under ORS 475B.070,
3 475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act
4 or is a licensee;

5 “(b) Can demonstrate that the entity on behalf of which the appli-
6 cant applies is at least 51 percent owned by one or more individuals
7 who:

8 “(A) Have been convicted of a marijuana-related crime in any state,
9 each have a household income that does not exceed the area median
10 income for the individual’s county of residence, as adjusted for
11 household size as determined by the Oregon Housing Stability Council
12 based on information from the United States Department of Housing
13 and Urban Development, and who are residents of this state; or

14 “(B) Are American Indian, Alaska Native, Black, Hispanic or
15 Latinx, or are members of another minority group that, through em-
16 pirical evidence that is subject to review by the Equity Investment and
17 Accountability Board and the Equity Investment and Accountability
18 Office, shows historically disproportionate community impact, dis-
19 ruption and collateral consequences from enforcement of drug-related
20 laws at a similar level to the adverse effects experienced by members
21 of the American Indian, Alaska Native, Black, Hispanic or Latinx
22 communities; and

23 “(c)(A) If the applicant is an individual who is Black, Hispanic or
24 Latinx, submits a declaration under penalty of perjury that the infor-
25 mation contained in the application is true and accurate.

26 “(B) If the applicant is an individual who is American Indian or
27 Alaska Native, provides verifiable documentation of enrollment in a
28 state or federally recognized tribe or that the individual is a descend-
29 ant of a parent or grandparent enrolled in a state or federally recog-
30 nized tribe.

1 “(2) The commission shall begin processing an application for a li-
2 cense under this section not more than 30 days after the date on which
3 the application was submitted.

4 “(3) The commission shall issue a provisional license under this
5 section to an applicant who meets the requirements of subsection (1)
6 of this section prior to the applicant obtaining a land use compatibility
7 statement under ORS 475B.063. A provisional license may not be re-
8 newed.

9 “(4) An application for an equity license under this section is not
10 subject to any rules of the commission that require the applicant to
11 complete an application process within a specified timeframe.

12 “(5) The commission may suspend or revoke a license issued under
13 this section if the commission determines that the licensee does not
14 meet the requirements of subsection (1)(b) of this section or submitted
15 a false declaration under subsection (1)(c) of this section.

16 “(6)(a) Except as provided in paragraph (b) of this subsection, the
17 holder of an equity license may transfer not more than 49 percent of
18 the ownership of the licensed entity until the date established by the
19 commission, the board and the office pursuant to section 16a of this
20 2021 Act.

21 “(b) The holder of an equity license may transfer more than 49
22 percent ownership to another individual who meets the requirements
23 of subsection (1) of this section, subject to rules adopted by the com-
24 mission.

25 “(c) The commission, in consultation with the board and the office,
26 shall adopt rules to define ownership for purposes of this section. The
27 rules adopted under this paragraph must ensure that an individual li-
28 censed under this section has the right to own, control and financially
29 benefit from the entity licensed under ORS 475B.070, 475B.090, 475B.100
30 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act through reason-

1 able voting rights or net profits.

2 “(7) The commission may not charge the holder of an equity license
3 who applies for a license or renewal of a license under ORS 475B.070,
4 475B.090, 475B.100 or 475B.105 or section 22, 27, 32 or 34 of this 2021 Act
5 a fee in an amount greater than 40 percent of the fee otherwise es-
6 tablished for issuance or renewal of that license.

7 “(8) The commission, with the advice of the equity liaison of the
8 commission, may adopt rules to carry out this section.

9 “SECTION 16a. (1) Subject to subsection (2) of this section, the date
10 on which the holder of a license issued under section 16 of this 2021
11 Act may transfer more than 49 percent ownership of the licensed en-
12 tity is January 1, 2028.

13 “(2) Not later than December 31, 2027, the Oregon Liquor Control
14 Commission, jointly with the Equity Investment and Accountability
15 Board and Equity Investment and Accountability Office, shall review
16 the issuance of licenses under section 16 of this 2021 Act and, based
17 on the review, may provide by rule of the commission that the holder
18 of a license issued under section 16 of this 2021 Act may transfer not
19 more than 49 percent ownership of the licensed entity until January
20 1, 2032.”.

21 On page 8, delete lines 1 through 9.

22 In line 18, delete “Cannabis Equity Board” and insert “Equity Investment
23 and Accountability Board, in partnership with the Equity Investment and
24 Accountability Office,”.

25 In line 33, delete “August 22” and insert “March 1”.

26 Delete lines 44 and 45 and delete pages 9 through 11 and insert:

27 “SECTION 22. (1) The consumption and sale of marijuana items at
28 a cannabis on-premises consumption site is subject to regulation by
29 the Oregon Liquor Control Commission.

30 “(2)(a) An applicant for a cannabis on-premises consumption license

1 **under this section must:**

2 **“(A) Apply for the license in the manner described in ORS 475B.040;**

3 **“(B) Provide proof that the applicant is 21 years of age or older; and**

4 **“(C) Meet the requirements of section 16 (1)(b) of this 2021 Act.**

5 **“(b) The premises at which an applicant intends to operate a**
6 **cannabis on-premises consumption site may not be located:**

7 **“(A) In an area that is zoned exclusively for residential use; or**

8 **“(B) Within 1,000 feet of:**

9 **“(i) A public elementary or secondary school for which attendance**
10 **is compulsory under ORS 339.020; or**

11 **“(ii) A private or parochial elementary or secondary school, teach-**
12 **ing children as described in ORS 339.030 (1)(a).**

13 **“(c) An applicant for a cannabis on-premises consumption license**
14 **under this section and the premises at which the cannabis on-premises**
15 **consumption site is to be located must meet the requirements of any**
16 **rule adopted by the commission under subsection (3) of this section.**

17 **“(3) The commission shall adopt rules that:**

18 **“(a) Require a person that holds a license issued under this section**
19 **to renew the license annually;**

20 **“(b) Establish application, licensure and renewal of licensure fees**
21 **for a license issued under this section;**

22 **“(c) Allow the colocation of a cannabis on-premises consumption**
23 **site operated by a person that holds a license under this section and:**

24 **“(A) A marijuana retailer that holds a license under ORS 475B.105**
25 **at a single premises, as long as the cannabis on-premises consumption**
26 **site and the marijuana retailer occupy different areas of the premises;**
27 **or**

28 **“(B) A marijuana producer that holds a license issued under ORS**
29 **475B.070 at a single premises, as long as the cannabis on-premises**
30 **consumption site and the marijuana producer occupy different areas**

1 of the premises;

2 “(d) Allow the sale and consumption of nonalcoholic beverages and
3 food items that do not contain cannabinoids at a premises for which
4 a license has been issued under this section;

5 “(e) Allow a person that holds a license issued under this section
6 to sell to consumers marijuana items for consumption off the licensed
7 premises or consumption on the licensed premises as allowed by this
8 subsection;

9 “(f) Allow consumers to bring into a cannabis on-premises con-
10 sumption site marijuana items purchased from a colocated marijuana
11 retailer or another marijuana retailer;

12 “(g) Allow outdoors, in designated areas of a premises for which a
13 license has been issued under this section and that are not visible to
14 the public without assistance, the consumption of marijuana items
15 intended to be smoked, aerosolized or vaporized and the use of topical
16 cannabinoid products;

17 “(h) Prohibit the consumption of cannabinoid edibles at a premises
18 for which a license has been issued under this section;

19 “(i) Prohibit the consumption and sale of alcoholic beverages on a
20 premises for which a license has been issued under this section; and

21 “(j) Require a person that holds a license issued under this section
22 to obtain a cannabis on-premises consumption site sanitation certifi-
23 cate under subsection (4) of this section.

24 “(4)(a) The Oregon Health Authority shall adopt rules related to the
25 sanitation of a cannabis on-premises consumption site as are reason-
26 ably necessary to protect the public health of individuals using the
27 cannabis on-premises consumption site.

28 “(b) The rules adopted under this subsection shall include:

29 “(A) The establishment of a cannabis on-premises consumption site
30 sanitation certificate program;

1 **“(B) The establishment of a fee schedule for the certificate pro-**
2 **gram;**

3 **“(C) Inspection criteria;**

4 **“(D) Grounds to suspend, revoke or refuse to issue or renew a cer-**
5 **tificate under this subsection; and**

6 **“(E) Other rules necessary to carry out the provisions of this sub-**
7 **section.**

8 **“(c) The authority shall inspect a cannabis on-premises consump-**
9 **tion site once every six months to ensure compliance with rules**
10 **adopted under this subsection.**

11 **“(d) Fees adopted under this subsection may not exceed the cost of**
12 **administering this subsection and shall be deposited into the Public**
13 **Health Account established under ORS 431.210.**

14 **“(5) The commission shall consult the authority in the adoption of**
15 **rules to allow the colocation of a cannabis on-premises consumption**
16 **site and a marijuana grow site registered under ORS 475B.810, includ-**
17 **ing rules establishing marijuana plant limits for a marijuana grow site**
18 **described in this subsection.**

19 **“(6)(a) The commission may issue a cannabis on-premises con-**
20 **sumption license to a marijuana retailer that holds a license issued**
21 **under ORS 475B.105 and qualifies for a license issued under section 16**
22 **of this 2021 Act if the marijuana retailer:**

23 **“(A) Applies for a cannabis on-premises consumption license under**
24 **this section;**

25 **“(B) Meets the requirements for licensure under subsection (2) of**
26 **this section; and**

27 **“(C) Meets any requirements established by rules adopted by the**
28 **commission under paragraph (d) of this subsection.**

29 **“(b) The premises for which the license is issued under this sub-**
30 **section must be the premises for which the marijuana retailer holds**

1 a license issued under ORS 475B.105.

2 “(c) A marijuana retailer described in paragraph (a) of this sub-
3 section may not be required to renew the cannabis on-premises con-
4 sumption license issued under this subsection or pay the fees described
5 in subsection (3)(b) of this section.

6 “(d) The commission may adopt rules to carry out this subsection.

7 “(7) Fees adopted under subsection (3)(b) of this section:

8 “(a) May not exceed, together with other fees collected under ORS
9 475B.010 to 475B.545, the cost of administering ORS 475B.010 to
10 475B.545; and

11 “(b) Shall be deposited into the Marijuana Control and Regulation
12 Fund established under ORS 475B.296.

13 “SECTION 22a. Section 22 of this 2021 Act is amended to read:

14 “**Sec. 22.** (1) The consumption and sale of marijuana items at a cannabis
15 on-premises consumption site is subject to regulation by the Oregon Liquor
16 Control Commission.

17 “(2)(a) An applicant for a cannabis on-premises consumption license under
18 this section must:

19 “(A) Apply for the license in the manner described in ORS 475B.040; **and**

20 “(B) Provide proof that the applicant is 21 years of age or older; *and*]

21 “[*(C) Meet the requirements of section 16 (1)(b) of this 2021 Act*].

22 “(b) The premises at which an applicant intends to operate a cannabis
23 on-premises consumption site may not be located:

24 “(A) In an area that is zoned exclusively for residential use; or

25 “(B) Within 1,000 feet of:

26 “(i) A public elementary or secondary school for which attendance is
27 compulsory under ORS 339.020; or

28 “(ii) A private or parochial elementary or secondary school, teaching
29 children as described in ORS 339.030 (1)(a).

30 “(c) An applicant for a cannabis on-premises consumption license under

1 this section and the premises at which the cannabis on-premises consumption
2 site is to be located must meet the requirements of any rule adopted by the
3 commission under subsection (3) of this section.

4 “(3) The commission shall adopt rules that:

5 “(a) Require a person that holds a license issued under this section to
6 renew the license annually;

7 “(b) Establish application, licensure and renewal of licensure fees for a
8 license issued under this section;

9 “(c) Allow the colocation of a cannabis on-premises consumption site op-
10 erated by a person that holds a license under this section and:

11 “(A) A marijuana retailer that holds a license under ORS 475B.105 at a
12 single premises, as long as the cannabis on-premises consumption site and
13 the marijuana retailer occupy different areas of the premises; or

14 “(B) A marijuana producer that holds a license issued under ORS 475B.070
15 at a single premises, as long as the cannabis on-premises consumption site
16 and the marijuana producer occupy different areas of the premises;

17 “(d) Allow the sale and consumption of nonalcoholic beverages and food
18 items that do not contain cannabinoids at a premises for which a license has
19 been issued under this section;

20 “(e) Allow a person that holds a license issued under this section to sell
21 to consumers marijuana items for consumption off the licensed premises or
22 consumption on the licensed premises as allowed by this subsection;

23 “(f) Allow consumers to bring into a cannabis on-premises consumption
24 site marijuana items purchased from a colocated marijuana retailer or an-
25 other marijuana retailer;

26 “(g) Allow outdoors, in designated areas of a premises for which a license
27 has been issued under this section and that are not visible to the public
28 without assistance, the consumption of marijuana items intended to be
29 smoked, aerosolized or vaporized and the use of topical cannabinoid products;

30 “(h) Prohibit the consumption of cannabinoid edibles at a premises for

1 which a license has been issued under this section;

2 “(i) Prohibit the consumption and sale of alcoholic beverages on a prem-
3 ises for which a license has been issued under this section; and

4 “(j) Require a person that holds a license issued under this section to
5 obtain a cannabis on-premises consumption site sanitation certificate under
6 subsection (4) of this section.

7 “(4)(a) The Oregon Health Authority shall adopt rules related to the
8 sanitation of a cannabis on-premises consumption site as are reasonably
9 necessary to protect the public health of individuals using the cannabis on-
10 premises consumption site.

11 “(b) The rules adopted under this subsection shall include:

12 “(A) The establishment of a cannabis on-premises consumption site sani-
13 tation certificate program;

14 “(B) The establishment of a fee schedule for the certificate program;

15 “(C) Inspection criteria;

16 “(D) Grounds to suspend, revoke or refuse to issue or renew a certificate
17 under this subsection; and

18 “(E) Other rules necessary to carry out the provisions of this subsection.

19 “(c) The authority shall inspect a cannabis on-premises consumption site
20 once every six months to ensure compliance with rules adopted under this
21 subsection.

22 “(d) Fees adopted under this subsection may not exceed the cost of ad-
23 ministering this subsection and shall be deposited into the Public Health
24 Account established under ORS 431.210.

25 “(5) The commission shall consult the authority in the adoption of rules
26 to allow the colocation of a cannabis on-premises consumption site and a
27 marijuana grow site registered under ORS 475B.810, including rules estab-
28 lishing marijuana plant limits for a marijuana grow site described in this
29 subsection.

30 “[6)(a) *The commission may issue a cannabis on-premises consumption li-*

1 *cense to a marijuana retailer that holds a license issued under ORS 475B.105*
2 *and qualifies for a license issued under section 16 of this 2021 Act if the*
3 *marijuana retailer:]*

4 *“(A) Applies for a cannabis on-premises consumption license under this*
5 *section;]*

6 *“(B) Meets the requirements for licensure under subsection (2) of this sec-*
7 *tion; and]*

8 *“(C) Meets any requirements established by rules adopted by the commis-*
9 *sion under paragraph (d) of this subsection.]*

10 *“(b) The premises for which the license is issued under this subsection*
11 *must be the premises for which the marijuana retailer holds a license issued*
12 *under ORS 475B.105.]*

13 *“(c) A marijuana retailer described in paragraph (a) of this subsection*
14 *may not be required to renew the cannabis on-premises consumption license*
15 *issued under this subsection or pay the fees described in subsection (3)(b) of*
16 *this section.]*

17 *“(d) The commission may adopt rules to carry out this subsection.]*

18 *“(7) (6) Fees adopted under subsection (3)(b) of this section:*

19 *“(a) May not exceed, together with other fees collected under ORS*
20 *475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and*

21 *“(b) Shall be deposited into the Marijuana Control and Regulation Fund*
22 *established under ORS 475B.296.*

23 **“SECTION 22b. The Oregon Liquor Control Commission may issue**
24 **a license under section 22 of this 2021 Act, as amended by section 22a**
25 **of this 2021 Act, on the date established under section 16a of this 2021**
26 **Act.”.**

27 On page 12, delete lines 1 through 16.

28 In line 33, delete “2032” and insert “2028”.

29 Delete lines 43 through 45 and delete pages 13 and 14 and insert:

30 **“SECTION 26. Sections 27 to 27b of this 2021 Act are added to and**

1 made a part of ORS 475B.010 to 475B.545.

2 **“SECTION 27. (1) The Oregon Liquor Control Commission shall is-**
3 **sue a cannabis delivery license to an applicant who:**

4 **“(a) Applies for the license in the manner described in ORS**
5 **475B.040;**

6 **“(b) Provides proof that the applicant is 21 years of age or older;**

7 **“(c)(A) Meets the requirements of section 16 (1)(b) of this 2021 Act;**
8 **or**

9 **“(B) Is a marijuana retailer licensed under ORS 475B.105 authorized**
10 **by the commission to make deliveries of marijuana items and, as**
11 **demonstrated by information recorded in the system described in ORS**
12 **475B.177, makes at least 60 percent of the marijuana retailer’s sales**
13 **transactions as delivery transactions;**

14 **“(d) If the applicant is not a marijuana retailer licensed under ORS**
15 **475B.105, demonstrates to the commission that the applicant has legal**
16 **access to a premises at which the applicant may store the applicant’s**
17 **inventory of marijuana items prior to delivery; and**

18 **“(e) Meets any other requirements established by the commission**
19 **by rule.**

20 **“(2) The commission shall begin processing an application for a li-**
21 **cence under this section not more than 30 days after the date on which**
22 **the application was submitted.**

23 **“(3)(a) The delivery of marijuana items under this section may be**
24 **made in an area subject to the jurisdiction of a city or county that**
25 **has adopted an ordinance under ORS 475B.968 allowing for the estab-**
26 **lishment of marijuana retailers that hold a license issued under ORS**
27 **475B.105.**

28 **“(b) The holder of a cannabis delivery license issued under this**
29 **section may deliver marijuana items to a residence or a hotel, inn or**
30 **other dwelling unit that is made available for short-term or transient**

1 occupancy.

2 “(c) A delivery may not be made to a dormitory or similar residence
3 that is located on the campus of a private or public institution of
4 higher education.

5 “(d) If the holder of a cannabis delivery license is a marijuana
6 retailer licensed under ORS 475B.105, the cannabis delivery license
7 holder may deliver marijuana items that are part of the marijuana
8 retailer’s own inventory or part of the inventory of another marijuana
9 retailer licensed under ORS 475B.105.

10 “(e) If the holder of a cannabis delivery license is not a marijuana
11 retailer licensed under ORS 475B.105, the cannabis delivery license
12 holder may sell and deliver marijuana items that are part of the in-
13 ventory of any marijuana retailer licensed under ORS 475B.105 or part
14 of the delivery license holder’s own inventory.

15 “(4) The holder of a cannabis delivery license issued under this
16 section that qualified for licensure under subsection (1)(c)(B) of this
17 section may not transfer more than 49 percent ownership of the li-
18 censed entity to an entity that does not qualify for a license under
19 section 16 of this 2021 Act.

20 “(5)(a) The commission shall adopt rules that:

21 “(A) Require a person that holds a license issued under this section
22 to renew the license annually; and

23 “(B) Establish application, licensure and renewal of licensure fees
24 for a license issued under this section.

25 “(b) The commission may adopt other rules as necessary to carry
26 out this section.

27 “(6) In adopting rules under this section, the commission shall
28 consult the equity liaison of the commission.

29 “(7) Fees adopted under subsection (5)(a)(B) of this section:

30 “(a) May not exceed, together with other fees collected under ORS

1 475B.010 to 475B.545, the cost of administering ORS 475B.010 to
2 475B.545; and

3 “(b) Shall be deposited into the Marijuana Control and Regulation
4 Fund established under ORS 475B.296.

5 “SECTION 27a. (1) A person that holds a delivery license under
6 section 27 of this 2021 Act may, for the purpose of making deliveries
7 under section 27 of this 2021 Act, receive marijuana items from:

8 “(a) A marijuana producer that holds a license issued under ORS
9 475B.070;

10 “(b) A marijuana processor that holds a license issued under ORS
11 475B.090;

12 “(c) A marijuana wholesaler that holds a license issued under ORS
13 475B.100;

14 “(d) A marijuana retailer that holds a license issued under ORS
15 475B.105;

16 “(e) A shared processor that holds a license issued under section 32
17 of this 2021 Act; or

18 “(f) A person that holds a shared processing facility license issued
19 under section 34 of this 2021.

20 “(2) Marijuana items received under subsection (1) of this section
21 may be received at a premises described in section 27 (1) of this 2021
22 Act or at a premises for which a license has been issued under ORS
23 475B.090, 475B.100 or 475B.105 or section 32 or 34 of this 2021 Act.

24 “(3) A person that holds a delivery license under section 27 of this
25 2021 Act may, for the purpose of making deliveries under section 27
26 of this 2021 Act, store at the premises described in section 27 (1) of this
27 2021 Act marijuana items received from a person described in sub-
28 section (1) of this section.

29 “(4) Marijuana items received and stored under this section shall
30 be considered the inventory of the person that holds the delivery li-

1 cense under section 27 of this 2021 Act.

2 “(5) The Oregon Liquor Control Commission may adopt rules to
3 carry out this section.

4 “SECTION 27b. (1)(a) For purposes of ORS 475B.491, a marijuana
5 item delivered under section 27 of this 2021 Act is sold at the premises
6 for which a license has been issued under section 27 of this 2021 Act.

7 “(b) For purposes of ORS 475B.705, the point of sale of a marijuana
8 item delivered under section 27 of this 2021 Act is the premises for
9 which a license has been issued under section 27 of this 2021 Act.

10 “(2) A city or county may impose a tax under ORS 475B.491 on the
11 sale of marijuana items delivered under section 27 of this 2021 Act only
12 if the delivery originates at a premises that is licensed under section
13 27 of this 2021 Act and located within the area subject to the jurisdic-
14 tion of the city or the unincorporated area subject to the jurisdiction
15 of the county.

16 “SECTION 28. Section 27 of this 2021 Act is amended to read:

17 “**Sec. 27.** (1) The Oregon Liquor Control Commission shall issue a
18 cannabis delivery license to an applicant who:

19 “(a) Applies for the license in the manner described in ORS 475B.040;

20 “(b) Provides proof that the applicant is 21 years of age or older;

21 “[*(c)(A) Meets the requirements of section 16 (1)(b) of this 2021 Act; or*]

22 “[*(B) Is a marijuana retailer licensed under ORS 475B.105 authorized by*
23 *the commission to make deliveries of marijuana items and, as demonstrated*
24 *by information recorded in the system described in ORS 475B.177, makes at*
25 *least 60 percent of the marijuana retailer’s sales transactions as delivery*
26 *transactions;*]

27 “[*(d)*] (c) If the applicant is not a marijuana retailer licensed under ORS
28 475B.105, demonstrates to the commission that the applicant has legal access
29 to a premises at which the applicant may store the applicant’s inventory of
30 marijuana items prior to delivery; and

1 “[(e)] **(d)** Meets any other requirements established by the commission by
2 rule.

3 “[(2) *The commission shall begin processing an application for a license*
4 *under this section not more than 30 days after the date on which the applica-*
5 *tion was submitted.*]

6 “[(3)(a)] **(2)(a)** The delivery of marijuana items under this section may be
7 made in an area subject to the jurisdiction of a city or county that has
8 adopted an ordinance under ORS 475B.968 allowing for the establishment of
9 marijuana retailers that hold a license issued under ORS 475B.105.

10 “(b) The holder of a cannabis delivery license issued under this section
11 may deliver marijuana items to a residence or a hotel, inn or other dwelling
12 unit that is made available for short-term or transient occupancy.

13 “(c) A delivery may not be made to a dormitory or similar residence that
14 is located on the campus of a private or public institution of higher educa-
15 tion.

16 “(d) If the holder of a cannabis delivery license is a marijuana retailer
17 licensed under ORS 475B.105, the cannabis delivery license holder may de-
18 liver marijuana items that are part of the marijuana retailer’s own inventory
19 or part of the inventory of another marijuana retailer licensed under ORS
20 475B.105.

21 “(e) If the holder of a cannabis delivery license is not a marijuana retailer
22 licensed under ORS 475B.105, the cannabis delivery license holder may sell
23 and deliver marijuana items that are part of the inventory of any marijuana
24 retailer licensed under ORS 475B.105 or part of the delivery license holder’s
25 own inventory.

26 “[(4) *The holder of a cannabis delivery license issued under this section*
27 *that qualified for licensure under subsection (1)(c)(B) of this section may not*
28 *transfer more than 49 percent ownership of the licensed entity to an entity that*
29 *does not qualify for a license under section 16 of this 2021 Act.*]

30 “[(5)(a)] **(3)(a)** The commission shall adopt rules that:

1 “(A) Require a person that holds a license issued under this section to
2 renew the license annually; and

3 “(B) Establish application, licensure and renewal of licensure fees for a
4 license issued under this section.

5 “(b) The commission may adopt other rules as necessary to carry out this
6 section.

7 “[6] (4) In adopting rules under this section, the commission shall con-
8 sult the equity liaison of the commission.

9 “[7] (5) Fees adopted under subsection [(5)(a)(B)] (3)(a)(B) of this sec-
10 tion:

11 “(a) May not exceed, together with other fees collected under ORS
12 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

13 “(b) Shall be deposited into the Marijuana Control and Regulation Fund
14 established under ORS 475B.296.

15 **“SECTION 28a. The Oregon Liquor Control Commission may issue**
16 **a license under section 27 of this 2021 Act, as amended by section 28**
17 **of this 2021 Act, on the date established under section 16a of this 2021**
18 **Act.**

19 **“SECTION 29. ORS 475B.206 is amended to read:**

20 “475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and**
21 **section 27a of this 2021 Act**, [*a marijuana producer that holds a license is-*
22 *sued under ORS 475B.070, marijuana processor that holds a license issued*
23 *under ORS 475B.090 or marijuana wholesaler that holds a license issued un-*
24 *der ORS 475B.100] **the following licensees** may deliver marijuana items
25 only to or on a premises for which a license has been issued under ORS
26 475B.070, 475B.090, 475B.100 or 475B.105 **or section 22, 32 or 34 of this 2021**
27 **Act**, or to a registry identification cardholder or designated primary
28 caregiver as allowed under ORS 475B.010 to 475B.545[.]:*

29 **“(a) A marijuana producer that holds a license issued under ORS**
30 **475B.070;**

1 **“(b) A marijuana processor that holds a license issued under ORS**
2 **475B.090;**

3 **“(c) A marijuana wholesaler that holds a license issued under ORS**
4 **475B.100;**

5 **“(d) A person that holds a cannabis on-premises consumption li-**
6 **cence issued under section 22 of this 2021 Act;**

7 **“(e) A shared processor that holds a license issued under section 32**
8 **of this 2021 Act; or**

9 **“(f) A person that holds a shared processing facility license issued**
10 **under section 34 of this 2021 Act.**

11 “(2) A licensee to which marijuana items may be delivered under sub-
12 section (1) of this section may receive marijuana items only from:

13 “(a)(A) A marijuana producer that holds a license issued under ORS
14 475B.070[.];

15 **“(B) A marijuana processor that holds a license issued under ORS**
16 **475B.090[.];**

17 **“(C) A marijuana wholesaler that holds a license issued under ORS**
18 **475B.100[.];**

19 **“(D) A marijuana retailer that holds a license issued under ORS 475B.105**
20 **[or];**

21 **“(E) A laboratory licensed under ORS 475B.560;**

22 **“(F) A person that holds a cannabis on-premises consumption li-**
23 **cence issued under section 22 of this 2021 Act;**

24 **“(G) A shared processor that holds a license issued under section**
25 **32 of this 2021 Act; or**

26 **“(H) A person that holds a shared processing facility license issued**
27 **under section 34 of this 2021 Act;**

28 “(b) A researcher of cannabis that holds a certificate issued under ORS
29 475B.286 and that transfers limited amounts of marijuana, usable marijuana,
30 cannabinoid products, cannabinoid concentrates and cannabinoid extracts in

1 accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

2 “(c) A marijuana grow site registered under ORS 475B.810, marijuana
3 processing site registered under ORS 475B.840, or a medical marijuana
4 dispensary registered under ORS 475B.858, acting in accordance with proce-
5 dures adopted by the Oregon Liquor Control Commission under ORS
6 475B.167; or

7 “(d) A marijuana grow site registered under ORS 475B.810, acting in ac-
8 cordance with ORS 475B.825 and any procedures adopted by rule by the
9 commission.

10 “(3) **Except as provided in section 22 of this 2021 Act**, the sale of
11 marijuana items by a marijuana retailer that holds a license issued under
12 ORS 475B.105 must be restricted to the premises for which the license has
13 been issued, but deliveries may be made by a marijuana retailer to consumers
14 pursuant to a bona fide order received at the premises prior to delivery **if**
15 **the marijuana retailer holds a delivery license issued under section 27**
16 **of this 2021 Act or is otherwise authorized by the commission to make**
17 **deliveries.**

18 “(4) The commission may by order waive the requirements of subsections
19 (1) and (2) of this section to ensure compliance with ORS 475B.010 to
20 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued
21 under this subsection does not constitute a waiver of any other requirement
22 of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010
23 to 475B.545.

24 “**SECTION 30. (1) Sections 27 to 27b of this 2021 Act and the**
25 **amendments to ORS 475B.206 by section 29 of this 2021 Act become**
26 **operative on August 22, 2022.**

27 “(2) **The amendments to section 27 of this 2021 Act by section 28 of**
28 **this 2021 Act become operative on January 1, 2028.**

29 “(3) **The Oregon Liquor Control Commission may take any action**
30 **before the operative date specified in subsection (1) of this section that**

1 **is necessary to enable the commission to exercise, on and after the**
2 **operative date specified in subsection (1) of this section, all of the du-**
3 **ties, functions and powers conferred on the commission by sections**
4 **27 to 27b of this 2021 Act and the amendments to ORS 475B.206 by**
5 **section 29 of this 2021 Act.”.**

6 On page 15, delete lines 1 through 30.

7 On page 19, delete lines 7 through 12 and insert:

8 “(2) The office shall prepare a report that includes:

9 “(a) The list described in subsection (1) of this section and recommen-
10 dations of additional offenses that a conviction for which should be consid-
11 ered a qualifying marijuana offense as defined in ORS 475B.401; and

12 “(b) Recommendations for improvements to the process of setting aside
13 qualifying marijuana convictions, including expansion of the process de-
14 scribed in ORS 475B.401 to include marijuana-related offenses that are not
15 qualifying marijuana offenses.

16 “(3) No later than July 1, 2022, the office of public defense services shall
17 submit, in the manner provided in ORS 192.245, the report described in sub-
18 section (2) of this section to the interim committees of the Legislative As-
19 sembly related to the judiciary, to the Judicial Department and to the Equity
20 Investment and Accountability Board and the Equity Investment and Ac-
21 countability Office.”.

22 In line 13, delete “(3)” and insert “(4)”.

23 In line 16, delete “Cannabis Equity Board” and insert “Equity Investment
24 and Accountability Board and the Equity Investment and Accountability
25 Office”.

26 In line 18, delete “(1)(a)” and insert “(1) As used in this section, ‘office
27 of public defense services’ has the meaning given that term in ORS 151.211.

28 “(2)(a)”.

29 In line 20, delete “, as defined in ORS 151.211,”.

30 Delete lines 25 through 28 and insert:

1 “(3)(a) The Department of State Police shall, no later than 90 days after
2 the operative date specified in section 49 of this 2021 Act, provide to the
3 office of public defense services information concerning all persons who may
4 qualify to have an arrest, citation or other charge set aside under ORS
5 475B.401.”.

6 After line 31, insert:

7 “(4)(a) All municipal and justice courts in this state shall, no later than
8 90 days after the operative date specified in section 49 of this 2021 Act,
9 provide to the office of public defense services information concerning all
10 persons who may qualify to have a conviction set aside under ORS 475B.401.

11 “(b) The municipal and justice courts shall make best efforts to ensure
12 that the information provided under paragraph (a) of this subsection is suf-
13 ficient to identify the person and the specific case resulting in the con-
14 viction.

15 “(5)(a) All district attorneys in this state shall, no later than 90 days after
16 the operative date specified in section 49 of this 2021 Act, provide to the
17 office of public defense services information concerning all persons who may
18 qualify to have an arrest, citation or other charge set aside under ORS
19 475B.401.

20 “(b) The district attorneys shall make best efforts to ensure that the in-
21 formation provided under paragraph (a) of this subsection is sufficient to
22 identify the person and the specific arrest, citation or other charge.”.

23 Delete lines 43 through 45 and insert:

24 “(B) Child neglect based solely upon conduct described in ORS 475B.301
25 or possession of less than one ounce of the dried leaves, stems or flowers of
26 marijuana; or

27 “(C) Endangering the welfare of a minor based solely upon conduct de-
28 scribed in ORS 475B.301 or possession of less than one ounce of the dried
29 leaves, stems or flowers of marijuana.”.

30 On page 20, delete lines 1 and 2.

1 Delete lines 29 through 35 and insert:

2 “(5)(a) If the court receives an objection from the prosecuting attorney,
3 the court shall hold a hearing to determine whether the conviction or other
4 record sought to be set aside is for a qualifying marijuana offense. The
5 prosecuting attorney has the burden of establishing, by a preponderance of
6 the evidence, that the conviction or other record is not for a qualifying
7 marijuana offense.

8 “(b) If both parties appear at the hearing and the court determines that
9 the prosecuting attorney has not met the burden of proof, the court shall
10 grant the motion and enter an order as provided in subsection (6) of this
11 section.

12 “(c) If both parties appear at the hearing and the court determines that
13 the prosecuting attorney has met the burden of proof, the court shall deny
14 the motion.

15 “(d) If the person seeking the set aside does not appear at the hearing,
16 the court shall dismiss the motion without prejudice.”.

17 On page 21, delete lines 15 through 29 and insert:

18 “(2)(a) For any person whom the office has determined is eligible for relief
19 under ORS 475B.401, the office shall notify the person, within 28 days of re-
20 ceiving the information, that the person is eligible for relief, and shall file
21 a motion to set aside the conviction, arrest, citation or charge under ORS
22 475B.401.

23 “(b) If the office cannot determine whether a person is eligible for relief,
24 the office shall make reasonable efforts to notify the person, within 28 days
25 of receiving the information, that the person may qualify for relief under
26 ORS 475B.401, but the office is unable to definitively determine eligibility.

27 “(3) The office may contract with an independent attorney to assist the
28 office in carrying out its duties under this section.

29 “(4) The filing of a motion pursuant to ORS 475B.401 under this section
30 creates an attorney-client relationship between the attorney who files and

1 prepares the motion and the person who is the subject of the motion, solely
2 for the purpose of filing and preparing the motion.

3 “(5) Nothing in this section prohibits a person from applying for relief
4 under ORS 475B.401.

5 “(6) Beginning on July 1, 2022, and every six months thereafter, the office
6 of public defense services shall prepare a report for the Equity Investment
7 and Accountability Board and the Equity Investment and Accountability
8 Office detailing progress made in setting aside convictions, arrests, citations
9 and other charges under this section.”.

10 On page 22, delete lines 28 through 45.

11 On page 23, delete lines 1 through 5 and insert:

12 “**NOTE:** Sections 44a and 44b were deleted by amendment. Subsequent
13 sections were not renumbered.”.

14 On page 25, line 8, delete “, 40 and 44a” and insert “and 40”.

15 In line 16, delete “, 40 and”.

16 In line 17, delete “44a” and insert “and 40”.

17 On page 26, delete lines 28 through 45 and delete pages 27 and 28 and
18 insert:

19 “**SECTION 51.** ORS 475B.759, as amended by section 10, chapter 2,
20 Oregon Laws 2021 (Ballot Measure 110 (2020)), is amended to read:

21 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
22 rate and distinct from the General Fund.

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

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

27 “**(b) Before making other transfers of moneys required by this sec-**
28 **tion, the department shall transfer quarterly to the Drug Treatment**
29 **and Recovery Services Fund all the moneys in the Oregon Marijuana**
30 **Account in excess of \$11,250,000.**

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

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

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

14 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
15 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
16 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
17 ceding the date of the transfer for premises located in each city compared
18 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100
19 and 475B.105 on the last business day of that calendar quarter for all prem-
20 ises in this state located in cities; and

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

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

1 “(ii) Fifty percent of the 10 percent must be transferred in shares that
2 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
3 475B.105 on the last business day of the calendar quarter preceding the date
4 of the transfer for premises located in each county compared to the number
5 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
6 business day of that calendar quarter for all premises in this state.

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

10 “(A) Forty percent of the moneys in the account [*must be used solely for*
11 *purposes for which moneys in the State School Fund established under ORS*
12 *327.008 may be used*] **must be used as follows:**

13 **“(i) Fifty percent of the 40 percent solely for the purposes described**
14 **in ORS 329.841;**

15 **“(ii) Twenty-five percent of the 40 percent solely for the purposes**
16 **described in ORS 329.843; and**

17 **“(iii) Twenty-five percent of the 40 percent solely for the purposes**
18 **described in ORS 329.845;**

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

22 “(C) Fifteen percent of the moneys in the account must be [*used solely for*
23 *purposes for which moneys in*] **transferred to** the State Police Account es-
24 tablished under ORS 181A.020 [*may be used*] **to be prioritized for use in**
25 **covering any costs incurred by the Department of State Police as a**
26 **result of ORS 475B.401 and sections 37 and 38 of this 2021 Act; and**

27 “(D) Five percent of the moneys in the account must be used solely for:

28 **“(i) Purposes related to alcohol and drug abuse prevention, early inter-**
29 **vention and treatment services[.];**

30 **“(ii) Assisting the Oregon Health Authority in administering ORS**

1 **475B.785 to 475B.949; and**

2 **“(iii) Assisting the authority in providing public education about**
3 **the medical use of marijuana.**

4 “(4)(a) A city that has an ordinance prohibiting the establishment of a
5 premises for which issuance of a license under ORS 475B.070, 475B.090,
6 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
7 under subsection [(3)(b)(A)] **(3)(c)(A)** of this section.

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

12 “(c) A county that has an ordinance prohibiting the establishment of a
13 premises for which issuance of a license under ORS 475B.090, 475B.100 or
14 475B.105 is required is not eligible to receive transfers of moneys under
15 subsection [(3)(b)(B)(ii)] **(3)(c)(B)(ii)** of this section.

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

23 “(b) If the Director of the Oregon Department of Administrative Services
24 determines that a city or county received a transfer of moneys under sub-
25 section [(3)(b)] **(3)(c)** of this section but was ineligible to receive that
26 transfer under subsection (4) of this section, the director shall provide notice
27 to the ineligible city or county and order the city or county to return the
28 amount received to the Department of Revenue, with interest as described
29 under paragraph (f) of this subsection. A city or county may appeal the order
30 within 30 days of the date of the order under the procedures for a contested

1 case under ORS chapter 183.

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

6 “(d) The Department of Revenue shall have the benefit of all laws of the
7 state pertaining to the collection of income and excise taxes and may proceed
8 to collect the amounts described in the notice under paragraph (c) of this
9 subsection. An assessment of tax is not necessary and the collection de-
10 scribed in this subsection is not precluded by any statute of limitations.

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

15 “(f) Interest under this section shall accrue at the rate established in ORS
16 305.220 beginning on the date the ineligible transfer was made.

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

21 “(6)(a) Not later than July 1 of each year, each city and county in this
22 state shall certify with the Oregon Department of Administrative Services
23 whether the city or county has an ordinance prohibiting the establishment
24 of a premises for which issuance of a license under ORS 475B.070, 475B.090,
25 475B.100 or 475B.105 is required. The certification shall be made concurrently
26 with the certifications under ORS 221.770, in a form and manner prescribed
27 by the Oregon Department of Administrative Services.

28 “(b) If a city fails to comply with this subsection, the city is not eligible
29 to receive transfers of moneys under subsection [(3)(b)(A)] **(3)(c)(A)** of this
30 section. If a county fails to comply with this subsection, the county is not

1 eligible to receive transfers of moneys under subsection [(3)(b)(B)] **(3)(c)(B)**
2 of this section.

3 “(c) A city or county that repeals an ordinance as provided in ORS
4 475B.496 shall file an updated certification with the Oregon Department of
5 Administrative Services in a form and manner prescribed by the department,
6 noting the effective date of the change. A city or county that repeals an or-
7 dinance as provided in ORS 475B.496 is eligible to receive quarterly transfers
8 of moneys under this section for quarters where the repeal is effective for
9 the entire quarter and the updated certification was filed at least 30 days
10 before the date of transfer.

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

15 “**SECTION 51a.** ORS 475B.759, as amended by section 10, chapter 2,
16 Oregon Laws 2021 (Ballot Measure 110 (2020)), and section 51 of this 2021
17 Act, is amended to read:

18 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
19 rate and distinct from the General Fund.

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

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

24 “(b) Before making other transfers of moneys required by this section, the
25 department shall transfer quarterly to the Drug Treatment and Recovery
26 Services Fund all the moneys in the Oregon Marijuana Account in excess
27 of \$11,250,000.

28 “(c) Subject to subsection (4) of this section, and after making the transfer
29 of moneys required by paragraph (b) of this subsection, the department shall
30 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Ac-

1 count as follows:

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

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

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

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

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

28 “(ii) Fifty percent of the 10 percent must be transferred in shares that
29 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
30 475B.105 on the last business day of the calendar quarter preceding the date

1 of the transfer for premises located in each county compared to the number
2 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
3 business day of that calendar quarter for all premises in this state.

4 “(d) After making the transfer of moneys required by paragraph (b) of this
5 subsection, eighty percent of the remaining moneys in the Oregon Marijuana
6 Account must be used as follows:

7 “(A) Forty percent of the moneys in the account must be used as follows:

8 “(i) Fifty percent of the 40 percent solely for the purposes described in
9 ORS 329.841;

10 “(ii) Twenty-five percent of the 40 percent solely for the purposes de-
11 scribed in ORS 329.843; and

12 “(iii) Twenty-five percent of the 40 percent solely for the purposes de-
13 scribed in ORS 329.845;

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

17 “(C) Fifteen percent of the moneys in the account must be transferred to
18 the State Police Account established under ORS 181A.020 to be prioritized
19 for use in covering any costs incurred by the Department of State Police as
20 a result of ORS 475B.401 and [sections 37 and 38] **section 37** of this 2021 Act;
21 and

22 “(D) Five percent of the moneys in the account must be used solely for:

23 “(i) Purposes related to alcohol and drug abuse prevention, early inter-
24 vention and treatment services;

25 “(ii) Assisting the Oregon Health Authority in administering ORS
26 475B.785 to 475B.949; and

27 “(iii) Assisting the authority in providing public education about the
28 medical use of marijuana.

29 “(4)(a) A city that has an ordinance prohibiting the establishment of a
30 premises for which issuance of a license under ORS 475B.070, 475B.090,

1 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys
2 under subsection (3)(c)(A) of this section.

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

7 “(c) A county that has an ordinance prohibiting the establishment of a
8 premises for which issuance of a license under ORS 475B.090, 475B.100 or
9 475B.105 is required is not eligible to receive transfers of moneys under
10 subsection (3)(c)(B)(ii) of this section.

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

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

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

1 “(d) The Department of Revenue shall have the benefit of all laws of the
2 state pertaining to the collection of income and excise taxes and may proceed
3 to collect the amounts described in the notice under paragraph (c) of this
4 subsection. An assessment of tax is not necessary and the collection de-
5 scribed in this subsection is not precluded by any statute of limitations.

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

10 “(f) Interest under this section shall accrue at the rate established in ORS
11 305.220 beginning on the date the ineligible transfer was made.

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

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

23 “(b) If a city fails to comply with this subsection, the city is not eligible
24 to receive transfers of moneys under subsection (3)(c)(A) of this section. If
25 a county fails to comply with this subsection, the county is not eligible to
26 receive transfers of moneys under subsection (3)(c)(B) 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 **“SECTION 51b.** ORS 475B.759, as amended by section 10, chapter 2,
6 Oregon Laws 2021 (Ballot Measure 110 (2020)), and sections 51 and 51a of
7 this 2021 Act, is amended to read:

8 “475B.759. (1) There is established the Oregon Marijuana Account, sepa-
9 rate and distinct from the General Fund.

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

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

14 “(b) Before making other transfers of moneys required by this section, the
15 department shall transfer quarterly to the Drug Treatment and Recovery
16 Services Fund all the moneys in the Oregon Marijuana Account in excess
17 of \$11,250,000.

18 “(c) Subject to subsection (4) of this section, and after making the transfer
19 of moneys required by paragraph (b) of this subsection, the department shall
20 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Ac-
21 count as follows:

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

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

1 “(ii) Twenty-five percent of the 10 percent must be transferred in shares
2 that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090,
3 475B.100 and 475B.105 on the last business day of the calendar quarter pre-
4 ceding the date of the transfer for premises located in each city compared
5 to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100
6 and 475B.105 on the last business day of that calendar quarter for all prem-
7 ises in this state located in cities; and

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

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

18 “(ii) Fifty percent of the 10 percent must be transferred in shares that
19 reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and
20 475B.105 on the last business day of the calendar quarter preceding the date
21 of the transfer for premises located in each county compared to the number
22 of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last
23 business day of that calendar quarter for all premises in this state.

24 “(d) After making the transfer of moneys required by paragraph (b) of this
25 subsection, eighty percent of the remaining moneys in the Oregon Marijuana
26 Account must be used as follows:

27 “(A) Forty percent of the moneys in the account must be used as follows:

28 “(i) Fifty percent of the 40 percent solely for the purposes described in
29 ORS 329.841;

30 “(ii) Twenty-five percent of the 40 percent solely for the purposes de-

1 scribed in ORS 329.843; and

2 “(iii) Twenty-five percent of the 40 percent solely for the purposes de-
3 scribed in ORS 329.845;

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

7 “(C) Fifteen percent of the moneys in the account must be transferred to
8 the State Police Account established under ORS 181A.020 to be prioritized
9 for use in covering any costs incurred by the Department of State Police as
10 a result of ORS 475B.401 [*and section 37 of this 2021 Act*]; and

11 “(D) Five percent of the moneys in the account must be used solely for:

12 “(i) Purposes related to alcohol and drug abuse prevention, early inter-
13 vention and treatment services;

14 “(ii) Assisting the Oregon Health Authority in administering ORS
15 475B.785 to 475B.949; and

16 “(iii) Assisting the authority in providing public education about the
17 medical use of marijuana.

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

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

26 “(c) A county that has an ordinance prohibiting the establishment of a
27 premises for which issuance of a license under ORS 475B.090, 475B.100 or
28 475B.105 is required is not eligible to receive transfers of moneys under
29 subsection (3)(c)(B)(ii) of this section.

30 “(5)(a) A city or county that is ineligible under subsection (4) of this

1 section to receive a transfer of moneys from the Oregon Marijuana Account
2 during a given quarter but has received a transfer of moneys for that quarter
3 shall return the amount transferred to the Department of Revenue, with in-
4 terest as described under paragraph (f) of this subsection. An ineligible city
5 or county may voluntarily transfer the moneys to the Department of Revenue
6 immediately upon receipt of the ineligible transfer.

7 “(b) If the Director of the Oregon Department of Administrative Services
8 determines that a city or county received a transfer of moneys under sub-
9 section (3)(c) of this section but was ineligible to receive that transfer under
10 subsection (4) of this section, the director shall provide notice to the ineli-
11 gible city or county and order the city or county to return the amount re-
12 ceived to the Department of Revenue, with interest as described under
13 paragraph (f) of this subsection. A city or county may appeal the order
14 within 30 days of the date of the order under the procedures for a contested
15 case under ORS chapter 183.

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

20 “(d) The Department of Revenue shall have the benefit of all laws of the
21 state pertaining to the collection of income and excise taxes and may proceed
22 to collect the amounts described in the notice under paragraph (c) of this
23 subsection. An assessment of tax is not necessary and the collection de-
24 scribed in this subsection is not precluded by any statute of limitations.

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

29 “(f) Interest under this section shall accrue at the rate established in ORS
30 305.220 beginning on the date the ineligible transfer was made.

1 “(g) Both the moneys and the interest collected from or returned by an
2 ineligible city or county shall be redistributed to the cities or counties that
3 were eligible to receive a transfer under subsection (3)(c) of this section on
4 the date the ineligible transfer was made.

5 “(6)(a) Not later than July 1 of each year, each city and county in this
6 state shall certify with the Oregon Department of Administrative Services
7 whether the city or county has an ordinance prohibiting the establishment
8 of a premises for which issuance of a license under ORS 475B.070, 475B.090,
9 475B.100 or 475B.105 is required. The certification shall be made concurrently
10 with the certifications under ORS 221.770, in a form and manner prescribed
11 by the Oregon Department of Administrative Services.

12 “(b) If a city fails to comply with this subsection, the city is not eligible
13 to receive transfers of moneys under subsection (3)(c)(A) of this section. If
14 a county fails to comply with this subsection, the county is not eligible to
15 receive transfers of moneys under subsection (3)(c)(B) of this section.

16 “(c) A city or county that repeals an ordinance as provided in ORS
17 475B.496 shall file an updated certification with the Oregon Department of
18 Administrative Services in a form and manner prescribed by the department,
19 noting the effective date of the change. A city or county that repeals an or-
20 dinance as provided in ORS 475B.496 is eligible to receive quarterly transfers
21 of moneys under this section for quarters where the repeal is effective for
22 the entire quarter and the updated certification was filed at least 30 days
23 before the date of transfer.

24 “**SECTION 51c.** ORS 475B.760 is amended to read:

25 “475B.760. (1) All moneys received by the Department of Revenue under
26 ORS 475B.700 to 475B.760 shall be deposited in the State Treasury and cred-
27 ited to a suspense account established under ORS 293.445. The department
28 may pay expenses for the administration and enforcement of ORS 475B.700
29 to 475B.760 out of moneys received from the tax imposed under ORS 475B.705.
30 Amounts necessary to pay administrative and enforcement expenses are

1 continuously appropriated to the department from the suspense account.

2 “(2) After the payment of administrative and enforcement expenses and
3 refunds or credits arising from erroneous overpayments, the department shall
4 credit the balance of the moneys received by the department under this sec-
5 tion **as follows:**

6 “(a) **Twenty-five percent to the Cannabis Equity Fund established**
7 **under section 9 of this 2021 Act; and**

8 “(b) **Seventy-five percent** to the Oregon Marijuana Account established
9 under ORS 475B.759.

10 “**SECTION 51d.** Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure
11 110 (2020)), is amended to read:

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

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

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

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

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

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

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

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

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

1 to fully fund the grants program required by section 2, **chapter 2, Oregon**
2 **Laws 2021 (Ballot Measure 110 (2020))**.

3 “(b) The total amount deposited and transferred into the fund shall not
4 be less than \$57 million for the first year [*this Act*] **chapter 2, Oregon Laws**
5 **2021 (Ballot Measure 110 (2020))**, is in effect.

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

9 “[*i*] (A) **\$57 million multiplied by** the percentage [*if any*], **if any**, by
10 which the monthly averaged U.S. City Average Consumer Price Index for the
11 12 consecutive months ending [*December*] **August** 31 of the prior calendar
12 year exceeds the monthly index for the fourth quarter of the calendar year
13 2020; and[,]

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

16 On page 29, delete lines 1 through 6.

17 Delete lines 22 through 29 and insert:

18 **“SECTION 53. (1) The amendments to ORS 137.300, 475B.759 and**
19 **475B.760 and section 16, chapter 103, Oregon Laws 2018, and section 5,**
20 **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), by sections**
21 **50 to 52 of this 2021 Act become operative on August 22, 2022.**

22 **“(2) The amendments to ORS 475B.759 by section 51a of this 2021**
23 **Act become operative on January 1, 2023.**

24 **“(3) The amendments to ORS 475B.759 by section 51b of this 2021**
25 **Act become operative on January 1, 2026.**

26 **“(4) The Department of Revenue may take any action before the**
27 **operative date specified in subsection (1) of this section that is neces-**
28 **sary to enable the department to exercise, on and after the operative**
29 **date specified in subsection (1) of this section, all of the duties, func-**
30 **tions and powers conferred on the department by the amendments to**

1 **ORS 137.300, 475B.759 and 475B.760 and section 16, chapter 103, Oregon**
2 **Laws 2018, and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure**
3 **110 (2020)), by sections 50 to 52 of this 2021 Act.”.**

4 On page 30, line 29, delete “Cannabis Equity Board” and insert “Equity
5 Investment and Accountability Board, the Equity Investment and Account-
6 ability Office”.

7
