

Requested by Representative KROPF

**PROPOSED AMENDMENTS TO
HOUSE BILL 3295**

1 On page 1 of the printed bill, line 2, delete “and” and after “475B.759”
2 insert “and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110
3 (2020)); and prescribing an effective date”.

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

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

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

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

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

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

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

21 “(A) Ten percent of the moneys in the account must be transferred to the

1 cities of this state in the following shares:

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

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

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

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

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

1 business day of that calendar quarter for all premises in this state.

2 “[*(c)*] **(d)** After making the transfer of moneys required by [*subsection (7)*
3 *of this section, eighty*] **paragraph (b) of this subsection, 80** percent of the
4 remaining moneys in the Oregon Marijuana Account must be used as follows:

5 “(A) Forty percent of the moneys in the account must be used solely for
6 purposes for which moneys in the State School Fund established under ORS
7 327.008 may be used;

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

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

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

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

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

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

29 “**(d)(A) Paragraphs (b) and (c) of this subsection do not apply to a**
30 **county ordinance adopted on or after January 1, 2018, that prohibits**

1 **the establishment of a premises for which a license under ORS**
2 **475B.070, 475B.090, 475B.100 or 475B.105 is required but allows in the**
3 **unincorporated area of the county the continued operation of an ex-**
4 **isting premises for which a license under ORS 475B.070, 475B.090,**
5 **475B.100 or 475B.105 is required.**

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

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

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

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

29 “(d) The Department of Revenue shall have the benefit of all laws of the
30 state pertaining to the collection of income and excise taxes and may proceed

1 to collect the amounts described in the notice under paragraph (c) of this
2 subsection. An assessment of tax is not necessary and the collection de-
3 scribed in this subsection is not precluded by any statute of limitations.

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

8 “(f) Interest under this section shall accrue at the rate established in ORS
9 305.220 beginning on the date the ineligible transfer was made.

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

14 “(6)(a) Not later than July 1 of each year, each city and county in this
15 state shall certify with the Oregon Department of Administrative Services
16 whether the city or county has an ordinance prohibiting the establishment
17 of a premises for which issuance of a license under ORS 475B.070, 475B.090,
18 475B.100 or 475B.105 is required **and whether the county has an ordi-**
19 **nance described in subsection (4)(d) of this section.** The certification
20 shall be made concurrently with the certifications under ORS 221.770, in a
21 form and manner prescribed by the Oregon Department of Administrative
22 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)(b)(A)] **(3)(c)(A)** of this
25 section. If a county fails to comply with this subsection, the county is not
26 eligible to receive transfers of moneys under subsection [(3)(b)(B)] **(3)(c)(B)**
27 of this section.

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

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

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

10 **“SECTION 2.** 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 **“SECTION 3. (1) Prior to adopting an ordinance described in ORS**
17 **475B.759 (4)(d), a county shall convene a cannabis advisory panel to**
18 **provide recommendations to the county commission regarding the**
19 **county’s regulation of marijuana and use of moneys transferred to the**
20 **county under ORS 475B.759 (4). The county commission shall appoint**
21 **the following members to the county cannabis advisory panel:**

22 **“(a) A person who holds a license issued under ORS 475B.070 for a**
23 **premises located in the county;**

24 **“(b) A person who holds a license issued under ORS 475B.105 for a**
25 **premises located in the county;**

26 **“(c) A designee of the county sheriff;**

27 **“(d) A designee of the county commission;**

28 **“(e) A member of the public;**

29 **“(f) A watermaster, as described in ORS 540.020, who is appointed**
30 **for a water district in, partially in or near the county; and**

1 “(g) A representative of the county who is knowledgeable about
2 economic development in the county.

3 “(2) A county cannabis advisory panel shall provide recommen-
4 dations to the county commission on at least the following:

5 “(a) The use of moneys transferred to the county under ORS
6 475B.759;

7 “(b) Increases in public safety measures related to marijuana use
8 and marijuana entities in the county; and

9 “(c) Issues presented by the production, processing, wholesaling and
10 distribution of marijuana in the unincorporated area subject to the
11 jurisdiction of the county.

12 “(3)(a) A county cannabis advisory panel shall meet at least quar-
13 terly during the time in which the county receives transfers of moneys
14 under ORS 475B.759, beginning not later than the date on which an
15 ordinance described under ORS 475B.759 (4)(d) is proposed by the
16 county.

17 “(b) A county that adopts an ordinance described in ORS 475B.759
18 (4)(d) and that does not appoint a county cannabis advisory panel un-
19 der this section is not eligible to receive transfers of moneys under
20 ORS 475B.759.

21 “SECTION 4. Notwithstanding section 3 (3) of this 2021 Act, a
22 county that adopts an ordinance described in ORS 475B.759 (4)(d) be-
23 tween January 1, 2018, and September 1, 2021, is eligible to receive
24 transfers of moneys under ORS 475B.759 when the county appoints a
25 county cannabis advisory panel, as described in section 3 of this 2021
26 Act.

27 “SECTION 5. (1) Sections 3 and 4 of this 2021 Act and the amend-
28 ments to ORS 475B.759 and section 5, chapter 2, Oregon Laws 2021
29 (Ballot Measure 110 (2020)), by sections 1 and 2 of this 2021 Act become
30 operative on January 1, 2022.

1 **“(2) The Department of Revenue and a county may take any action**
2 **before the operative date specified in subsection (1) of this section that**
3 **is necessary to enable the department and the county to exercise, on**
4 **and after the operative date specified in subsection (1) of this section,**
5 **all of the duties, functions and powers conferred on the department**
6 **and the county by sections 3 and 4 of this 2021 Act and the amend-**
7 **ments to ORS 475B.759 and section 5, chapter 2, Oregon Laws 2021**
8 **(Ballot Measure 110 (2020)), by sections 1 and 2 of this 2021 Act.**

9 **“SECTION 6. This 2021 Act takes effect on the 91st day after the**
10 **date on which the 2021 regular session of the Eighty-first Legislative**
11 **Assembly adjourns sine die.”.**

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