

Senate Bill 1541

Sponsored by Senator KNOPP (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Directs Department of State Police to establish unit to assist county sheriffs' offices with law enforcement related to unlawful marijuana cultivation or distribution operations and with general local law enforcement needs. Directs Department of Revenue to transfer moneys from Oregon Marijuana Account to State Police Account for purposes of assisting county sheriffs' offices and to reduce subsequent amount transferred to Drug Treatment and Recovery Services Fund.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to marijuana revenue; creating new provisions; amending ORS 181A.020 and 475C.726; and
3 declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2022 Act is added to and made a part of ORS 181A.010 to**
6 **181A.350.**

7 **SECTION 2. (1) The Department of State Police shall establish and maintain a unit within**
8 **the department to assist county sheriffs' offices with law enforcement needs to address un-**
9 **lawful marijuana cultivation and distribution operations and general local law enforcement**
10 **needs.**

11 **(2) The department shall ensure that each county sheriff's office receives at least**
12 **\$500,000 annually in resources for the purpose described in this section, and shall develop a**
13 **formula to prioritize the allocation of additional resources to county sheriffs' offices in**
14 **counties with the greatest demonstrable need for assistance in addressing unlawful**
15 **marijuana cultivation or distribution operations.**

16 **(3) The department may adopt rules to carry out this section.**

17 **SECTION 3. ORS 181A.020 is amended to read:**

18 181A.020. (1) There is established in the General Fund of the State Treasury an account to be
19 known as the State Police Account. All moneys received by the Department of State Police shall
20 be paid to the credit of the State Police Account, and such moneys are continuously appropriated
21 to the department for:

22 **(a) The payment of expenses of the department; and**

23 **(b) The purposes described in section 2 of this 2022 Act.**

24 (2) There is established a subaccount in the State Police Account consisting of all moneys, re-
25 venue and income described in ORS 463.220. All moneys in the subaccount are continuously appro-
26 priated to the Department of State Police to carry out the provisions of ORS chapter 463.

27 (3) The Department of State Police may accept and distribute gifts, grants, donations and funds
28 from any source, including services and property, to carry out the duties of the department.

29 **SECTION 4. ORS 475C.726 is amended to read:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 475C.726. (1) There is established the Oregon Marijuana Account, separate and distinct from the
2 General Fund.

3 (2) The account consists of moneys transferred to the account under ORS 475C.734.

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

6 (b) Before making other transfers of moneys required by this section, the department shall
7 transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon
8 Marijuana Account in excess of [*\$11,250,000*] **\$26,250,000**.

9 **(c) After making the transfer of moneys required by paragraph (b) of this subsection, and**
10 **in addition to the transfer described in paragraph (e)(C) of this subsection, the department**
11 **shall transfer quarterly \$15,000,000 to the State Police Account established under ORS**
12 **181A.020 for the purposes described in section 2 of this 2022 Act.**

13 [*(c)*] (d) Subject to subsection (4) of this section, and after making the [*transfer*] **transfers** of
14 moneys required by [*paragraph (b)*] **paragraphs (b) and (c)** of this subsection, the department shall
15 transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

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

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

23 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number
24 of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the last business day
25 of the calendar quarter preceding the date of the transfer for premises located in each city compared
26 to the number of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the
27 last business day of that calendar quarter for all premises in this state located in cities; and

28 (B) Ten percent of the moneys in the account must be transferred to counties in the following
29 shares:

30 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-
31 cially available area of all grow canopies associated with marijuana producer licenses held pursuant
32 to ORS 475C.065 on the last business day of the calendar quarter preceding the date of the transfer
33 for all premises located in each county compared to the total commercially available area of all
34 grow canopies associated with marijuana producer licenses held pursuant to ORS 475C.065 on the
35 last business day of that calendar quarter for all premises located in this state; and

36 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
37 censes held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business day of the cal-
38 endar quarter preceding the date of the transfer for premises located in each county compared to
39 the number of licenses held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business
40 day of that calendar quarter for all premises in this state.

41 [*(d)*] (e) After making the [*transfer*] **transfers** of moneys required by [*paragraph (b)*] **paragraphs**
42 **(b) and (c)** of this subsection, 80 percent of the remaining moneys in the Oregon Marijuana Account
43 must be used as follows:

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

1 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-
2 ment or for alcohol and drug abuse prevention, early intervention and treatment;

3 (C) Fifteen percent of the moneys in the account must be used solely for purposes **described**
4 **under ORS 181A.020 (1)(a)** for which moneys in the State Police Account established under ORS
5 181A.020 may be used; and

6 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
7 cohool and drug abuse prevention, early intervention and treatment services.

8 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
9 ance of a license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required is not eligible to
10 receive transfers of moneys under subsection [(3)(c)(A)] **(3)(d)(A)** of this section.

11 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
12 ance of a license under ORS 475C.065 is required is not eligible to receive transfers of moneys under
13 subsection [(3)(c)(B)(i)] **(3)(d)(B)(i)** of this section.

14 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
15 ance of a license under ORS 475C.085, 475C.093 or 475C.097 is required is not eligible to receive
16 transfers of moneys under subsection [(3)(c)(B)(ii)] **(3)(d)(B)(ii)** of this section.

17 (d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county ordinance adopted on
18 or after January 1, 2018, that prohibits the establishment of a premises for which a license under
19 ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required but allows in the unincorporated area of
20 the county the continued operation of an existing premises for which a license under ORS 475C.065,
21 475C.085, 475C.093 or 475C.097 is required.

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

24 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer
25 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer
26 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with
27 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-
28 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-
29 ble transfer.

30 (b) If the Director of the Oregon Department of Administrative Services determines that a city
31 or county received a transfer of moneys under subsection [(3)(c)] **(3)(d)** of this section but was inel-
32 igible to receive that transfer under subsection (4) of this section, the director shall provide notice
33 to the ineligible city or county and order the city or county to return the amount received to the
34 Department of Revenue, with interest as described under paragraph (f) of this subsection. A city or
35 county may appeal the order within 30 days of the date of the order under the procedures for a
36 contested case under ORS chapter 183.

37 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall
38 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-
39 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

40 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the
41 collection of income and excise taxes and may proceed to collect the amounts described in the no-
42 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection
43 described in this subsection is not precluded by any statute of limitations.

44 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the
45 city or county shall be denied any further relief in connection with the ineligible transfer on or after

1 the date that the order becomes final.

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

4 (g) Both the moneys and the interest collected from or returned by an ineligible city or county
5 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-
6 section [(3)(c)] **(3)(d)** of this section on the date the ineligible transfer was made.

7 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
8 the Oregon Department of Administrative Services whether the city or county has an ordinance
9 prohibiting the establishment of a premises for which issuance of a license under ORS 475C.065,
10 475C.085, 475C.093 or 475C.097 is required and whether the county has an ordinance described in
11 subsection (4)(d) of this section. The certification shall be made concurrently with the certifications
12 under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative
13 Services.

14 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
15 moneys under subsection [(3)(c)(A)] **(3)(d)(A)** of this section. If a county fails to comply with this
16 subsection, the county is not eligible to receive transfers of moneys under subsection [(3)(c)(B)]
17 **(3)(d)(B)** of this section.

18 (c) A city or county that repeals an ordinance as provided in ORS 475C.457 shall file an updated
19 certification with the Oregon Department of Administrative Services in a form and manner pre-
20 scribed by the department, noting the effective date of the change. A city or county that repeals an
21 ordinance as provided in ORS 475C.457 is eligible to receive quarterly transfers of moneys under
22 this section for quarters where the repeal is effective for the entire quarter and the updated certi-
23 fication was filed at least 30 days before the date of transfer.

24 **SECTION 5. There is appropriated to the Department of State Police, for the biennium**
25 **ending June 30, 2023, out of the General Fund, the amount of \$2,000,000, for the purpose of**
26 **carrying out section 2 of this 2022 Act.**

27 **SECTION 6. (1) Section 2 of this 2022 Act and the amendments to ORS 181A.020 and**
28 **475C.726 by sections 3 and 4 of this 2022 Act become operative on January 1, 2023.**

29 **(2) The Department of Revenue and the Department of State Police may take any action**
30 **before the operative date specified in subsection (1) of this section that is necessary to enable**
31 **the departments to exercise, on and after the operative date specified in subsection (1) of this**
32 **section, all of the duties, functions and powers conferred on the departments by section 2**
33 **of this 2022 Act and the amendments to ORS 181A.020 and 475C.726 by sections 3 and 4 of this**
34 **2022 Act.**

35 **SECTION 7. This 2022 Act being necessary for the immediate preservation of the public**
36 **peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect**
37 **on its passage.**

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