

**PROPOSED AMENDMENTS TO
HOUSE BILL 3400**

1 On page 1 of the printed bill, line 2, after “provisions;” delete the rest
2 of the line and lines 3 through 5 and insert “amending ORS 161.705, 305.140,
3 305.895, 305.992, 316.680, 475.752, 475.856, 475.858, 475.860, 475.862, 475.864,
4 475.900, 475.904, 659A.403 and 659A.409 and sections 1, 2, 3, 4, 5, 6, 7, 10, 11,
5 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 44, 45, 46, 47, 48,
6 49, 50, 51, 53, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70 and 72, chapter
7 1, Oregon Laws 2015; repealing sections 26, 31, 32, 33, 34, 35, 36, 37, 38, 39,
8 40, 41, 42, 43, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1, Oregon Laws 2015;
9 and prescribing an effective date.”.

10 Delete lines 7 through 27 and delete pages 2 through 33 and insert:
11

12 **“BALLOT MEASURE 91**

13
14 **“(Definitions)**

15
16 **“SECTION 1.** Section 5, chapter 1, Oregon Laws 2015, is amended to read:

17 **“Sec. 5.** As used in sections 3 to 70, **chapter 1, Oregon Laws 2015** [*of*
18 *this Act*]:

19 “[*(1) ‘Authority’ means the Oregon Health Authority.*]

20 “[*(2) ‘Commission’ means the Oregon Liquor Control Commission.*]

21 “[*(3) (1) ‘Consumer’ means a person who purchases, acquires, owns,*
22 *holds[,] or uses marijuana items other than for the purpose of resale.*”

1 “(2) ‘Cannabinoid’ means any of the chemical compounds that are
2 the active constituents of marijuana.

3 “(3) ‘Cannabinoid concentrate’ means a substance obtained by sep-
4 arating cannabinoids from marijuana by:

5 “(a) A mechanical extraction process;

6 “(b) A chemical extraction process using a nonhydrocarbon-based
7 solvent, such as vegetable glycerin, vegetable oils, animal fats,
8 isopropyl alcohol or ethanol;

9 “(c) A chemical extraction process using the hydrocarbon-based
10 solvent carbon dioxide, provided that the process does not involve the
11 use of high heat or pressure; or

12 “(d) Any other process identified by the Oregon Liquor Control
13 Commission, in consultation with the Oregon Health Authority, by
14 rule.

15 “(4) ‘Cannabinoid edible’ means food or potable liquid into which a
16 cannabinoid concentrate, cannabinoid extract or dried marijuana
17 leaves or flowers have been incorporated.

18 “(5) ‘Cannabinoid extract’ means a substance obtained by separat-
19 ing cannabinoids from marijuana by:

20 “(a) A chemical extraction process using a hydrocarbon-based sol-
21 vent, such as butane, hexane or propane;

22 “(b) A chemical extraction process using the hydrocarbon-based
23 solvent carbon dioxide, if the process uses high heat or pressure; or

24 “(c) Any other process identified by the commission, in consultation
25 with the authority, by rule.

26 “(6)(a) ‘Cannabinoid product’ means a cannabinoid edible and any
27 other product intended for human consumption or use, including a
28 product intended to be applied to the skin or hair, that contains
29 cannabinoids or dried marijuana leaves or flowers.

30 “(b) ‘Cannabinoid product’ does not include:

- 1 **“(A) Usable marijuana by itself;**
2 **“(B) A cannabinoid concentrate by itself;**
3 **“(C) A cannabinoid extract by itself; or**
4 **“(D) Industrial hemp, as defined in ORS 571.300.**

5 *“[(4) ‘Department’ means the State Department of Agriculture.]*

6 *“[(5)(a)] (7)(a) [‘Financial consideration,’ except as provided in paragraph*
7 *(b) of this subsection,] ‘Financial consideration’ means value that is given*
8 *or received directly or indirectly through sales, barter, trade, fees, charges,*
9 *dues, contributions or donations.*

10 “(b) ‘Financial consideration’ does not *[mean any of the following]*
11 **include:**

12 “(A) Homegrown marijuana *[made by another person.]* **that is given or**
13 **received; or**

14 “(B) Homemade *[marijuana products made by another person.]*
15 **cannabinoid products or cannabinoid concentrates that are given or**
16 **received.**

17 *“[(6)] (8) ‘Homegrown’ or ‘homemade’ means grown or made by a person*
18 *21 years of age or older for noncommercial purposes.*

19 *“[(7)] (9) ‘Household’ means a housing unit[,], and [includes] any place in*
20 *or around [the] a housing unit at which the occupants of the housing unit*
21 *are producing, processing, keeping[,], or storing homegrown marijuana or*
22 *homemade [marijuana] **cannabinoid products or cannabinoid***
23 **concentrates.**

24 *“[(8)] (10) ‘Housing unit’ means a house, an apartment[,], **or** a mobile*
25 *home, **or** a group of rooms[,], or a single room that is occupied as separate*
26 *living quarters, in which the occupants live and eat separately from any*
27 *other persons in the building and [which have] **that has** direct access from*
28 *the outside of the building or through a common hall.*

29 *“[(9) ‘Immature marijuana plant’ means a marijuana plant with no ob-*
30 *servable flowers or buds.]*

1 **“(11) ‘Immature marijuana plant’ meant a marijuana plant that is**
2 **not flowering.**

3 “[(10)] **(12) ‘Licensee’ means [any] a person [holding] who holds** a license
4 issued under [*this Act*] **section 19, 20, 21 or 22, chapter 1, Oregon Laws**
5 **2015**[, or any person holding a license or permit issued under any regulation
6 promulgated under paragraph (e) of subsection (2) of section 7 of this Act].

7 “[(11)] **(13) ‘Licensee representative’ means an owner, director, officer,**
8 **manager, employee, agent[,]** or other representative of a licensee, to the ex-
9 tent [*such*] **the** person acts in [*such*] **a** representative capacity.

10 “[(12)(a)] *‘Marijuana’ means all parts of the plant Cannabis family*
11 *Moraceae, whether growing or not, other than marijuana extracts.*]

12 “[(b)] *‘Marijuana’ does not include industrial hemp, as defined in ORS*
13 *571.300, or industrial hemp commodities or products.*]

14 “[(13)] *‘Marijuana extract’ means a product obtained by separating resins*
15 *from marijuana by solvent extraction, using solvents other than vegetable*
16 *glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon*
17 *dioxide.*]

18 **“(14)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,**
19 **any part of the plant Cannabis family Cannabaceae and the seeds of**
20 **the plant Cannabis family Cannabaceae.**

21 **“(b) ‘Marijuana’ does not include industrial hemp, as defined in**
22 **ORS 571.300.**

23 “[(14)(a)] **(15) ‘Marijuana flowers’ means the flowers of the plant**
24 [*Cannabis family Moraceae*] **genus Cannabis within the plant family**
25 **Cannabaceae.**

26 “[(b)] *‘Marijuana flowers’ does not include any part of the plant other than*
27 *the flowers.*]

28 “[(15)] **(16) ‘Marijuana items’ means marijuana, [marijuana products, and**
29 **marijuana extracts] cannabinoid products, cannabinoid concentrates and**
30 **cannabinoid extracts.**

1 “[(16)(a)] (17) ‘Marijuana leaves’ means the leaves of the plant [*Cannabis*
2 *family Moraceae*] **genus Cannabis within the plant family Cannabaceae.**

3 “[(b) ‘Marijuana leaves’ does not include any part of the plant other than
4 *the leaves.*]

5 “[(17)] (18) ‘Marijuana processor’ means a person who processes
6 marijuana items in this state.

7 “[(18)] (19) ‘Marijuana producer’ means a person who produces marijuana
8 in this state.

9 “[(19)(a) ‘Marijuana products’ means products that contain marijuana or
10 *marijuana extracts and are intended for human consumption.*]

11 “[(b) ‘Marijuana products’ does not mean:]

12 “[(A) *Marijuana, by itself; or*]

13 “[(B) *A marijuana extract, by itself.*]

14 “(20) ‘Marijuana retailer’ means a person who sells marijuana items to a
15 consumer in this state.

16 “(21) ‘Marijuana wholesaler’ means a person who purchases marijuana
17 items in this state for resale to a person other than a consumer in this state.

18 “(22) ‘Mature marijuana plant’ means [*any*] **a** marijuana plant that is not
19 an immature marijuana plant.

20 “(23) ‘Noncommercial’ means not dependent or conditioned upon the pro-
21 vision or receipt of financial consideration.

22 “[(24) ‘Person’ means any natural person, corporation, professional corpo-
23 *ration, nonprofit corporation, cooperative corporation, profit or nonprofit un-*
24 *incorporated association, business trust, limited liability company, general or*
25 *limited partnership, joint venture, or any other legal entity.*]

26 “[(25)] (24) ‘Premises’ or ‘licensed premises’ means a location licensed
27 under [*sections 3 to 70*] **section 19, 20, 21 or 22, chapter 1, Oregon Laws**
28 **2015, [of this Act]** and includes:

29 “(a) All **public and private** enclosed areas at the location that are used
30 in the business operated at the location, including offices, kitchens, rest

1 rooms and storerooms[, *including all public and private areas*];

2 “(b) All areas outside [of] a building that the [*Oregon Liquor Control*]
3 commission has specifically licensed for the production, processing, whole-
4 sale sale[,] or retail sale of marijuana items; and

5 “(c) For a location that the commission has specifically licensed for the
6 production of marijuana outside [of] a building, the entire lot or parcel, as
7 defined in ORS 92.010, that the licensee owns, leases[,] or has a right to oc-
8 cupy.

9 “[*(26)(a)*] **(25)** ‘Processes’ means[:]

10 “[*(A)*] the processing, compounding[,] or conversion of marijuana into
11 [*marijuana products or marijuana extracts*;] **cannabinoid products,**
12 **cannabinoid concentrates or cannabinoid extracts.**

13 “[*(B)* *The processing, compounding, or conversion of marijuana, either di-*
14 *rectly or indirectly by extraction from substances of natural origin, or inde-*
15 *pendently by means of chemical synthesis, or by a combination of extraction*
16 *and chemical synthesis;*]

17 “[*(C)* *The packaging or repackaging of marijuana items; or*]

18 “[*(D)* *The labeling or relabeling of any package or container of marijuana*
19 *items.*]

20 “[*(b)* ‘Processes’ does not include:]

21 “[*(A)* *The drying of marijuana by a marijuana producer, if the marijuana*
22 *producer is not otherwise processing marijuana; or*]

23 “[*(B)* *The packaging and labeling of marijuana by a marijuana producer*
24 *in preparation for delivery to a marijuana processor.*]

25 “[*(27)(a)*] **(26)(a)** ‘Produces’ means the manufacture, planting, cultivation,
26 growing[,] or harvesting of marijuana.

27 “(b) ‘Produces’ does not include:

28 “(A) The drying of marijuana by a marijuana processor, if the marijuana
29 processor is not otherwise producing marijuana; or

30 “(B) The cultivation and growing of an immature marijuana plant by a

1 marijuana processor, marijuana wholesaler[,] or marijuana retailer if the
2 marijuana processor, marijuana wholesaler[,] or marijuana retailer purchased
3 or otherwise received the plant from a licensed marijuana producer.

4 “[~~(28)~~] **(27)** ‘Public place’ means a place to which the general public has
5 access and includes, but is not limited to, hallways, lobbies and other parts
6 of apartment houses and hotels not constituting rooms or apartments de-
7 signed for actual residence, and highways, streets, schools, places of
8 amusement, parks, playgrounds and [*premises*] **areas** used in connection with
9 public passenger transportation.

10 “[~~(29)~~] *‘Usable marijuana’ means dried marijuana flowers and dried*
11 *marijuana leaves, and any mixture or preparation thereof.*]

12 “**(28)(a) ‘Usable marijuana’ means the dried leaves and flowers of**
13 **marijuana.**

14 “**(b) ‘Usable marijuana’ does not include:**

15 “**(A) The seeds, stalks and roots of marijuana; or**

16 “**(B) Waste material that is a by-product of producing marijuana.**

17

18 “**(Powers and Duties of Commission)**

19

20 “**SECTION 2.** Section 7, chapter 1, Oregon Laws 2015, is amended to read:

21 “**Sec. 7.** (1) The Oregon Liquor Control Commission has the powers and
22 duties specified in sections 3 to 70, **chapter 1, Oregon Laws 2015, and** [*of*
23 *this Act, and also*] the powers necessary or proper to enable [*it*] **the com-**
24 **mission** to carry out fully and effectually all the purposes of sections 3 to
25 **70, chapter 1, Oregon Laws 2015** [*of this Act*]. The jurisdiction, supervision,
26 powers and duties of the commission extend to any person who buys, sells,
27 produces, processes, transports[,] or delivers any marijuana items within this
28 state. The commission may sue and be sued.

29 “(2) The [*function,*] **functions,** duties[,] and powers of the commission in
30 sections 3 to 70, **chapter 1, Oregon Laws 2015,** [*of this Act*] include the

1 following:

2 “(a) To regulate the purchase, sale, production, processing,
3 transportation[,] and delivery of marijuana items in accordance with the
4 provisions of sections 3 to 70, **chapter 1, Oregon Laws 2015** *[of this Act]*.

5 “(b) To grant, refuse, suspend or cancel licenses for the sale,
6 processing[,] or production of marijuana items, or other licenses in regard
7 to marijuana items, and to permit, in *[its]* **the commission’s** discretion, the
8 transfer of a license of any person.

9 “[*c*] *To collect the taxes and duties imposed by sections 3 to 70 of this Act,*
10 *and to issue, and provide for cancellation, stamps and other devices as evi-*
11 *dence of payment of such taxes or duties.]*

12 “[*d*] **(c)** To investigate and aid in the prosecution of every violation of
13 *[Oregon statutes]* **the statutory laws of this state** relating to marijuana
14 items, and cooperate in the prosecution of offenders before any state court
15 of competent jurisdiction.

16 “[*e*] **(d)** To adopt *[such regulations as are]*, **amend or repeal rules as**
17 **necessary** *[and feasible for carrying]* **to carry** out the intent and provisions
18 of sections 3 to 70, **chapter 1, Oregon Laws 2015, including rules that the**
19 **commission considers necessary to protect the public health and**
20 **safety.** *[of this Act and to amend or repeal such regulations. When such reg-*
21 *ulations are adopted they shall have the full force and effect of law.]*

22 “[*f*] **(e)** To exercise all powers incidental, convenient or necessary to
23 enable *[it]* **the commission** to administer or carry out *[any of]* the pro-
24 visions of sections 3 to 70, **chapter 1, Oregon Laws 2015, including:** *[of this*
25 *Act.]*

26 “**(A) Issuing subpoenas;**

27 “**(B) Compelling the attendance of witnesses;**

28 “**(C) Administering oaths;**

29 “**(D) Certifying official acts;**

30 “**(E) Taking depositions as provided by law;**

1 **“(F) Compelling the production of books, payrolls, accounts, papers,**
2 **records, documents and testimony; and**

3 **“(G) Establishing fees in addition to the application, licensing and**
4 **renewal fees described in sections 19, 20, 21 and 22, chapter 1, Oregon**
5 **Laws 2015, provided that any fee established by the commission is**
6 **reasonably calculated not to exceed the cost of the activity for which**
7 **the fee is charged.**

8 *“(g) To regulate and prohibit any advertising by manufacturers, processors,*
9 *wholesalers or retailers of marijuana items by the medium of newspapers, let-*
10 *ters, billboards, radio or otherwise.]*

11 *“[(h)] (f) To regulate the use of marijuana items for scientific, pharma-*
12 *ceutical, manufacturing, mechanical, industrial and other purposes.*

13 **“(3) Fees collected pursuant to subsection (2)(e)(G) of this section**
14 **shall be deposited in the Marijuana Control and Regulation Fund es-**
15 **tablished under section 32 of this 2015 Act.**

16 *“[(3) On or before January 1, 2016, the commission, after consultation with*
17 *the State Department of Agriculture and the Oregon Health Authority, shall*
18 *prescribe forms and adopt such rules and regulations as the commission deems*
19 *necessary for the implementation and administration of sections 3 to 70 of this*
20 *Act.]*

21 *“[(4) On or before January 1, 2017, the commission shall:]*

22 *“[(a) Examine available research, and may conduct or commission new re-*
23 *search, to investigate the influence of marijuana on the ability of a person to*
24 *drive a vehicle and on the concentration of delta-9 tetrahydrocannabinol in a*
25 *person’s blood, in each case taking into account all relevant factors; and]*

26 *“[(b) Present the results of the research to the Legislative Assembly and*
27 *make recommendations to the Legislative Assembly regarding whether any*
28 *amendments to the Oregon Vehicle Code are appropriate.]*

29 *“[(5) The commission has no power to purchase, own, sell, or possess any*
30 *marijuana items.]*

1 “(Power to Purchase, Possess, Seize, Dispose)
2

3 “**SECTION 3.** The Oregon Liquor Control Commission may pur-
4 chase, possess, seize or dispose of marijuana items as is necessary for
5 the commission to ensure compliance with and enforce the provisions
6 of sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule adopted
7 under sections 3 to 70, chapter 1, Oregon Laws 2015.

8 “**SECTION 4.** Any state officer, board, commission, corporation,
9 institution, department or other state body, and any local officer,
10 board, commission, institution, department or other local government
11 body, that is authorized by the statutory laws of this state to perform
12 a duty, function or power with respect to a marijuana item, may pur-
13 chase, possess, seize or dispose of marijuana items as the state officer,
14 board, commission, corporation, institution, department or other state
15 body, or the local officer, board, commission, institution, department
16 or other local government body, considers necessary to ensure com-
17 pliance with and enforce the applicable statutory law and any rule
18 adopted under the applicable statutory law.

19
20 “(Regulation of Licensees)
21

22 “**SECTION 5.** Section 25, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 “**Sec. 25.** (1) A license granted under sections 3 to 70, **chapter 1, Oregon**
25 **Laws 2015** [*of this Act shall*]:

26 “(a) [*Be*] **Is** a purely personal privilege.

27 “(b) [*Be*] **Is** valid for the period stated in the license.

28 “(c) [*Be*] **Is** renewable in the manner provided in section 28, **chapter 1,**
29 **Oregon Laws 2015** [*of this Act*], except for a cause [*which*] **that** would be
30 grounds for refusal to issue [*such*] **the** license under section 29, **chapter 1,**

1 **Oregon Laws 2015** [*of this Act*].

2 “(d) [*Be*] **Is** revocable or suspendible as provided in section 30, **chapter**
3 **1, Oregon Laws 2015** [*of this Act*].

4 “(e) [*Be*] **Is** transferable from the premises for which the license was ori-
5 ginally issued to another premises subject to the provisions of **sections 3**
6 **to 70, chapter 1, Oregon Laws 2015** [*this Act*], any rules of the Oregon
7 Liquor Control Commission and any municipal ordinance or local regulation.

8 “(f) [*Cease*] **Expires** upon the death of the licensee, except as provided in
9 subsection (2) of this section.

10 “(g) **Does** not constitute property.

11 “(h) **Is** not [*be*] alienable.

12 “(i) **Is** not [*be*] subject to attachment or execution.

13 “(j) **Does** not descend by the laws of testate or intestate devolution.

14 “(2) The commission may, by order, provide for the manner and conditions
15 under which:

16 “(a) Marijuana items left by any deceased, insolvent or bankrupt person
17 or licensee, or subject to a security interest, may be foreclosed, sold under
18 execution or otherwise disposed [*of*].

19 “(b) The business of any deceased, insolvent or bankrupt licensee may be
20 operated for a reasonable period following the death, insolvency or bank-
21 ruptcy.

22 “(c) [*A business licensed pursuant to sections 3 to 70 of this Act subject to*
23 *a security interest may be continued in business by a secured party as defined*
24 *in ORS 79.0102]* **A secured party, as defined in ORS 79.0102, may con-**
25 **tinue to operate a business for which a license has been issued under**
26 **section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015,** for a reasonable
27 period after default on the indebtedness by the debtor.

28 “**SECTION 6.** Section 27, chapter 1, Oregon Laws 2015, is amended to
29 read:

30 “**Sec. 27. (1)** A marijuana producer, marijuana processor[,] or marijuana

1 wholesaler *[shall]* **may** deliver marijuana items only to or on a licensed
2 premises.

3 **“(2) A licensed premises may receive marijuana items only from a**
4 **marijuana producer, marijuana processor or marijuana wholesaler for**
5 **whom a premises has been licensed by the Oregon Liquor Control**
6 **Commission.**

7 **“(3) The sale of marijuana items** *[under any license issued by the Oregon*
8 *Liquor Control Commission for retail sales by a licensee shall]* **by a**
9 **marijuana retailer who holds a license issued under section 22, chapter**
10 **1, Oregon Laws 2015, must** be restricted to the premises described in the
11 license, but deliveries may be made by the marijuana retailer to consumers
12 pursuant to a bona fide *[orders]* **order** received *[on]* **at** the licensed premises
13 prior to delivery.

14 **“SECTION 7.** Section 28, chapter 1, Oregon Laws 2015, is amended to
15 read:

16 **“Sec. 28.** (1) Any person desiring a license or renewal of a license under
17 sections 3 to 70, **chapter 1, Oregon Laws 2015,** *[of this Act]* shall make
18 application to the Oregon Liquor Control Commission upon forms to be fur-
19 nished by the commission showing the name and address of the applicant,
20 location of the place of business that is to be operated under the license[,]
21 and *[such]* other pertinent information *[as]* **required by** the commission *[may*
22 *require]*. *[No]* **A license** *[shall]* **may not** be granted or renewed until the
23 applicant has complied with the provisions of sections 3 to 70, **chapter 1,**
24 **Oregon Laws 2015,** *[of this Act]* and the rules of the commission.

25 **“(2) The commission may reject any application that is not submitted in**
26 **the form required by rule. The commission shall give applicants an opportu-**
27 **nity to be heard if an application is rejected. A hearing under this subsection**
28 **is not subject to the requirements for contested case proceedings under ORS**
29 **chapter 183.**

30 **“(3) Except as provided in subsection (2) of this section, a revocation of,**

1 or a refusal to issue or renew, a license under sections 3 to 70, **chapter 1,**
2 **Oregon Laws 2015,** *[of this Act]* is subject to the requirements for contested
3 case proceedings under ORS chapter 183.

4 “*[(4) The commission shall assess a nonrefundable fee for processing a new*
5 *or renewal application for any license authorized by sections 3 to 70 of this*
6 *Act. The application processing fee shall be \$250.]*

7 “*[(5) The annual license fee for any license granted under sections 3 to 70*
8 *of this Act shall be \$1,000. The license fee is nonrefundable and shall be paid*
9 *by each applicant upon the granting or committing of a license.]*

10 “**SECTION 8.** Section 29, chapter 1, Oregon Laws 2015, is amended to
11 read:

12 “**Sec. 29.** (1) The Oregon Liquor Control Commission may not license any
13 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
14 **2015,** *[of this Act]* if the applicant is under 21 years of age.

15 “(2) The *[Oregon Liquor Control]* commission may refuse to license any
16 applicant under the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
17 **2015,** *[of this Act]* if the commission has reasonable ground to believe *[any*
18 *of the following to be true:]*

19 “*[(a) That there are sufficient licensed premises in the locality set out in*
20 *the application, or that the granting of a license in the locality set out in the*
21 *application is not demanded by public interest or convenience. In determining*
22 *whether there are sufficient licensed premises in the locality, the commission*
23 *shall consider seasonal fluctuations in the population of the locality and shall*
24 *ensure that there are adequate licensed premises to serve the needs of the lo-*
25 *cality during the peak seasons.]*

26 “[*(b)*] that the applicant:

27 “[*(A)*] (**a**) Is in the habit of using alcoholic beverages, habit-forming
28 drugs, marijuana[,] or controlled substances to excess.

29 “[*(B)*] (**b**) Has made false statements to the commission.

30 “[*(C)*] (**c**) Is incompetent or physically unable to carry on the management

1 of the establishment proposed to be licensed.

2 “[*D*] (d) Has been convicted of violating a general or local law of this
3 state or another state, or of violating a federal law, if the conviction is
4 substantially related to the fitness and ability of the applicant to lawfully
5 carry out activities under the license.

6 “[*E*] (e) Has maintained an insanitary establishment.

7 “[*F*] (f) Is not of good repute and moral character.

8 “[*G*] (g) Did not have a good record of compliance with sections 3 to
9 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] or any rule of the commis-
10 sion adopted pursuant thereto.

11 “[*H*] (h) Is not the legitimate owner of the business proposed to be li-
12 censed, or other persons have ownership interests in the business [*which*]
13 **that** have not been disclosed.

14 “[*I*] (i) Is not possessed of or has not demonstrated financial responsi-
15 bility sufficient to adequately meet the requirements of the business proposed
16 to be licensed.

17 “[*J*] (j) Is unable to understand the laws of Oregon relating to
18 marijuana or the rules of the commission.

19 “(3) Notwithstanding [*subparagraph (D) of paragraph (b) of*] subsection
20 (2)(d) of this section, in determining whether the commission may refuse to
21 license an applicant, the commission may not consider the prior conviction
22 of the applicant or any owner, director, officer, manager, employee, agent[,]
23 or other representative of the applicant for:

24 “(a) The manufacture of marijuana, if:

25 “(A) The date of the conviction is more than [*five*] **two** years before the
26 date of the application; and

27 “(B) The person has not been convicted more than once for the manufac-
28 ture or delivery of marijuana;

29 “(b) The delivery of marijuana to a person 21 years of age or older, if:

30 “(A) The date of the conviction is more than [*five*] **two** years before the

1 date of the application; and

2 “(B) The person has not been convicted more than once for the manufac-
3 ture or delivery of marijuana; or

4 “(c) The possession of marijuana.

5 **“SECTION 9.** Section 30, chapter 1, Oregon Laws 2015, is amended to
6 read:

7 **“Sec. 30.** [(1)] The Oregon Liquor Control Commission may [*cancel*] **re-**
8 **voke** or suspend any license issued under sections 3 to 70, **chapter 1,**
9 **Oregon Laws 2015** [*of this Act*], if the commission finds or has reasonable
10 ground to believe any of the following to be true:

11 “[*a*] (1) That the licensee:

12 “[*A*] (a) Has violated any provision of sections 3 to 70, **chapter 1,**
13 **Oregon Laws 2015,** [*of this Act*] or any rule of the commission adopted
14 pursuant thereto.

15 “[*B*] (b) Has made any false representation or statement to the com-
16 mission in order to induce or prevent action by the commission.

17 “[*C*] (c) Has maintained an insanitary establishment.

18 “[*D*] (d) Is insolvent or incompetent or physically unable to carry on the
19 management of the establishment of the licensee.

20 “[*E*] (e) Is in the habit of using alcoholic liquor, habit-forming drugs,
21 marijuana[,] or controlled substances to excess.

22 “[*F*] (f) Has misrepresented to a customer or the public any marijuana
23 items sold by the licensee.

24 “[*G*] (g) Since the granting of the license, has been convicted of a fel-
25 ony, of violating any of the marijuana laws of this state, general or local,
26 or of any misdemeanor or violation of any municipal ordinance committed
27 on the licensed premises.

28 “[*b*] (2) That there is any other reason that, in the opinion of the com-
29 mission, based on public convenience or necessity, warrants canceling or
30 suspending [*such*] **the** license.

1 “(2) *Civil penalties under this section shall be imposed as provided in ORS*
2 *183.745.*”

3 “**SECTION 10.** For the purpose of requesting a state or nationwide
4 **criminal records check under ORS 181.534, the Oregon Liquor Control**
5 **Commission may require the fingerprints of any individual listed on**
6 **an application submitted under section 28, chapter 1, Oregon Laws**
7 **2015.**”

8 “**SECTION 11.** Section 18, chapter 1, Oregon Laws 2015, is amended to
9 read:

10 “**Sec. 18.** (1) [*On or before January 4, 2016,*] The Oregon Liquor Control
11 Commission shall [*begin receiving applications for the licensing of persons*]
12 **approve or deny an application** to produce, process[,] and sell marijuana
13 [*within the state*] **under sections 19, 20, 21 and 22, chapter 1, Oregon**
14 **Laws 2015.** Upon [*receipt of a license*] **receiving an** application, the com-
15 mission [*shall*] **may** not unreasonably delay [*the processing, approval, or re-*
16 *jection of*] **processing, approving or denying** the application or, if the
17 application is approved, [*the issuance of*] **issuing** the license.

18 “(2) The licenses described in sections [*3 to 70 of this Act shall*] **19, 20,**
19 **21 and 22, chapter 1, Oregon Laws 2015, must** be issued by the commis-
20 sion, subject to [*its regulations and restrictions and*] the provisions of
21 sections 3 to 70 [*of this Act*], **chapter 1, Oregon Laws 2015, and the rules**
22 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.**”

23 “(3) The commission may not license a premises that does not have de-
24 fined boundaries. A licensed premises [*need not*] **does not need to** be en-
25 closed by a wall, fence or other structure, but the commission may require
26 [*that any*] **a** licensed premises be enclosed as a condition of issuing or re-
27 newing a license. The commission may not license [*premises that are*] mobile
28 **premises.**

29

30

“(License Holders)”

1 **“SECTION 12.** Section 19, chapter 1, Oregon Laws 2015, is amended to
2 read:

3 **“Sec. 19.** (1) The production of marijuana is subject to regulation by the
4 Oregon Liquor Control Commission.

5 “(2) A marijuana producer must have a production license issued by the
6 commission for the premises at which the marijuana is produced. **To hold**
7 **a production license under this section, a marijuana producer:**

8 **“(a) Must apply for a license in the manner described in section 28,**
9 **chapter 1, Oregon Laws 2015;**

10 **“(b) Must provide proof that each individual listed on an application**
11 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**
12 **resident of this state for two or more years and is 21 years of age or**
13 **older; and**

14 **“(c) Must meet the requirements of any rule adopted by the com-**
15 **mission under subsection (3) of this section.**

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

17 **“(a) Require a marijuana producer to renew a license issued under**
18 **this section annually;**

19 **“(b) Establish application, licensure and renewal of licensure fees**
20 **for marijuana producers;**

21 **“(c) Require marijuana produced by marijuana producers to be**
22 **tested to ensure the public health and safety;**

23 **“(d) Require marijuana producers to submit, at the time of applying**
24 **for licensure or for renewal of licensure under section 28, chapter 1,**
25 **Oregon Laws 2015, a report describing the applicants’ expected energy**
26 **and water usage for the upcoming year; and**

27 **“(e) Impose any other standard on the operation of marijuana pro-**
28 **ducers that ensures the public health and safety.**

29 **“(4) The commission may adopt rules that establish merit-based**
30 **criteria, such as the provision of training, apprenticeship opportunities**

1 and living wages and benefits offered to employees, for licensing
2 marijuana producers under this section.

3 “(5) The commission shall consult with the State Department of
4 Energy in adopting rules under subsection (3)(d) of this section.

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

6 “(a) May not exceed the cost of administering sections 3 to 70,
7 chapter 1, Oregon Laws 2015, with respect to marijuana producers;

8 “(b) Shall be in the form of a schedule that imposes a greater fee
9 on premises with more square footage or on which more mature
10 marijuana plants are grown; and

11 “(c) Shall be deposited in the Marijuana Control and Regulation
12 Fund established under section 32 of this 2015 Act.

13 **“SECTION 13. (1) The Oregon Liquor Control Commission shall**
14 **adopt rules restricting:**

15 “(a) The size of premises for which a license has been issued under
16 section 19, chapter 1, Oregon Laws 2015, if marijuana is grown indoors
17 at the premises; and

18 “(b) The number of mature marijuana plants that may be grown
19 on a premises for which a license has been issued under section 19,
20 chapter 1, Oregon Laws 2015, if marijuana is grown outdoors at the
21 premises.

22 “(2) Rules adopted under subsection (1) of this section must require
23 that, for the first year of licensure:

24 “(a) A premises described in subsection (1)(a) of this section be no
25 more than _____ square feet; and

26 “(b) A premises described in subsection (1)(b) of this section grow
27 no more than _____ mature marijuana plants.

28 “(3) Subject to subsection (4) of this section, rules adopted under
29 subsection (1) of this section may provide for an increase in the size
30 of premises described in subsection (1)(a) of this section and the

1 number of mature marijuana plants that may be grown on premises
2 described in subsection (1)(b) of this section during subsequent years
3 of licensure.

4 “(4) The commission by rule shall continue to impose the re-
5 strictions described in subsection (2) of this section during subsequent
6 years of licensure if the commission determines that there is a lack
7 of market demand for any associated increase in the availability of
8 marijuana items in this state.

9 **“SECTION 14.** Section 20, chapter 1, Oregon Laws 2015, is amended to
10 read:

11 **“Sec. 20.** (1) The processing of marijuana items is subject to regulation
12 by the Oregon Liquor Control Commission.

13 “(2) A marijuana processor must have a processor license issued by the
14 commission for the premises at which marijuana items are processed. **To**
15 **hold a processor license under this section, a marijuana processor:**

16 **“(a) Must apply for a license in the manner described in section 28,**
17 **chapter 1, Oregon Laws 2015;**

18 **“(b) Must provide proof that each individual listed on an application**
19 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**
20 **resident of this state for two or more years and is 21 years of age or**
21 **older; and**

22 **“(c) Must meet the requirements of any rule adopted by the com-**
23 **mission under subsection (3) of this section.**

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

25 **“(a) Require a marijuana processor to renew a license issued under**
26 **this section annually;**

27 **“(b) Establish application, licensure and renewal of licensure fees**
28 **for marijuana processors;**

29 **“(c) Require marijuana processed by a marijuana processor to be**
30 **tested to ensure the public health and safety; and**

1 “(d) Meet any public health and safety standards established by the
2 commission by rule related to:

3 “(A) Cannabinoid edibles, if the marijuana processor processes
4 marijuana into cannabinoid edibles;

5 “(B) Cannabinoid concentrates, if the marijuana processor pro-
6 cesses marijuana into cannabinoid concentrates;

7 “(C) Cannabinoid extracts, if the marijuana processor processes
8 marijuana into cannabinoid extracts; and

9 “(D) Any other type of cannabinoid product identified by the com-
10 mission by rule, if the marijuana processor processes marijuana into
11 that type of cannabinoid product.

12 “(4) The commission may adopt rules that establish merit-based
13 criteria, such as the provision of training, apprenticeship opportunities
14 and living wages and benefits offered to employees, for licensing
15 marijuana processors under this section.

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

17 “(a) May not exceed the cost of administering sections 3 to 70,
18 chapter 1, Oregon Laws 2015, with respect to marijuana processors;
19 and

20 “(b) Shall be deposited in the Marijuana Control and Regulation
21 Fund established under section 32 of this 2015 Act.

22 “**SECTION 15.** Section 21, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 “**Sec. 21.** (1) The wholesale sale of marijuana items is subject to regu-
25 lation by the Oregon Liquor Control Commission.

26 “(2) A marijuana wholesaler must have a wholesale license issued by the
27 commission for the premises at which marijuana items are received, kept,
28 stored[,] or delivered. **To hold a wholesale license under this section, a**
29 **marijuana wholesaler:**

30 “(a) **Must apply for a license in the manner described in section 28,**

1 **chapter 1, Oregon Laws 2015;**

2 **“(b) Must provide proof that each individual listed on an application**
3 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**
4 **resident of this state for two or more years and is 21 years of age or**
5 **older; and**

6 **“(c) Must meet the requirements of any rule adopted by the com-**
7 **mission under subsection (3) of this section.**

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

9 **“(a) Require a marijuana wholesaler to renew a license issued under**
10 **this section annually;**

11 **“(b) Establish application, licensure and renewal of licensure fees**
12 **for marijuana wholesalers;**

13 **“(c) Require marijuana items received, kept, stored or delivered by**
14 **a marijuana wholesaler to be tested to ensure the public health and**
15 **safety; and**

16 **“(d) Impose any other standard on the operation of marijuana**
17 **wholesalers that ensures the public health and safety.**

18 **“(4) The commission may adopt rules that establish merit-based**
19 **criteria, such as the provision of training, apprenticeship opportunities**
20 **and living wages and benefits offered to employees, for licensing**
21 **marijuana wholesalers under this section.**

22 **“(5) Fees adopted under subsection (3)(b) of this section:**

23 **“(a) May not exceed the cost of administering sections 3 to 70,**
24 **chapter 1, Oregon Laws 2015, with respect to marijuana wholesalers;**
25 **and**

26 **“(b) Shall be deposited in the Marijuana Control and Regulation**
27 **Fund established under section 32 of this 2015 Act.**

28 **“SECTION 16. Section 22, chapter 1, Oregon Laws 2015, is amended to**
29 **read:**

30 **“Sec. 22. (1) The retail sale of marijuana items is subject to regulation**

1 by the Oregon Liquor Control Commission.

2 “(2) A marijuana retailer must have a retail license issued by the com-
3 mission for the premises at which marijuana items are sold. **To hold a retail**
4 **license under this section, a marijuana retailer:**

5 “(a) **Must apply for a license in the manner described in section 28,**
6 **chapter 1, Oregon Laws 2015;**

7 “(b) **Must provide proof that each individual listed on an application**
8 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a**
9 **resident of this state for two or more years and is 21 years of age or**
10 **older;**

11 “(c) **May not be located within 1,000 feet of:**

12 “(A) **A public elementary or secondary school for which attendance**
13 **is compulsory under ORS 339.020; or**

14 “(B) **A private or parochial elementary or secondary school, teach-**
15 **ing children as described in ORS 339.030 (1)(a); and**

16 “(d) **Must meet the requirements of any rule adopted by the com-**
17 **mission under subsection (3) of this section.**

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

19 “(a) **Require a marijuana retailer to renew a license issued under**
20 **this section annually;**

21 “(b) **Establish application, licensure and renewal of licensure fees**
22 **for marijuana retailers;**

23 “(c) **Require marijuana items sold by a marijuana retailer to be**
24 **tested to ensure the public health and safety; and**

25 “(d) **Impose any other standard on the operation of marijuana**
26 **retailers that ensures the public health and safety.**

27 “(4) **The commission may adopt rules that establish merit-based**
28 **criteria, such as the provision of training, apprenticeship opportunities**
29 **and living wages and benefits offered to employees, for licensing**
30 **marijuana retailers under this section.**

1 of a person who holds a license under section 22, chapter 1, Oregon
2 Laws 2015, must have a valid permit issued by the Oregon Liquor
3 Control Commission under section 20 of this 2015 Act if the individual
4 participates in:

5 “(a) The possession, securing or selling of marijuana items at the
6 premises for which the license has been issued;

7 “(b) The recording of the possession, securing or selling of
8 marijuana items at the premises for which the license has been issued;
9 or

10 “(c) The verification of any document described in section 16,
11 chapter 1, Oregon Laws 2015.

12 “(2) A person who holds a license under section 22, chapter 1,
13 Oregon Laws 2015, must verify that an individual has a valid permit
14 issued under section 20 of this 2015 Act before allowing the individual
15 to perform any work described in subsection (1) of this section at the
16 premises for which the license has been issued.

17 **“SECTION 20. (1) The Oregon Liquor Control Commission shall is-**
18 **sue permits to qualified applicants to perform work described in sec-**
19 **tion 19 of this 2015 Act. The commission shall adopt rules establishing:**

20 “(a) The qualifications for performing work described in section 19
21 of this 2015 Act;

22 “(b) The term of a permit issued under this section;

23 “(c) Procedures for applying for and renewing a permit issued under
24 this section; and

25 “(d) Reasonable application, issuance and renewal fees for a permit
26 issued under this section.

27 “(2)(a) The commission may require an individual applying for a
28 permit under this section to successfully complete a course, made
29 available by or through the commission, through which the individual
30 receives training on:

1 **“(A) The content of sections 3 to 70, chapter 1, Oregon Laws 2015,**
2 **and rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015;**
3 **and**

4 **“(B) Any matter deemed necessary by the commission to protect**
5 **the public health and safety.**

6 **“(b) The commission or other provider of the course may charge a**
7 **reasonable fee for the course.**

8 **“(c) The commission may not require an individual to successfully**
9 **complete the course more than once, except that:**

10 **“(A) As part of a final order suspending a permit issued under this**
11 **section, the commission may require a permit holder to successfully**
12 **complete the course as a condition of lifting the suspension; and**

13 **“(B) As part of a final order revoking a permit issued under this**
14 **section, the commission shall require an individual to successfully**
15 **complete the course prior to applying for a new permit.**

16 **“(3) The commission shall conduct a criminal records check under**
17 **ORS 181.534 on an individual applying for a permit under this section.**

18 **“(4) In addition to and not in lieu of the requirements of subsection**
19 **(3) of this section, and subject to the applicable provisions of ORS**
20 **chapter 183, the commission may suspend, revoke or refuse to issue**
21 **or renew a permit if the individual who is applying for or who holds**
22 **the permit:**

23 **“(a) Is convicted of a felony, except that the commission may not**
24 **consider a conviction for the manufacture or delivery of marijuana if**
25 **the date of conviction is more than two years before the date on which**
26 **the individual applied under this section;**

27 **“(b) Violates any provision of sections 3 to 70, chapter 1, Oregon**
28 **Laws 2015, or any rule adopted under sections 3 to 70, chapter 1,**
29 **Oregon Laws 2015; or**

30 **“(c) Knowingly makes a false statement to the commission.**

1 “(5) A permit issued under this section is a personal privilege and
2 permits work described under section 19 of this 2015 Act for only the
3 individual who holds the permit.

4
5 “(Bonds and Liability Insurance)
6

7 “SECTION 21. (1) Except as provided in subsection (2) of this sec-
8 tion, the holder of a license issued under section 19, 20, 21 or 22,
9 chapter 1, Oregon Laws 2015, shall at all times maintain on file with
10 the Oregon Liquor Control Commission a bond with a corporate surety
11 authorized to transact business in this state. The bond shall be in a
12 form and amount acceptable to the commission and shall be payable
13 to the commission if the licensee fails to pay a civil penalty imposed
14 by the commission under section 29 of this 2015 Act, a fee imposed by
15 the commission under sections 3 to 70, chapter 1, Oregon Laws 2015,
16 or a tax on marijuana items as required by the laws of this state.

17 “(2) In a form and manner prescribed by the commission, the holder
18 of a license issued under section 19, 20, 21 or 22, chapter 1, Oregon
19 Laws 2015, may, in lieu of maintaining the bond required by subsection
20 (1) of this section, deposit in a bank or trust company for the benefit
21 of the commission an equivalent amount in cash, letters of credit re-
22 cognized by the State Treasurer or negotiable securities of a character
23 approved by the State Treasurer. Interest earned on deposited funds
24 or securities shall accrue to the person that made the deposit.

25 “SECTION 22. (1) For the purpose of providing coverage for injuries
26 related to the conduct of intoxicated persons who were sold or other-
27 wise provided with a marijuana item on a licensed premises while
28 visibly intoxicated, a marijuana retailer that holds a license under
29 section 22, chapter 1, Oregon Laws 2015, shall:

30 “(a) Maintain liability insurance of not less than \$300,000; or

1 **“(b) Maintain a bond with a corporate surety authorized to transact**
2 **business in this state in an amount that is not less than \$300,000.**

3 **“(2) Notwithstanding subsection (1) of this section, the Oregon Li-**
4 **quor Control Commission may by rule require insurance or a bond in**
5 **an amount larger than the minimum amount described in subsection**
6 **(1) of this section.**

7 **“(3) A licensee subject to the requirements of this section must**
8 **provide to the commission, in a form and manner prescribed by the**
9 **commission, proof that the licensee is in compliance with this section**
10 **at the time that the licensee applies for or renews a license under**
11 **section 28, chapter 1, Oregon Laws 2015, and at any time that the**
12 **commission requests proof of compliance.**

13 **“(4) In addition to any other penalty provided by law, the commis-**
14 **sion may suspend or revoke the license of a licensee that fails to**
15 **comply with this section. For purposes of ORS 183.430 (2), failure to**
16 **maintain liability insurance or a bond as required by this section, or**
17 **failure to provide proof of compliance as required by subsection (3) of**
18 **this section, is a serious danger to public health and safety.**

19
20 **“(Seed to Sale Tracking System)”**
21

22 **“SECTION 23. The Oregon Liquor Control Commission shall develop**
23 **and maintain a system for tracking marijuana items offered for retail**
24 **sale in this state. The commission shall use the system to:**

25 **“(1) Shortly after marijuana sprouts and before marijuana is**
26 **transferred to another premises licensed under sections 3 to 70, chap-**
27 **ter 1, Oregon Laws 2015, identify marijuana produced at a premises**
28 **licensed under section 19, chapter 1, Oregon Laws 2015;**

29 **“(2) Before cannabinoid products, cannabinoid concentrates or**
30 **cannabinoid extracts are transferred to another premises licensed un-**

1 **der sections 3 to 70, chapter 1, Oregon Laws 2015, identify cannabinoid**
2 **products, cannabinoid concentrates or cannabinoid extracts processed**
3 **at a premises licensed under section 20, chapter 1, Oregon Laws 2015;**

4 **“(3) Track the transference of marijuana items between premises**
5 **licensed under sections 3 to 70, chapter 1, Oregon Laws 2015, up until**
6 **the point at which the marijuana items are sold to a consumer at a**
7 **premises licensed under section 22, chapter 1, Oregon Laws 2015; and**

8 **“(4) Keep and maintain a database of information acquired pursuant**
9 **to subsections (1) to (3) of this section.**

10
11 **“(Identification Requirement)**

12
13 **“SECTION 24.** Section 16, chapter 1, Oregon Laws 2015, is amended to
14 read:

15 **“Sec. 16.** *[All licensees and licensee representatives, before selling or serv-*
16 *ing marijuana items to any person about whom there is any reasonable doubt*
17 *of the person’s having reached 21 years of age, shall require such person to*
18 *produce one of the following pieces of identification:]*

19 **“(1) Subject to subsection (2) of this section, a licensee or licensee**
20 **representative, before selling or providing a marijuana item to another**
21 **person, must require the person to produce one of the following pieces**
22 **of identification:**

23 **“[(1)] (a)** The person’s passport.

24 **“[(2)] (b)** The person’s *[motor vehicle operator’s]* **driver** license, whether
25 issued in this state or by any other state, *[so]* **as** long as the license has a
26 picture of the person.

27 **“[(3)] (c)** An identification card issued under ORS 807.400.

28 **“[(4)] (d)** A United States military identification card.

29 **“[(5)] (e)** Any other identification card issued by a state that bears a
30 picture of the person, the name of the person, the person’s date of birth and

1 a physical description of the person.

2 “(2) **The Oregon Liquor Control Commission may adopt rules ex-**
3 **empting a licensee or licensee representative from this section.**

4

5 “(Protection of Persons Under 21 Years of Age)

6

7 “**SECTION 25.** Section 49, chapter 1, Oregon Laws 2015, is amended to
8 read:

9 “**Sec. 49.** (1) A person under 21 years of age may not **purchase or** attempt
10 to purchase, **or acquire**, marijuana items.

11 “(2) Except as authorized by rule or as necessitated in an emergency, a
12 person under 21 years of age may not enter or attempt to enter any portion
13 of a licensed premises [*that is posted or otherwise identified as being prohib-*
14 *ited to the use of minors*].

15 “(3) A person who violates subsection (1) or (2) of this section commits
16 a Class B violation.

17 “(4) In addition to and not in lieu of any other penalty established by law,
18 **a court may order** a person under 21 years of age who violates subsection
19 (1) of this section through misrepresentation of age [*may be required*] to
20 perform community service and [*the court*] shall order that the person’s
21 driving privileges and right to apply for driving privileges be suspended for
22 a period not to exceed one year. If a court [*has issued*] **issues** an order sus-
23 pending driving privileges under this section, the court, upon petition of the
24 person, may withdraw the order at any time the court deems appropriate.
25 The court notification to the Department of Transportation under this sub-
26 section may include a recommendation that the person be granted a hardship
27 permit under ORS 807.240 if the person is otherwise eligible for the permit.

28 “(5) If a person cited under this section **is found in default under ORS**
29 **153.102 or 419C.472 for failure to appear and** is at least 13 years of age
30 [*but less than 21 years of age*] at the time the person is found in default

1 [under ORS 153.102 or 419C.472 for failure to appear], in addition to and not
2 in lieu of any other penalty, the court shall issue notice under ORS 809.220
3 to the department for the department to suspend the person's driving privi-
4 leges under ORS 809.280 (4).

5 “(6) The prohibitions of this section do not apply to a person under 21
6 years of age who is acting under the direction of the Oregon Liquor Control
7 Commission or under the direction of state or local law enforcement agencies
8 for the purpose of investigating possible violations of laws prohibiting sales
9 of marijuana items to persons [who are] under 21 years of age.

10 **“SECTION 26. The Oregon Liquor Control Commission may require**
11 **a marijuana retailer that holds a license issued under section 22,**
12 **chapter 1, Oregon Laws 2015, to use an age verification scanner or any**
13 **other equipment used to verify a person's age for the purpose of en-**
14 **suring that the marijuana retailer does not sell marijuana items to a**
15 **person under 21 years of age. The commission may not retain any in-**
16 **formation obtained under this section after verifying a person's age.**
17 **The commission may not use any information obtained under this**
18 **section for any purpose other than verifying a person's age.**

19 **“SECTION 27. ORS 659A.403 is amended to read:**

20 “659A.403. (1) Except as provided in subsection (2) of this section, all
21 persons within the jurisdiction of this state are entitled to the full and equal
22 accommodations, advantages, facilities and privileges of any place of public
23 accommodation, without any distinction, discrimination or restriction on
24 account of race, color, religion, sex, sexual orientation, national origin,
25 marital status or age if the individual is [18 years] of age, **as described in**
26 **this section**, or older.

27 “(2) Subsection (1) of this section does not prohibit:

28 “(a) The enforcement of laws governing the consumption of alcoholic
29 beverages by minors and the frequenting by minors of places of public ac-
30 commodation where alcoholic beverages are served; [or]

1 **“(b) The enforcement of laws governing the use of marijuana items,**
2 **as defined in section 5, chapter 1, Oregon Laws 2015, by persons under**
3 **21 years of age and the frequenting by persons under 21 years of age**
4 **of places of public accommodation where marijuana items are sold;**
5 **or**

6 **“[(b)] (c) The offering of special rates or services to persons 50 years of**
7 **age or older.**

8 “(3) It is an unlawful practice for any person to deny full and equal ac-
9 commodations, advantages, facilities and privileges of any place of public
10 accommodation in violation of this section.

11 **“SECTION 28.** ORS 659A.409 is amended to read:

12 “659A.409. Except as provided by laws governing the consumption of al-
13 coholic beverages by minors [*and*], **the use of marijuana items, as defined**
14 **in section 5, chapter 1, Oregon Laws 2015, by persons under 21 years**
15 **of age, the frequenting by minors of places of public accommodation where**
16 **alcoholic beverages are served[,] and the frequenting by persons under**
17 **21 years of age of places of public accommodation where marijuana**
18 **items are sold, and except for special rates or services offered to persons**
19 **50 years of age or older, it is an unlawful practice for any person acting on**
20 **behalf of any place of public accommodation as defined in ORS 659A.400 to**
21 **publish, circulate, issue or display, or cause to be published, circulated, is-**
22 **sued or displayed, any communication, notice, advertisement or sign of any**
23 **kind to the effect that any of the accommodations, advantages, facilities,**
24 **services or privileges of the place of public accommodation will be refused,**
25 **withheld from or denied to, or that any discrimination will be made against,**
26 **any person on account of race, color, religion, sex, sexual orientation, na-**
27 **tional origin, marital status or age if the individual is [18 years] of age, as**
28 **described in this section, or older.**

29

30

“(Enforcement)”

1 **“SECTION 29. In addition to any other liability or penalty provided**
2 **by law, the Oregon Liquor Control Commission may impose for each**
3 **violation of a provision of sections 3 to 70, chapter 1, Oregon Laws**
4 **2015, or a rule adopted under a provision of sections 3 to 70, chapter**
5 **1, Oregon Laws 2015, a civil penalty that does not exceed \$5,000 for**
6 **each day that the violation occurs. The commission shall impose civil**
7 **penalties under this section in the manner provided by ORS 183.745.**
8 **Moneys collected under this section shall be deposited in the**
9 **Marijuana Control and Regulation Fund established under section 32**
10 **of this 2015 Act.**

11 **“SECTION 30. (1) As used in this section, ‘marijuana enforcement**
12 **inspector’ means a full-time employee of the Oregon Liquor Control**
13 **Commission who is authorized to act as an agent of the commission.**

14 **“(2) A marijuana enforcement inspector has the authority as pro-**
15 **vided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to**
16 **133.739, 161.235 and 161.245, ORS chapter 153, chapter 743, Oregon Laws**
17 **1971, and sections 3 to 70, chapter 1, Oregon Laws 2015, to conduct in-**
18 **spections and investigations, make arrests and seizures, aid in prose-**
19 **cutions for offenses, issue citations for violations and otherwise**
20 **enforce the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015,**
21 **and any rule adopted under sections 3 to 70, chapter 1, Oregon Laws**
22 **2015, and any other law of this state related to regulating or prohibit-**
23 **ing activities related to marijuana items, including laws related to:**

24 **“(a) Producing, processing, importing, transporting, possessing,**
25 **distributing, selling or consuming marijuana items;**

26 **“(b) The manufacture or use of false identification; or**

27 **“(c) The entry of premises for which a license has been issued under**
28 **section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.**

29 **“(3) A marijuana enforcement inspector may not conduct in-**
30 **spections and investigations for purposes of ensuring compliance with**

1 **ORS 475.300 to 475.346.**

2 **“SECTION 31. For purposes of sections 3 to 70, chapter 1, Oregon**
3 **Laws 2015, the provisions of ORS 183.440 apply to subpoenas issued by**
4 **the Oregon Liquor Control Commission and any authorized agent of**
5 **the commission.**

6
7 **“(Marijuana Control and Regulation Fund)**

8
9 **“SECTION 32. The Marijuana Control and Regulation Fund is es-**
10 **tablished in the State Treasury, separate and distinct from the General**
11 **Fund. Interest earned by the Marijuana Control and Regulation Fund**
12 **shall be credited to the fund. Moneys in the fund are continuously**
13 **appropriated to the Oregon Liquor Control Commission to administer**
14 **and enforce sections 3 to 70, chapter 1, Oregon Laws 2015.**

15
16 **“(Land Use)**

17
18 **“SECTION 33. Section 58, chapter 1, Oregon Laws 2015, is amended to**
19 **read:**

20 **“Sec. 58. [Sections 3 to 70 of this Act, designed to operate uniformly**
21 **throughout the state, shall be paramount and superior to and shall fully re-**
22 **place and supersede any and all municipal charter enactments or local ordi-**
23 **nances inconsistent with it. Such charters and ordinances hereby are**
24 **repealed.]**

25 **“(1) Except as expressly authorized by statutory laws of this state,**
26 **the authority to regulate marijuana items and the production, pro-**
27 **cessing and sale of marijuana items under sections 3 to 70, chapter 1,**
28 **Oregon Laws 2015, and the authority to impose a tax or fee on the**
29 **production, processing or sale of marijuana items under sections 3 to**
30 **70, chapter 1, Oregon Laws 2015, is vested solely in the Legislative**

1 **Assembly.**

2 **“(2) Except as expressly authorized by statutory laws of this state,**
3 **a county, city or other municipal corporation or district may not enact**
4 **ordinances regulating marijuana items and the production, processing**
5 **and sale of marijuana items under sections 3 to 70, chapter 1, Oregon**
6 **Laws 2015, or ordinances imposing a tax or fee on the production,**
7 **processing or sale of marijuana items under sections 3 to 70, chapter**
8 **1, Oregon Laws 2015.**

9 **“SECTION 34.** Section 59, chapter 1, Oregon Laws 2015, is amended to
10 read:

11 **“Sec. 59.** *[(1) Cities and counties may adopt reasonable time, place and*
12 *manner regulations of the nuisance aspects of establishments that sell*
13 *marijuana to consumers if the city or county makes specific findings that the*
14 *establishment would cause adverse effects to occur.]*

15 *“[(2) The authority granted to cities and counties by this section is in ad-*
16 *dition to, and not in lieu of, the authority granted to a city or county under*
17 *its charter and the statutes and Constitution of this state.]*

18 **“(1) For purposes of this section, ‘reasonable regulations’ includes:**

19 **“(a) Reasonable limitations on the hours during which a marijuana**
20 **retailer licensed under section 22, chapter 1, Oregon Laws 2015, may**
21 **operate;**

22 **“(b) Reasonable conditions on the manner in which a marijuana**
23 **retailer licensed under section 22, chapter 1, Oregon Laws 2015, may**
24 **sell marijuana items;**

25 **“(c) Reasonable requirements related to the public’s access to a**
26 **premises for which a license has been issued under section 19, 20, 21**
27 **or 22, chapter 1, Oregon Laws 2015; and**

28 **“(d) Reasonable limitations on where a premises for which a license**
29 **has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws**
30 **2015, may be located.**

1 “(2) Notwithstanding ORS 633.738, the governing body of a city or
2 county may adopt ordinances that impose reasonable regulations on
3 the operation of businesses located at premises for which a license has
4 been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015,
5 if the premises is located in the area subject to the jurisdiction of the
6 city or county.

7 “(3) Regulations adopted under this section must be consistent with
8 city and county comprehensive plans, zoning ordinances and applicable
9 provisions of public health and safety laws.

10 “SECTION 35. (1) Notwithstanding any other provision of ORS
11 chapters 197, 215 and 227, marijuana is a crop for the purposes of ‘farm
12 use’ as defined in ORS 215.203, a crop for purposes of ‘farming
13 practice’ as defined in ORS 30.930, a product of farm use as described
14 in ORS 308A.062 and the product of an agricultural activity as de-
15 scribed in ORS 568.909.

16 “(2) A primary dwelling in conjunction with a marijuana crop lo-
17 cated on exclusive farm use land is not a permitted use under ORS
18 215.213 or 215.283.

19 “(3) The processing of marijuana leaves or flowers on a premises
20 that is located on exclusive farm use land and for which a license has
21 been issued under section 20, chapter 1, Oregon Laws 2015, is permis-
22 sible to the extent that is provided for other crops under ORS 215.213
23 (2) or 215.283 (2).

24 “(4) For the purposes of processing marijuana on lands outside ur-
25 ban growth boundaries, a county may allow marijuana processing
26 through a home occupation permit that is consistent with the county’s
27 zoning ordinances.

28 “(5) Prior to the issuance of any license under section 19, 20, 21 or
29 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commis-
30 sion shall request a land use compatibility statement from the city or

1 **county that authorizes the land use. The land use compatibility**
2 **statement must demonstrate that the requested license is for a land**
3 **use that is allowable as a permitted or conditional use within the given**
4 **zoning designation where the land is located. The commission may not**
5 **issue a license if the land use compatibility statement shows that the**
6 **proposed land use is prohibited in the applicable zone.**

7

8 **“(Amendments to Fix References)**

9

10 **“SECTION 36.** Section 1, chapter 1, Oregon Laws 2015, is amended to
11 read:

12 **“Sec. 1.** (1) The People of the State of Oregon declare that the purposes
13 of **sections 3 to 70, chapter 1, Oregon Laws 2015, [this Act]** are:

14 **“(a)** To eliminate the problems caused by the prohibition and uncontrolled
15 manufacture, delivery[,] and possession of marijuana within this state;

16 **“(b)** To protect the safety, welfare, health[,] and peace of the people of
17 this state by prioritizing [*the*] **this** state’s limited law enforcement resources
18 in the most effective, consistent[,] and rational way;

19 **“(c)** To permit persons licensed, controlled[,] **and** regulated[, *and taxed*]
20 by this state to legally manufacture and sell marijuana to persons 21 years
21 of age and older, subject to the provisions of **sections 3 to 70, chapter 1,**
22 **Oregon Laws 2015 [this Act];**

23 **“(d)** To ensure that the State Department of Agriculture issues industrial
24 hemp licenses and agricultural hemp seed production permits in accordance
25 with existing state law; and

26 **“(e)** To establish a comprehensive regulatory framework concerning
27 marijuana under existing state law.

28 **“(2)** The People of the State of Oregon intend that the provisions of
29 **sections 3 to 70, chapter 1, Oregon Laws 2015 [this Act],** together with the
30 other provisions of existing state law, will:

1 “(a) Prevent the distribution of marijuana to persons under 21 years of
2 age;

3 “(b) Prevent revenue from the sale of marijuana from going to criminal
4 enterprises, gangs[,] and cartels;

5 “(c) Prevent the diversion of marijuana from this state to other states;

6 “(d) Prevent marijuana activity that is legal under state law from being
7 used as a cover or pretext for the trafficking of other illegal drugs or other
8 illegal activity;

9 “(e) Prevent violence and the use of firearms in the cultivation and dis-
10 tribution of marijuana;

11 “(f) Prevent drugged driving and the exacerbation of other adverse public
12 health consequences associated with the use of marijuana;

13 “(g) Prevent the growing of marijuana on public lands and the attendant
14 public safety and environmental dangers posed by marijuana production on
15 public lands; and

16 “(h) Prevent the possession and use of marijuana on federal property.

17 **“SECTION 37.** Section 2, chapter 1, Oregon Laws 2015, is amended to
18 read:

19 **“Sec. 2.** *[(1) Sections 3 to 70 of this Act are added to and made a part of*
20 *the Oregon Revised Statutes.]*

21 *“[(2) Section 71 is added to and made a part of ORS chapter 317.]*

22 *“[(3)] (1) Section 72, **chapter 1, Oregon Laws 2015,** is added to and made*
23 *a part of ORS chapter 475.*

24 *“[(4)] (2) Section 73, **chapter 1, Oregon Laws 2015,** is added to and made*
25 *a part of ORS chapter 811.*

26 **“SECTION 38.** Section 3, chapter 1, Oregon Laws 2015, is amended to
27 read:

28 **“Sec. 3.** Sections 3 to 70, **chapter 1, Oregon Laws 2015,** *[of this Act]*
29 *shall be known and may be cited as the Control[,] and Regulation[, and*
30 *Taxation] of Marijuana [and Industrial Hemp] Act.*

1 **“SECTION 39.** Section 4, chapter 1, Oregon Laws 2015, is amended to
2 read:

3 **“Sec. 4.** Sections 3 to 70, **chapter 1, Oregon Laws 2015, [of this Act]**
4 may not be construed:

5 “(1) To amend or affect in any way any state or federal law pertaining
6 to employment matters;

7 “(2) To amend or affect in any way any state or federal law pertaining
8 to landlord-tenant matters;

9 “(3) To prohibit a recipient of a federal grant or an applicant for a federal
10 grant from prohibiting the manufacture, delivery, possession[,] or use of
11 marijuana to the extent necessary to satisfy federal requirements for the
12 grant;

13 “(4) To prohibit a party to a federal contract or a person applying to be
14 a party to a federal contract from prohibiting the manufacture, delivery,
15 possession[,] or use of marijuana to the extent necessary to comply with the
16 terms and conditions of the contract or to satisfy federal requirements for
17 the contract;

18 “(5) To require a person to violate a federal law;

19 “(6) To exempt a person from a federal law or obstruct the enforcement
20 of a federal law; or

21 “(7) To amend or affect in any way the Oregon Medical Marijuana Act.

22 **“SECTION 40.** Section 6, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 **“Sec. 6.** (1) Sections 7 to 44 and 60 to 62, **chapter 1, Oregon Laws 2015,**
25 **[of this Act]** do not apply:

26 “(a) To the production, processing, keeping[,] or storage of homegrown
27 marijuana at a household by one or more persons 21 years of age and older
28 if the total of homegrown marijuana at the household does not exceed four
29 marijuana plants and eight ounces of usable marijuana at a given time.

30 “(b) To the making, processing, keeping[,] or storage of homemade

1 [marijuana] **cannabinoid** products at a household by one or more persons
2 21 years of age and older if the total of homemade [marijuana] **cannabinoid**
3 products at the household does not exceed [sixteen] **16** ounces in solid form
4 at a given time.

5 “(c) To the making, processing, keeping[,] or storage of homemade
6 [marijuana] **cannabinoid** products **or cannabinoid concentrates** at a
7 household by one or more persons 21 years of age and older if the total of
8 homemade [marijuana] **cannabinoid** products **or cannabinoid concentrates**
9 at the household does not exceed [seventy-two] **72** ounces in liquid form at a
10 given time.

11 “(d) To the delivery of not more than one ounce of homegrown marijuana
12 at a given time by a person 21 years of age or older to another person 21
13 years of age or older for noncommercial purposes.

14 “(e) To the delivery of not more than [sixteen] **16** ounces of homemade
15 [marijuana] **cannabinoid** products in solid form at a given time by a person
16 21 years of age or older to another person 21 years of age or older for non-
17 commercial purposes.

18 “(f) To the delivery of not more than [seventy-two] **72** ounces of homemade
19 [marijuana] **cannabinoid** products **or cannabinoid concentrates** in liquid
20 form at a given time by a person 21 years of age or older to another person
21 21 years of age or older for noncommercial purposes.

22 “(2) Sections 7 to 70, **chapter 1, Oregon Laws 2015** [of this Act]:

23 “(a) Do not apply to the extent a person acts within the scope of and in
24 compliance with the Oregon Medical Marijuana Act; or

25 “(b) Do not amend or affect in any way the [function] **functions**,
26 duties[,] and powers of the Oregon Health Authority under the Oregon
27 Medical Marijuana Act.

28 “**SECTION 41.** Section 10, chapter 1, Oregon Laws 2015, is amended to
29 read:

30 “**Sec. 10.** [No] **A** member of the Oregon Liquor Control Commission, the

1 State Department of Agriculture[,] or the Oregon Health Authority may **not**
2 be sued for doing or omitting to do any act in the performance of duties [*as*
3 *prescribed in*] **required under** sections 3 to 70, **chapter 1, Oregon Laws**
4 **2015** [*of this Act*].

5 **“SECTION 42.** Section 11, chapter 1, Oregon Laws 2015, is amended to
6 read:

7 **“Sec. 11.** (1) [*Neither*] The Oregon Liquor Control Commission, the State
8 Department of Agriculture[, *nor*] **and** the Oregon Health Authority may **not**
9 refuse to perform any duty under sections 3 to 70, **chapter 1, Oregon Laws**
10 **2015**, [*of this Act*] on the basis that manufacturing, distributing, dispensing,
11 possessing[,] or using marijuana is prohibited by federal law.

12 “(2) The commission may not revoke or refuse to issue or renew a license
13 under sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] on the
14 basis that manufacturing, distributing, dispensing, possessing[,] or using
15 marijuana is prohibited by federal law.

16 **“SECTION 43.** Section 12, chapter 1, Oregon Laws 2015, is amended to
17 read:

18 **“Sec. 12.** [*No*] A contract [*shall be*] **is not** unenforceable on the basis that
19 manufacturing, distributing, dispensing, possessing[,] or using marijuana is
20 prohibited by federal law.

21 **“SECTION 44.** Section 13, chapter 1, Oregon Laws 2015, is amended to
22 read:

23 **“Sec. 13.** Licensees and licensee representatives may produce, deliver[,]
24 and possess marijuana items subject to the provisions of sections 3 to 70,
25 **chapter 1, Oregon Laws 2015** [*of this Act*]. The production, delivery[,] and
26 possession of marijuana items by a licensee or a licensee representative in
27 compliance with sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this*
28 *Act shall*] **does** not constitute a criminal or civil offense under Oregon law.

29 **“SECTION 45.** Section 14, chapter 1, Oregon Laws 2015, is amended to
30 read:

1 “**Sec. 14.** [No] A licensee or licensee representative may **not** sell or de-
2 liver [*any marijuana items to any*] **a marijuana item to a person under 21**
3 years of age.

4 “**SECTION 46.** Section 17, chapter 1, Oregon Laws 2015, is amended to
5 read:

6 “**Sec. 17.** (1) [No] A person [*shall*] **may not** produce any piece of iden-
7 tification that would falsely indicate the person’s age.

8 “(2) If a piece of identification is offered as evidence in any administra-
9 tive or criminal prosecution of a licensee or licensee representative for sale
10 or service of marijuana items to a person [*not having reached*] **under 21**
11 years of age, the licensee or licensee representative [*shall be found to have*
12 *committed no crime or other wrong*] **is not guilty of any offense prohibiting**
13 **a person from selling or serving marijuana items to a person under**
14 **21 years of age** unless it is demonstrated that a reasonable person would
15 have determined that the identification exhibited was altered or did not ac-
16 curately describe the person to whom the marijuana items were sold or
17 served.

18 “**SECTION 47.** Section 23, chapter 1, Oregon Laws 2015, is amended to
19 read:

20 “**Sec. 23.** (1) The Oregon Liquor Control Commission has the right after
21 72 hours’ notice to the owner or the agent of the owner to make an exam-
22 ination of the books and may at any time make an examination of the
23 premises of any person licensed under sections 3 to 70, **chapter 1, Oregon**
24 **Laws 2015** [*of this Act*], for the purpose of determining compliance with
25 sections 3 to 70, **chapter 1, Oregon Laws 2015**, [*of this Act*] and the rules
26 of the commission.

27 “(2) The commission [*shall*] **may not** require the books of any licensee to
28 be maintained on the premises of the licensee.

29 “(3) **This section does not authorize the commission to make an**
30 **examination of the premises of any person registered under ORS**

1 **475.300 to 475.346.**

2 **“SECTION 48.** Section 24, chapter 1, Oregon Laws 2015, is amended to
3 read:

4 **“Sec. 24.** The same person may hold one or more production licenses, one
5 or more processor licenses, one or more wholesale licenses[,] and one or more
6 retail licenses.

7 **“SECTION 49.** Section 45, chapter 1, Oregon Laws 2015, is amended to
8 read:

9 **“Sec. 45. (1) A licensee or licensee representative may not import**
10 **marijuana items** [*may not be imported*] into this state or [*exported*] **export**
11 **marijuana items** from this state [*by any licensee or licensee representative*].

12 **“(2)** A violation of subsection (1) of this section is a:

13 **“(a)** Class C felony, if the importation or exportation is for consideration;
14 or

15 **“(b)** Class A misdemeanor, if the importation or exportation is not for
16 consideration.

17 **“SECTION 50.** Section 46, chapter 1, Oregon Laws 2015, is amended to
18 read:

19 **“Sec. 46.** Marijuana items may not be given as a prize, premium or con-
20 sideration for a lottery, contest, game of chance [*or*], **game of skill**[,] or
21 competition of any kind.

22 **“SECTION 51.** Section 47, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 **“Sec. 47. (1)** A person may not sell, give or otherwise make available any
25 marijuana items to any person who is visibly intoxicated.

26 **“(2)(a)** A person who exercises control over private real property may not
27 knowingly allow any other person under the age of 21 years to consume
28 marijuana items on the property, or allow any other person under the age
29 of 21 years to remain on the property if the person under the age of 21 years
30 consumes marijuana items on the property.

1 “(b) This subsection:

2 “(A) Applies only to a person who is present and in control of the lo-
3 cation at the time the consumption occurs; and

4 “(B) Does not apply to the owner of rental property, or the agent of an
5 owner of rental property, unless the consumption occurs in the individual
6 **housing** unit in which the owner or agent resides.

7 “**SECTION 52.** Section 48, chapter 1, Oregon Laws 2015, is amended to
8 read:

9 “**Sec. 48.** (1) [No] A person [shall] **may not** make false representations
10 or statements to the Oregon Liquor Control Commission in order to induce
11 or prevent action by the commission.

12 “(2) [No] A licensee of the commission [shall] **may not** maintain a noisy,
13 lewd, disorderly or insanitary establishment or supply impure or otherwise
14 deleterious marijuana items.

15 “(3) [No] A licensee of the commission [shall] **may not** misrepresent to
16 a customer or to the public any marijuana items.

17 “**SECTION 53.** Section 50, chapter 1, Oregon Laws 2015, is amended to
18 read:

19 “**Sec. 50.** (1) [No] Marijuana items [shall] **may not** be sold or offered for
20 sale within this state unless [such] **the** marijuana items comply with the
21 minimum standards [fixed pursuant to law] **prescribed by the statutory**
22 **laws of this state.**

23 “[2] *The Oregon Liquor Control Commission may require a marijuana*
24 *producer, marijuana processor, or marijuana wholesaler to provide a labora-*
25 *tory analysis demonstrating to the satisfaction of the commission that partic-*
26 *ular marijuana items comply with the minimum standards in this state.]*

27 “[3] *No marijuana items offered for sale within this state may be altered*
28 *or tampered with in any way by any person not licensed to do so by the com-*
29 *mission.]*

30 “[4] (2) **The Oregon Liquor Control** Commission may prohibit the sale

1 of [any] marijuana items **by a marijuana retailer** for a reasonable period
2 of time [while it is determining] **for the purpose of determining** whether
3 the marijuana items comply with **the** minimum standards [in this] **pre-**
4 **scribed by the statutory laws of this** state.

5 **“SECTION 54.** Section 51, chapter 1, Oregon Laws 2015, is amended to
6 read:

7 **“Sec. 51.** (1) [No] A licensee [shall] **may not** use or allow the use of any
8 mark or label on the container of any marijuana items [which] **that** are kept
9 for sale[,] if the container does not precisely and clearly indicate the nature
10 of [its] **the container’s** contents or in any way might deceive any customer
11 as to the nature, composition, quantity, age or quality of [such] **the**
12 marijuana items.

13 **“(2)** The Oregon Liquor Control Commission may prohibit any licensee
14 from selling any brand of marijuana items [which] **that** in [its] **the**
15 **commission’s** judgment is deceptively labeled or branded as to content[,]
16 or contains injurious or adulterated ingredients.

17 **“SECTION 55.** Section 53, chapter 1, Oregon Laws 2015, is amended to
18 read:

19 **“Sec. 53.** (1) Except for licensed marijuana producers and their licensee
20 representatives, [no] a licensee may **not** possess a mature marijuana plant.

21 **“(2)** [No] A licensee may **not** sell a mature marijuana plant.

22 **“SECTION 56.** Section 56, chapter 1, Oregon Laws 2015, is amended to
23 read:

24 **“Sec. 56.** (1) [No] A person may **not** produce, process, keep[,] or store
25 homegrown marijuana or homemade [marijuana] **cannabinoid** products **or**
26 **cannabinoid concentrates** if the homegrown marijuana or homemade
27 [marijuana] **cannabinoid** products **or cannabinoid concentrates** can be
28 readily seen by normal unaided vision from a public place.

29 **“(2)** A violation of subsection (1) of this section is a Class B violation.

30 **“SECTION 57.** Section 57, chapter 1, Oregon Laws 2015, is amended to

1 read:

2 “**Sec. 57.** [No] A person may **not** produce, process, keep[,] or store
3 homemade [*marijuana*] **cannabinoid** extracts.

4 “**SECTION 58.** Section 60, chapter 1, Oregon Laws 2015, is amended to
5 read:

6 “**Sec. 60. (1) Marijuana producers, marijuana processors, marijuana**
7 **wholesalers and marijuana retailers are prohibited from operating in**
8 **the area subject to the jurisdiction of a city or in the unincorporated**
9 **areas subject to the jurisdiction of a county that approves a petition**
10 **described in this section.**

11 “[*(1)*] **(2)** The governing body of a city or a county, when a petition is
12 filed as provided in this section, shall order an election on the question
13 whether the operation of licensed premises [*shall*] **should** be prohibited in
14 the city or county.

15 “[*(2)*] **(3)** Except as **otherwise** provided in [*subsections (3), (4) and (5) of*]
16 this section, the requirements for preparing, circulating and filing a petition
17 under this section:

18 “(a) In the case of a city, [*shall*] **must** be as provided for an initiative
19 petition under ORS 250.265 to 250.346.

20 “(b) In the case of a county, [*shall*] **must** be as provided for an initiative
21 petition under ORS 250.165 to 250.235.

22 “[*(3)*] **(4)** A petition under [*subsection (2) of*] this section:

23 “(a) Must be filed not less than 60 days before the day of the election;
24 and

25 “(b) Must be signed by not less than 10 percent of the electors registered
26 in the city or county.

27 “[*(4)*] **(5)** If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a
28 county or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city,
29 the requirements for preparing, circulating and filing a petition under this
30 section [*shall*] **must** be as provided for an initiative petition under the

1 county or city charter or an ordinance adopted under the county or city
2 charter.

3 “[5] (6) [No] A signature is **not** valid unless signed within 180 days be-
4 fore the petition is filed.

5 “[6] (7) An election under this section [*shall*] **must** be held at the time
6 of the next statewide general election.

7 “[7] (8) An election under this section [*shall*] **must** be conducted under
8 ORS chapters 246 to 260.

9 **“SECTION 59.** Section 61, chapter 1, Oregon Laws 2015, is amended to
10 read:

11 **“Sec. 61.** Section 60, **chapter 1, Oregon Laws 2015, does** [*of this Act*
12 *shall*] not prevent any person residing in the county or city from having, for
13 personal use, marijuana items purchased from marijuana retailers duly li-
14 censed under **sections 3 to 70, chapter 1, Oregon Laws 2015** [*this Act*].

15 **“SECTION 60.** Section 63, chapter 1, Oregon Laws 2015, is amended to
16 read:

17 **“Sec. 63.** The state police, sheriffs, constables and all police officers
18 within the State of Oregon shall enforce sections 3 to [*30 of this Act and*
19 *sections 45 to*] 70, **chapter 1, Oregon Laws 2015,** [*of this Act*] and assist the
20 Oregon Liquor Control Commission in detecting violations of sections 3 to
21 [*30 of this Act and sections 45 to*] 70, **chapter 1, Oregon Laws 2015,** [*of this*
22 *Act*] and apprehending offenders. Each such enforcing officer having notice,
23 knowledge or reasonable ground of suspicion of any violation of sections 3
24 to [*30 of this Act or sections 45 to*] 70, **chapter 1, Oregon Laws 2015,** [*of this*
25 *Act*] shall immediately notify the district attorney[,] and furnish the district
26 attorney with names and addresses of any witnesses, or other information
27 within the officer’s knowledge, of such violation.

28 **“SECTION 61.** Section 64, chapter 1, Oregon Laws 2015, is amended to
29 read:

30 **“Sec. 64.** (1) Whenever any officer arrests any person for violation of

1 sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon Laws**
2 **2015** [of this Act], the officer may take into possession all marijuana
3 items[,] and other property [which] **that** the person so arrested has in pos-
4 session, or **is** on the premises, [which] **that** is apparently being used in vio-
5 lation of sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon**
6 **Laws 2015** [of this Act].

7 “(2) If [the] a person [so] arrested **as described in this section** is con-
8 victed, and [it is found] **the court finds** that the marijuana items[,] and
9 other property [has] **have** been used in violation of [Oregon law] **the laws**
10 **of this state:**

11 “(a) The marijuana items [shall] **must** be forfeited to an appropriate state
12 or local law enforcement agency[,] and [shall] **must** be delivered by the court
13 or officer, **at the direction of the court,** to the law enforcement agency;
14 and

15 “(b) Subject to other applicable law, the other property [shall] **must** be
16 forfeited to the Oregon Liquor Control Commission, and [shall] **must** be de-
17 livered by the court or officer to the commission.

18 “(3) The commission is authorized to destroy or make such other dispo-
19 sition of any property it receives under [paragraph (b) of] subsection (2)(b) of
20 this section as it considers to be in the public interest. In any such case, all
21 such property, including lockers, chairs, tables, cash registers, music devices,
22 gambling devices, furniture, furnishings, equipment and facilities for the
23 storing, serving or using of marijuana items [shall] **must** be confiscated and
24 forfeited to [the] **this** state, and the clear proceeds [shall] **must** be deposited
25 with the State Treasury in the Common School Fund in the manner provided
26 in this section.

27 “**SECTION 62.** Section 65, chapter 1, Oregon Laws 2015, is amended to
28 read:

29 “**Sec. 65.** The county courts, district attorneys and municipal authorities,
30 immediately upon the conviction of any licensee of the Oregon Liquor Con-

1 trol Commission of a violation of any provision of sections 3 to [30 of this
2 Act or sections 45 to] 70, **chapter 1, Oregon Laws 2015**, [of this Act] or the
3 violation of any other law of this state or ordinance of any municipality
4 [therein] **in this state**, in which violation marijuana had any part, shall
5 notify the commission [thereof. Such officials] **of the conviction. The**
6 **county courts, district attorneys and municipal authorities** shall notify
7 the commission of any acts, practices or other conduct of [any such] a
8 licensee [which] **convicted as described in this section that** may be
9 subversive of the general welfare or contrary to the spirit of **sections 3 to**
10 **70, chapter 1, Oregon Laws 2015**, [this Act] and shall recommend such
11 action on the part of the commission as will remove the evil.

12 **“SECTION 63.** Section 66, chapter 1, Oregon Laws 2015, is amended to
13 read:

14 **“Sec. 66.** Any room, house, building, boat, structure or place of any kind
15 where marijuana items are sold, manufactured, bartered or given away in
16 violation of Oregon law, or where persons are permitted to resort for the
17 purpose of using marijuana items in violation of Oregon law, or any place
18 where marijuana items are kept for sale, barter or gift in violation of Oregon
19 law, and all marijuana items or property subject to confiscation under sec-
20 tion 64, **chapter 1, Oregon Laws 2015**, [of this Act] kept and used in such
21 place, [is] **are** a common nuisance. Any person who maintains or assists in
22 maintaining [such] **the** common nuisance or knowingly suffers or permits
23 [such] **the** nuisance to exist in any place of which the person is the owner,
24 manager or lessor, [shall be] **is** guilty of a violation of sections 3 to [30 of
25 this Act and sections 45 to] 70, **chapter 1, Oregon Laws 2015** [of this Act].

26 **“SECTION 64.** Section 67, chapter 1, Oregon Laws 2015, is amended to
27 read:

28 **“Sec. 67.** If it is proved that the owner of any building or premises
29 knowingly has [suffered the same to be used or] **used the building or**
30 **premises or allowed the building or premises to be** occupied for the

1 manufacture, sale or possession of marijuana items[,] contrary to the pro-
2 visions of sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1,**
3 **Oregon Laws 2015** [of this Act], [such] **the** building or premises are subject
4 to a lien for, and may be sold to pay all fines and costs assessed against their
5 occupants for, any violation of sections 3 to [30 of this Act or sections 45
6 to] 70, **chapter 1, Oregon Laws 2015** [of this Act]. The lien [shall] **must** be
7 enforced immediately by civil action in any court having jurisdiction, by the
8 district attorney of the county [wherein] **in which** the building or premises
9 are located.

10 **“SECTION 65.** Section 68, chapter 1, Oregon Laws 2015, is amended to
11 read:

12 **“Sec. 68.** In case of invasion, disaster, insurrection[,] **or** riot, or imminent
13 danger [thereof] **of invasion, disaster, insurrection or riot,** the Governor
14 may, for the duration of [such] **the** invasion, disaster, insurrection[,] **or** riot,
15 or imminent danger [thereof], immediately suspend without notice any license
16 in the area involved granted under sections 3 to [30 of this Act or sections
17 45 to] 70, **chapter 1, Oregon Laws 2015** [of this Act].

18 **“SECTION 66.** Section 69, chapter 1, Oregon Laws 2015, is amended to
19 read:

20 **“Sec. 69.** (1) Except where other punishment is specifically provided for
21 in sections 3 to 70, **chapter 1, Oregon Laws 2015** [of this Act], violation of
22 any provision of sections 3 to 70, **chapter 1, Oregon Laws 2015,** [of this
23 Act] is a Class A misdemeanor.

24 **“[(2) A violation of subsection (1) of section 40 of this Act is a Class B**
25 **misdemeanor.]**

26 **“[(3)] (2)** Subject to ORS 153.022, violation of any [regulation
27 promulgated] **rule adopted** under **section 7 (2)(d), chapter 1, Oregon Laws**
28 **2015,** [paragraph (e) of subsection (2) of section 7 of this Act] is a Class C
29 violation.

30 **“SECTION 67.** Section 70, chapter 1, Oregon Laws 2015, is amended to

1 read:

2 “**Sec. 70.** If any [*sections, subsections, paragraphs, phrases, or words*]
3 **section, subsection, paragraph, phrase or word** of sections 3 to 70,
4 **chapter 1, Oregon Laws 2015, [of this Act shall be]** is held to be uncon-
5 stitutional, void[,] or illegal, either on [*their*] **its** face or as applied, [*this*
6 *shall*] **that holding does** not affect the applicability, constitutionality[,] or
7 legality of any other [*sections, subsections, paragraphs, phrases, and words*]
8 **section, subsection, paragraph, phrase or word** of sections 3 to 70,
9 **chapter 1, Oregon Laws 2015 [of this Act]**. To that end, the sections, sub-
10 sections, paragraphs, phrases[,] and words of sections 3 to 70, **chapter 1,**
11 **Oregon Laws 2015, [of this Act]** are intended to be severable. It is hereby
12 declared to be the intent of **the people of this state in adopting** sections
13 3 to 70, **chapter 1, Oregon Laws 2015, [of this Act]** that sections 3 to 70,
14 **chapter 1, Oregon Laws 2015, [of this Act]** would have been adopted had
15 such unconstitutional, void[,] or illegal sections, subsections, paragraphs,
16 phrases[,] or words, if any, not been included in sections 3 to 70, **chapter**
17 **1, Oregon Laws 2015 [of this Act]**.

18 “**SECTION 68.** Section 72, chapter 1, Oregon Laws 2015, is amended to
19 read:

20 “**Sec. 72.** As used in the following statutes and any rule adopted [*there-*
21 *under*] **under the following statutes,** the term ‘controlled substance’
22 [*shall*] **does** not include marijuana:

23 “(1) ORS 475.125 [*to ORS*], **475.135, 475.145, 475.155 and 475.165** [(*regis-*
24 *tration with the State Board of Pharmacy*)].

25 “(2) ORS 475.175 [*to ORS*], **475.185, 475.188 and 475.190** [(*records*)].

26 “**SECTION 68a.** ORS 475.752, as amended by section 76, chapter 1,
27 Oregon Laws 2015, is amended to read:

28 “475.752. (1) Except for licensees and licensee representatives as defined
29 in **section 5, chapter 1, Oregon Laws 2015** [*subsections (10) and (11) of*
30 *section 5 of this Act*], and except for a person acting within the scope of and

1 in compliance with **section 6 (1), chapter 1, Oregon Laws 2015** [*subsection*
2 *(1) of section 6 of this Act*], and except as authorized by ORS 475.005 to
3 475.285 and 475.752 to 475.980, it is unlawful for any person to manufacture
4 or deliver a controlled substance. Any person who violates this subsection
5 with respect to:

6 “(a) A controlled substance in Schedule I, is guilty of a Class A felony,
7 except as otherwise provided in ORS 475.886 and 475.890.

8 “(b) A controlled substance in Schedule II, is guilty of a Class B felony,
9 except as otherwise provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880,
10 475.882, 475.904 and 475.906.

11 “(c) A controlled substance in Schedule III, is guilty of a Class C felony,
12 except as otherwise provided in ORS 475.904 and 475.906.

13 “(d) A controlled substance in Schedule IV, is guilty of a Class B
14 misdemeanor.

15 “(e) A controlled substance in Schedule V, is guilty of a Class C
16 misdemeanor.

17 “(2) Except as authorized in ORS 475.005 to 475.285 and 475.752 to 475.980,
18 it is unlawful for any person to create or deliver a counterfeit substance.
19 Any person who violates this subsection with respect to:

20 “(a) A counterfeit substance in Schedule I, is guilty of a Class A felony.

21 “(b) A counterfeit substance in Schedule II, is guilty of a Class B felony.

22 “(c) A counterfeit substance in Schedule III, is guilty of a Class C felony.

23 “(d) A counterfeit substance in Schedule IV, is guilty of a Class B
24 misdemeanor.

25 “(e) A counterfeit substance in Schedule V, is guilty of a Class C
26 misdemeanor.

27 “(3) It is unlawful for any person knowingly or intentionally to possess
28 a controlled substance, other than marijuana, unless the substance was ob-
29 tained directly from, or pursuant to a valid prescription or order of, a prac-
30 titioner while acting in the course of professional practice, or except as

1 otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any
2 person who violates this subsection with respect to:

3 “(a) A controlled substance in Schedule I, is guilty of a Class B felony,
4 except as otherwise provided in ORS 475.894.

5 “(b) A controlled substance in Schedule II, is guilty of a Class C felony,
6 except as otherwise provided in ORS 475.864.

7 “(c) A controlled substance in Schedule III, is guilty of a Class A
8 misdemeanor.

9 “(d) A controlled substance in Schedule IV, is guilty of a Class C
10 misdemeanor.

11 “(e) A controlled substance in Schedule V, is guilty of a violation.

12 “(4) In any prosecution under this section for manufacture, possession or
13 delivery of that plant of the genus *Lophophora* commonly known as peyote,
14 it is an affirmative defense that the peyote is being used or is intended for
15 use:

16 “(a) In connection with the good faith practice of a religious belief;

17 “(b) As directly associated with a religious practice; and

18 “(c) In a manner that is not dangerous to the health of the user or others
19 who are in the proximity of the user.

20 “(5) The affirmative defense created in subsection (4) of this section is
21 not available to any person who has possessed or delivered the peyote while
22 incarcerated in a correctional facility in this state.

23 “(6)(a) Notwithstanding subsection (1) of this section, a person who un-
24 lawfully manufactures or delivers a controlled substance in Schedule IV and
25 who thereby causes death to another person is guilty of a Class C felony.

26 “(b) For purposes of this subsection, causation is established when the
27 controlled substance plays a substantial role in the death of the other per-
28 son.

29

30

“TAXATION

1 **“SECTION 69. As used in sections 69 to 80 of this 2015 Act:**

2 **“(1) ‘Cannabinoid concentrate,’ ‘cannabinoid edible,’ ‘cannabinoid**
3 **extract,’ ‘cannabinoid product,’ ‘marijuana,’ ‘marijuana flowers,’**
4 **‘marijuana items,’ ‘marijuana leaves’ and ‘marijuana retailer’ have**
5 **the meanings given those terms in section 5, chapter 1, Oregon Laws**
6 **2015.**

7 **“(2) ‘Retail sales price’ means the price paid for an untaxed**
8 **marijuana item to a marijuana retailer by or on behalf of a consumer**
9 **of the untaxed marijuana item.**

10 **“(3) ‘Untaxed marijuana item’ means a marijuana item for which**
11 **the tax required under section 70 of this 2015 Act has not been paid.**

12 **“SECTION 70. (1) A tax is hereby imposed upon the retail sale of**
13 **marijuana items in this state. The tax imposed by this section is in-**
14 **tended to be a direct tax on the consumer, for which payment upon**
15 **retail sale is required to achieve convenience and facility in the col-**
16 **lection and administration of the tax. The tax shall be collected at the**
17 **point of sale of a marijuana item by a marijuana retailer at the time**
18 **at which the sale occurs.**

19 **“(2) The tax imposed under this section shall be imposed at the rate**
20 **of:**

21 **“(a) _____ percent of the retail sales price of marijuana leaves;**

22 **“(b) _____ percent of the retail sales price of marijuana flowers;**

23 **“(c) _____ percent of the retail sales price of a cannabinoid edible;**

24 **“(d) _____ percent of the retail sales price of a cannabinoid con-**
25 **centrate;**

26 **“(e) _____ percent of the retail sales price of a cannabinoid extract;**
27 **and**

28 **“(f) _____ percent of the retail sales price of a cannabinoid product**
29 **that is intended to be used by applying the cannabinoid product to the**
30 **skin or hair.**

1 **“(3) If the tax imposed under this section does not equal an amount**
2 **calculable to a whole cent, the tax shall be equal to the next higher**
3 **whole cent.**

4 **“(4) Marijuana items are not subject to tax if previously taxed un-**
5 **der this section.**

6 **“SECTION 71. (1) Except as otherwise provided in sections 69 to 80**
7 **of this 2015 Act, the tax imposed under section 70 of this 2015 Act shall**
8 **be collected and remitted by each marijuana retailer holding a license**
9 **required under section 22, chapter 1, Oregon Laws 2015, that engages**
10 **in the retail sale of marijuana items. The tax shall be paid to the De-**
11 **partment of Revenue not more than 30 days after the last day of each**
12 **calendar quarter for the previous calendar quarter.**

13 **“(2) With each quarterly payment, the marijuana retailer shall**
14 **submit a return to the department in a form and manner prescribed**
15 **by the department.**

16 **“(3) The tax, penalties and interest imposed by sections 69 to 80 of**
17 **this 2015 Act shall be a personal debt, from the time liability is in-**
18 **curring, owed by the marijuana retailer to this state until paid.**

19 **“(4) The returns required of marijuana retailers under this section**
20 **shall be filed regardless of whether any tax is owed.**

21 **“(5)(a) The department for good cause may extend the time for**
22 **making any return under this section. The extension may be granted**
23 **at any time if a written request is filed with the department during**
24 **or prior to the period for which the extension may be granted. The**
25 **department may not grant an extension of more than one month.**

26 **“(b) When the time for filing a return is extended at the request**
27 **of a marijuana retailer, interest shall be added at the rate established**
28 **under ORS 305.220 for each month, or fraction of a month, from the**
29 **time the return was originally required to be filed to the time of pay-**
30 **ment.**

1 **“SECTION 72. (1) The Department of Revenue shall administer and**
2 **enforce sections 69 to 80 of this 2015 Act. The department is authorized**
3 **to establish rules and procedures for the implementation and enforce-**
4 **ment of sections 69 to 80 of this 2015 Act that are consistent with**
5 **sections 69 to 80 of this 2015 Act and that the department considers**
6 **necessary and appropriate to administer and enforce sections 69 to 80**
7 **of this 2015 Act.**

8 **“(2) The Oregon Liquor Control Commission shall enter into an**
9 **agreement with the department for the purpose of administering and**
10 **enforcing those provisions of sections 69 to 80 of this 2015 Act and rules**
11 **or procedures established for the purpose of implementing and en-**
12 **forcing sections 69 to 80 of this 2015 Act that the commission and the**
13 **department determine are necessary for the effective and efficient**
14 **administration, implementation and enforcement of sections 69 to 80**
15 **of this 2015 Act.**

16 **“SECTION 73. (1) If any tax imposed under sections 69 to 80 of this**
17 **2015 Act, or any portion of the tax, is not paid within the time provided**
18 **by law, and if no provision is made to secure the payment of the tax**
19 **by bond, deposit or otherwise, pursuant to rules adopted by the De-**
20 **partment of Revenue, the department may issue a warrant for the**
21 **payment of the amount of the tax, with the added penalties, interest**
22 **and the sheriff’s cost of executing the warrant. A copy of the warrant**
23 **shall be mailed or delivered to the taxpayer by the department at the**
24 **taxpayer’s last-known address.**

25 **“(2) At any time after issuing a warrant under this section, the**
26 **department may record the warrant in the County Clerk Lien Record**
27 **of any county of this state. Recording of the warrant has the effect**
28 **described in ORS 205.125. After recording a warrant, the department**
29 **may direct the sheriff for the county in which the warrant is recorded**
30 **to levy upon and sell the real and personal property of the taxpayer**

1 found within that county, and to levy upon any currency of the tax-
2 payer found within that county, for the application of the proceeds or
3 currency against the amount reflected in the warrant and the sheriff's
4 cost of executing the warrant. The sheriff shall proceed on the warrant
5 in the same manner prescribed by law for executions issued against
6 property pursuant to a judgment, and the sheriff is entitled to the
7 same fees as provided for executions issued against property pursuant
8 to a judgment. The fees of the sheriff shall be added to and collected
9 as a part of the warrant liability.

10 “(3) In the discretion of the department a warrant under this sec-
11 tion may be directed to any agent authorized by the department to
12 collect the tax imposed by sections 69 to 80 of this 2015 Act. In the
13 execution of the warrant the agent has all of the powers conferred by
14 law upon sheriffs, but is entitled to no fee or compensation in excess
15 of actual expenses paid in the performance of the agent's duties.

16 “(4) Until a warrant issued under this section is satisfied in full, the
17 department has the same remedies to enforce the claim for taxes
18 against the taxpayer as if this state had recovered judgment against
19 the taxpayer for the amount of the tax.

20 “SECTION 74. Unless the context requires otherwise, the provisions
21 of ORS chapters 305, 314 and 316 as to the audit and examination of
22 reports and returns, determination of deficiencies, assessments, claims
23 for refunds, penalties, interest, jeopardy assessments, warrants, con-
24 ferences and appeals to the Oregon Tax Court, and procedures related
25 to those provisions, apply to sections 69 to 80 of this 2015 Act the same
26 as if the tax were a tax imposed upon or measured by net income. The
27 provisions of ORS chapters 305, 314 and 316 apply to the consumer li-
28 able for the tax and to the marijuana retailer required to collect the
29 tax. As to any amount collected and required to be remitted to the
30 Department of Revenue, the tax is considered a tax upon the

1 marijuana retailer required to collect the tax and that marijuana
2 retailer is considered a taxpayer.

3 **“SECTION 75.** If, under sections 69 to 80 of this 2015 Act, the De-
4 partment of Revenue is not satisfied with the return or the amount
5 of tax paid to this state by any person, the department may compute
6 and determine the amount required to be paid upon the basis of the
7 facts contained in the return or upon the basis of any information in
8 the department’s possession or that may come into the department’s
9 possession. One or more deficiency determinations may be made of the
10 amount due for one or for more than one period. Notices of deficiency
11 shall be given and interest on deficiencies shall be computed as pro-
12 vided in ORS 305.265. Subject to ORS 314.421 and 314.423, liens for taxes
13 or deficiencies arise at the time of assessment, continue until the
14 taxes, interest and penalties are fully satisfied and may be recorded
15 and collected in the manner provided for the collection of delinquent
16 income taxes.

17 **“SECTION 76.** If the Department of Revenue believes that the col-
18 lection of any tax imposed under sections 69 to 80 of this 2015 Act or
19 any amount of the tax required to be paid to this state will be jeop-
20 ardized by delay, the department shall make a determination of the
21 tax or amount of tax required to be collected, noting that fact upon
22 the determination. The amount determined is immediately due and
23 payable, and the department shall assess the taxes, notify the person
24 and proceed to collect the tax in the same manner and using the same
25 procedures as for the collection of income taxes under ORS 314.440.

26 **“SECTION 77.** Every marijuana retailer responsible for the col-
27 lection of the tax imposed by sections 69 to 80 of this 2015 Act shall
28 keep records, render statements, make returns and comply with rules
29 adopted by the Department of Revenue with respect to the tax.
30 Whenever in the judgment of the department it is necessary, the de-

1 department may require the marijuana retailer, by notice served upon
2 that person by first class mail, to make returns, render statements or
3 keep records sufficient to show whether there is tax liability under
4 sections 69 to 80 of this 2015 Act.

5 **“SECTION 78. (1) All moneys received by the Department of Reve-**
6 **nue under sections 69 to 80 of this 2015 Act shall be deposited in the**
7 **State Treasury and credited to a suspense account established under**
8 **ORS 293.445. The department may pay expenses for administration and**
9 **enforcement of sections 69 to 80 of this 2015 Act out of moneys received**
10 **from the tax imposed under section 70 of this 2015 Act. Amounts nec-**
11 **essary to pay administrative and enforcement expenses are contin-**
12 **uously appropriated to the department from the suspense account.**

13 **“(2) Upon request, the department shall transfer available moneys**
14 **from the account to the Oregon Liquor Control Commission for de-**
15 **posit in the Marijuana Control and Regulation Fund established under**
16 **section 32 of this 2015 Act for purposes related to administering and**
17 **enforcing sections 3 to 70, chapter 1, Oregon Laws 2015.**

18 **“(3) After the payment of administrative and enforcement expenses**
19 **and refunds or credits arising from erroneous overpayments, and after**
20 **transferring available moneys pursuant to subsection (2) of this sec-**
21 **tion, the balance of the moneys received by the department under this**
22 **section shall be credited to the Oregon Marijuana Account established**
23 **under section 44, chapter 1, Oregon Laws 2015.**

24 **“SECTION 79. (1) Except as expressly authorized by state statute,**
25 **the authority to impose a tax or fee on the production, processing or**
26 **sale of marijuana items in this state is vested solely in the Legislative**
27 **Assembly.**

28 **“(2) Except as expressly authorized by state statute, a county, city**
29 **or other municipal corporation or district may not adopt ordinances**
30 **imposing a tax or fee on the production, processing or sale of**

1 marijuana items in this state.

2 **“SECTION 80. For the purpose of compensating marijuana retailers**
3 **for expenses incurred in collecting the tax imposed under section 70**
4 **of this 2015 Act, each marijuana retailer is permitted to deduct and**
5 **retain two percent of the amount of taxes that are collected by the**
6 **marijuana retailer from all sales of marijuana items conducted by the**
7 **marijuana retailer.**

8 **“SECTION 81.** Section 44, chapter 1, Oregon Laws 2015, is amended to
9 read:

10 **“Sec. 44. (1)** There is established the Oregon Marijuana Account, sepa-
11 rate and distinct from the General Fund.

12 **“(2) The account shall consist of moneys transferred to the account**
13 **under section 78 of this 2015 Act.**

14 **“[(2)] (3) [At the end of each month,]** The Oregon Liquor Control Com-
15 mission shall certify the amount of moneys available for distribution in the
16 Oregon Marijuana Account and[, *after withholding such moneys as it may*
17 *deem necessary to carry out its obligations under sections 3 to 70 of this Act,*
18 *shall within 35 days of the month for which a distribution is made]* distribute
19 the moneys as follows:

20 **“(a)** Forty percent [*shall*] **must** be transferred to the Common School
21 Fund;

22 **“(b)** Twenty percent [*shall*] **must** be transferred to the Mental Health
23 Alcoholism and Drug Services Account established under ORS 430.380;

24 **“(c)** Fifteen percent [*shall*] **must** be transferred to the State Police Ac-
25 count established under ORS 181.175;

26 **“(d)** To assist local law enforcement in performing its duties under [*this*
27 *Act, ten percent shall*] **sections 3 to 70, chapter 1, Oregon Laws 2015, 10**
28 **percent must** be transferred to the cities of [*the*] **this** state in the following
29 shares:

30 **“(A)** For all distributions made from the Oregon Marijuana Account be-

1 fore July 1, 2017, in such shares as the population of each city bears to the
2 population of the cities of *[the]* **this** state, as determined by *[the State Board*
3 *of Higher Education]* **Portland State University** last preceding such appor-
4 tionment, under ORS 190.510 to 190.610; and

5 “(B) For all distributions made from the Oregon Marijuana Account on
6 or after July 1, 2017:

7 “(i) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred
8 in such shares as the number of licenses issued by the commission under
9 sections 19 to 21, **chapter 1, Oregon Laws 2015**, *[of this Act]* during the
10 calendar year preceding the date of the distribution for premises located in
11 each city bears to the number of such licenses issued by the commission
12 during such calendar year for all premises in *[the]* **this** state; and

13 “(ii) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred
14 in such shares as the number of licenses issued by the commission under
15 section 22, **chapter 1, Oregon Laws 2015**, *[of this Act]* during the calendar
16 year preceding the date of the distribution for premises located in each city
17 bears to the number of such licenses issued by the commission during such
18 calendar year for all premises in *[the]* **this** state;

19 “(e) To assist local law enforcement in performing its duties under *[this*
20 *Act, ten percent shall]* **sections 3 to 70, chapter 1, Oregon Laws 2015, 10**
21 **percent must** be transferred to counties in the following shares:

22 “(A) For all distributions made from the Oregon Marijuana Account be-
23 fore July 1, 2017, in such shares as their respective populations bear to the
24 total population of *[the]* **this** state, as estimated from time to time by *[the*
25 *State Board of Higher Education]* **Portland State University**; and

26 “(B) For all distributions made from the Oregon Marijuana Account on
27 or after July 1, 2017:

28 “(i) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred
29 in such shares as the number of licenses issued by the commission under
30 sections 19 to 21, **chapter 1, Oregon Laws 2015**, *[of this Act]* during the

1 calendar year preceding the date of the distribution for premises located in
2 each county bears to the number of such licenses issued by the commission
3 during such calendar year for all premises in *[the]* **this** state; and

4 “(ii) Fifty percent of *[such ten]* **the 10** percent *[shall]* **must** be transferred
5 in such shares as the number of licenses issued by the commission under
6 section 22, **chapter 1, Oregon Laws 2015**, *[of this Act]* during the calendar
7 year preceding the date of the distribution for premises located in each
8 county bears to the number of such licenses issued by the commission during
9 such calendar year for all premises in *[the]* **this** state; and

10 “(f) Five percent *[shall]* **must** be transferred to the Oregon Health Au-
11 thority to be used for the establishment, operation[,] and maintenance of al-
12 cohol and drug abuse prevention, early intervention and treatment services.

13 “[~~(3)~~] **(4)** It is the intent of *[this section]* **the Legislative Assembly** that
14 the moneys distributed from the Oregon Marijuana Account to the
15 *[distributees]* **persons listed** in subsection [~~(2)~~] **(3)** of this section are in ad-
16 dition to, **and not in lieu of**, any other *[available]* moneys **available** to such
17 *[distributees and do not supplant moneys available from any other source]*
18 **persons.**

19 “**SECTION 82.** ORS 305.140 is amended to read:

20 “305.140. (1) Any person having an interest in or lien upon any real
21 property may request the Department of Revenue in writing to release such
22 real property from a cloud on the title of or lien on such property existing,
23 created or continued under any one or more of the following:

24 “(a) A warrant provided for in ORS 314.430, 321.570 or 323.610 **or section**
25 **73 of this 2015 Act**; or

26 “(b) The provisions of ORS 311.673, 311.679, 311.689, 311.711 or 311.771.

27 “(2) If, upon a request under subsection (1) of this section, the department
28 finds that a sale of such real property would not result in satisfaction in
29 whole or in part of the taxes due, it shall execute a release of such cloud
30 or lien upon such property, and such release shall be conclusive evidence of

1 the removal and extinguishment of such cloud or lien in respect of such real
2 property.

3 “(3) In addition to the release of cloud or lien provided for in subsection
4 (1) of this section, the department may execute releases on part or all of any
5 real property in the following cases, which releases shall be conclusive evi-
6 dence of the removal and extinguishment of such cloud or lien:

7 “(a) If the department finds that liability for the amount assessed, to-
8 gether with all interest thereon and penalties and costs in respect thereof,
9 has been satisfied;

10 “(b) If the department finds that the fair market value of that part of the
11 property remaining subject to the cloud or lien is at least double the amount
12 of the liability remaining unsatisfied in respect of such tax and the amount
13 of all prior liens upon the property;

14 “(c) If there is supplied to the department either an irrevocable letter of
15 credit issued by an insured institution as defined in ORS 706.008 or a bond,
16 in such form and with such surety as the department considers sufficient,
17 conditioned upon the payment of the amount of the warrant, together with
18 all interest in respect thereof, within 60 days after the issuance of the re-
19 lease; or

20 “(d) If there is paid to the department in partial satisfaction of the
21 amount of the warrant provided for in ORS 314.430, 321.570 or 323.610 **or**
22 **section 73 of this 2015 Act** or the amount of any lien under ORS 311.673,
23 311.679, 311.689, 311.711 or 311.771, an amount not less than the value, as
24 determined by the department, of the lien of the State of Oregon upon the
25 part of the property so to be released. In determining such value the de-
26 partment shall give consideration to the fair market value of the part of the
27 property so to be released and to such liens thereon as have priority to the
28 lien of the State of Oregon.

29 **“SECTION 83.** ORS 305.895 is amended to read:

30 “305.895. (1) Except as provided in ORS 314.440 or other jeopardy assess-

1 ment procedure, the Department of Revenue shall take no action against a
2 taxpayer's or transferee's real or personal property before issuing a warrant
3 for the collection of tax or an amount payable by a transferee under ORS
4 311.695 as provided in ORS 314.430, 320.080, 321.570, 323.390, 323.610 and
5 324.190 **and section 73 of this 2015 Act.**

6 “(2) At least 30 days before issuing a warrant for collection of any tax
7 collected by the department or any amount payable under ORS 311.695, the
8 department shall send the taxpayer or transferee a written notice and de-
9 mand for payment. The notice shall:

10 “(a) Be sent by mail, addressed to the taxpayer or transferee at the
11 taxpayer's or transferee's last-known address.

12 “(b) Inform the taxpayer or transferee that, even if the taxpayer or
13 transferee is compliant with an installment agreement between the taxpayer
14 or transferee and the department and is in communication with the depart-
15 ment, if the tax or any portion of the tax or the amount payable under ORS
16 311.695 is not paid within 30 days after the date of the notice and demand
17 for payment, a warrant may be issued and recorded as provided in ORS
18 314.430, 320.080, 321.570, 323.390, 323.610 and 324.190 **and section 73 of this**
19 **2015 Act.**

20 “(c) Describe in clear nontechnical terms the legal authority for the
21 warrant.

22 “(d) Contain the name, office mailing address and office telephone number
23 of the person issuing the warrant and advise the taxpayer or transferee that
24 questions or complaints concerning the warrant, other than liability for the
25 underlying tax or amount payable under ORS 311.695, may be directed to that
26 person.

27 “(e) Include alternatives available to the taxpayer or transferee that
28 would prevent issuance of the warrant.

29 “(f) Inform the taxpayer or transferee of possible consequences to the
30 taxpayer or transferee of noncompliance, and of issuance of a warrant, in-

1 cluding garnishment of wages or bank accounts and seizure and sale of real
2 or personal property.

3 **“SECTION 84.** ORS 305.992 is amended to read:

4 “305.992. (1) If any returns required to be filed under ORS chapter 118,
5 314, 316, 317, 318, 321 or 323 **or sections 69 to 80 of this 2015 Act** or under
6 a local tax administered by the Department of Revenue under ORS 305.620
7 are not filed for three consecutive years by the due date (including exten-
8 sions) of the return required for the third consecutive year, there shall be a
9 penalty for each year of 100 percent of the tax liability determined after
10 credits and prepayments for each such year.

11 “(2) The penalty imposed under this section is in addition to any other
12 penalty imposed by law. However, the total amount of penalties imposed for
13 any taxable year under this section, ORS 305.265 (13), 314.400, 323.403 or
14 323.585 *[shall]* **or section 74 of this 2015 Act** may not exceed 100 percent
15 of the tax liability.

16 **“SECTION 85.** Section 86 of this 2015 Act is added to and made a
17 part of ORS chapter 317.

18 **“SECTION 86.** Section 280E of the Internal Revenue Code applies to
19 all trafficking in controlled substances in Schedule I or Schedule II
20 that is prohibited by federal law or the laws of this state, other than
21 conduct authorized under sections 3 to 70, chapter 1, Oregon Laws
22 2015.

23 **“SECTION 87.** ORS 316.680 is amended to read:

24 “316.680. (1) There shall be subtracted from federal taxable income:

25 “(a) The interest or dividends on obligations of the United States and its
26 territories and possessions or of any authority, commission or
27 instrumentality of the United States to the extent includable in gross income
28 for federal income tax purposes but exempt from state income taxes under
29 the laws of the United States. However, the amount subtracted under this
30 paragraph shall be reduced by any interest on indebtedness incurred to carry

1 the obligations or securities described in this paragraph, and by any expenses
2 incurred in the production of interest or dividend income described in this
3 paragraph to the extent that such expenses, including amortizable bond pre-
4 miums, are deductible in determining federal taxable income.

5 “(b) The amount of any federal income taxes accrued by the taxpayer
6 during the taxable year as described in ORS 316.685, less the amount of any
7 refunds of federal taxes previously accrued for which a tax benefit was re-
8 ceived.

9 “(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the
10 Internal Revenue Code to the extent that the taxpayer does not elect under
11 section 642(g) of the Internal Revenue Code to reduce federal taxable income
12 by those amounts.

13 “(d) Any supplemental payments made to JOBS Plus Program participants
14 under ORS 411.892.

15 “(e)(A) Federal pension income that is attributable to federal employment
16 occurring before October 1, 1991. Federal pension income that is attributable
17 to federal employment occurring before October 1, 1991, shall be determined
18 by multiplying the total amount of federal pension income for the tax year
19 by the ratio of the number of months of federal creditable service occurring
20 before October 1, 1991, over the total number of months of federal creditable
21 service.

22 “(B) The subtraction allowed under this paragraph applies only to federal
23 pension income received at a time when:

24 “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are
25 in effect; or

26 “(ii) Public Employees Retirement System benefits received for service
27 prior to October 1, 1991, are exempt from state income tax.

28 “(C) As used in this paragraph:

29 “(i) ‘Federal creditable service’ means those periods of time for which a
30 federal employee earned a federal pension.

1 “(ii) ‘Federal pension’ means any form of retirement allowance provided
2 by the federal government, its agencies or its instrumentalities to retirees
3 of the federal government or their beneficiaries.

4 “(f) Any amount included in federal taxable income for the tax year that
5 is attributable to the conversion of a regular individual retirement account
6 into a Roth individual retirement account described in section 408A of the
7 Internal Revenue Code, to the extent that:

8 “(A) The amount was subject to the income tax of another state or the
9 District of Columbia in a prior tax year; and

10 “(B) The taxpayer was a resident of the other state or the District of
11 Columbia for that prior tax year.

12 “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial
13 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has
14 not taken the amount as a deduction in determining the taxpayer’s federal
15 taxable income for the tax year.

16 “(h) If included in taxable income for federal tax purposes, the amount
17 withdrawn during the tax year in qualified withdrawals from a college
18 savings network account established under ORS 348.841 to 348.873.

19 **“(i) Any federal deduction that the taxpayer would have been al-
20 lowed for the production, processing or sale of marijuana items au-
21 thorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for
22 section 280E of the Internal Revenue Code.**

23 “(2) There shall be added to federal taxable income:

24 “(a) Interest or dividends, exempt from federal income tax, on obligations
25 or securities of any foreign state or of a political subdivision or authority
26 of any foreign state. However, the amount added under this paragraph shall
27 be reduced by any interest on indebtedness incurred to carry the obligations
28 or securities described in this paragraph and by any expenses incurred in the
29 production of interest or dividend income described in this paragraph.

30 “(b) Interest or dividends on obligations of any authority, commission,

1 instrumentality and territorial possession of the United States that by the
2 laws of the United States are exempt from federal income tax but not from
3 state income taxes. However, the amount added under this paragraph shall
4 be reduced by any interest on indebtedness incurred to carry the obligations
5 or securities described in this paragraph and by any expenses incurred in the
6 production of interest or dividend income described in this paragraph.

7 “(c) The amount of any federal estate taxes allocable to income in respect
8 of a decedent not taxable by Oregon.

9 “(d) The amount of any allowance for depletion in excess of the taxpayer’s
10 adjusted basis in the property depleted, deducted on the taxpayer’s federal
11 income tax return for the taxable year, pursuant to sections 613, 613A, 614,
12 616 and 617 of the Internal Revenue Code.

13 “(e) For taxable years beginning on or after January 1, 1985, the dollar
14 amount deducted under section 151 of the Internal Revenue Code for personal
15 exemptions for the taxable year.

16 “(f) The amount taken as a deduction on the taxpayer’s federal return for
17 unused qualified business credits under section 196 of the Internal Revenue
18 Code.

19 “(g) The amount of any increased benefits paid to a taxpayer under
20 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon
21 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not
22 includable in the taxpayer’s federal taxable income under the Internal Rev-
23 enue Code.

24 “(h) The amount of any long term care insurance premiums paid or in-
25 curred by the taxpayer during the tax year if:

26 “(A) The amount is taken into account as a deduction on the taxpayer’s
27 federal return for the tax year; and

28 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax
29 year.

30 “(i) Any amount taken as a deduction under section 1341 of the Internal

1 Revenue Code in computing federal taxable income for the tax year, if the
2 taxpayer has claimed a credit for claim of right income repayment adjust-
3 ment under ORS 315.068.

4 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS
5 348.841, from a college savings network account established under ORS
6 348.841 to 348.873, the amount of the withdrawal that is attributable to con-
7 tributions that were subtracted from federal taxable income under ORS
8 316.699.

9 “(3) Discount and gain or loss on retirement or disposition of obligations
10 described under subsection (2)(a) of this section issued on or after January
11 1, 1985, shall be treated for purposes of this chapter in the same manner as
12 under sections 1271 to 1283 and other pertinent sections of the Internal
13 Revenue Code as if the obligations, although issued by a foreign state or a
14 political subdivision of a foreign state, were not tax exempt under the
15 Internal Revenue Code.

16 **“SECTION 88.** ORS 316.680, as amended by section 74, chapter 1, Oregon
17 Laws 2015, is amended to read:

18 “316.680. (1) There shall be subtracted from federal taxable income:

19 “(a) The interest or dividends on obligations of the United States and its
20 territories and possessions or of any authority, commission or
21 instrumentality of the United States to the extent includable in gross income
22 for federal income tax purposes but exempt from state income taxes under
23 the laws of the United States. However, the amount subtracted under this
24 paragraph shall be reduced by any interest on indebtedness incurred to carry
25 the obligations or securities described in this paragraph, and by any expenses
26 incurred in the production of interest or dividend income described in this
27 paragraph to the extent that such expenses, including amortizable bond pre-
28 miums, are deductible in determining federal taxable income.

29 “(b) The amount of any federal income taxes accrued by the taxpayer
30 during the taxable year as described in ORS 316.685, less the amount of any

1 refunds of federal taxes previously accrued for which a tax benefit was re-
2 ceived.

3 “(c) Amounts allowable under sections 2621(a)(2) and 2622(b) of the
4 Internal Revenue Code to the extent that the taxpayer does not elect under
5 section 642(g) of the Internal Revenue Code to reduce federal taxable income
6 by those amounts.

7 “(d) Any supplemental payments made to JOBS Plus Program participants
8 under ORS 411.892.

9 “(e)(A) Federal pension income that is attributable to federal employment
10 occurring before October 1, 1991. Federal pension income that is attributable
11 to federal employment occurring before October 1, 1991, shall be determined
12 by multiplying the total amount of federal pension income for the tax year
13 by the ratio of the number of months of federal creditable service occurring
14 before October 1, 1991, over the total number of months of federal creditable
15 service.

16 “(B) The subtraction allowed under this paragraph applies only to federal
17 pension income received at a time when:

18 “(i) Benefit increases provided under chapter 569, Oregon Laws 1995, are
19 in effect; or

20 “(ii) Public Employees Retirement System benefits received for service
21 prior to October 1, 1991, are exempt from state income tax.

22 “(C) As used in this paragraph:

23 “(i) ‘Federal creditable service’ means those periods of time for which a
24 federal employee earned a federal pension.

25 “(ii) ‘Federal pension’ means any form of retirement allowance provided
26 by the federal government, its agencies or its instrumentalities to retirees
27 of the federal government or their beneficiaries.

28 “(f) Any amount included in federal taxable income for the tax year that
29 is attributable to the conversion of a regular individual retirement account
30 into a Roth individual retirement account described in section 408A of the

1 Internal Revenue Code, to the extent that:

2 “(A) The amount was subject to the income tax of another state or the
3 District of Columbia in a prior tax year; and

4 “(B) The taxpayer was a resident of the other state or the District of
5 Columbia for that prior tax year.

6 “(g) Any amounts awarded to the taxpayer by the Public Safety Memorial
7 Fund Board under ORS 243.954 to 243.974 to the extent that the taxpayer has
8 not taken the amount as a deduction in determining the taxpayer’s federal
9 taxable income for the tax year.

10 “(h) If included in taxable income for federal tax purposes, the amount
11 withdrawn during the tax year in qualified withdrawals from a college
12 savings network account established under ORS 348.841 to 348.873.

13 “[i] *For income tax years commencing on or after January 1, 2015, the*
14 *amount of any deductions or credits that the taxpayer would have been allowed*
15 *but for the provisions of section 280E of the Internal Revenue Code.*]

16 “**(i) Any federal deduction that the taxpayer would have been al-**
17 **lowed for the production, processing or sale of marijuana items au-**
18 **thorized under sections 3 to 70, chapter 1, Oregon Laws 2015, but for**
19 **section 280E of the Internal Revenue Code.**

20 “(2) There shall be added to federal taxable income:

21 “(a) Interest or dividends, exempt from federal income tax, on obligations
22 or securities of any foreign state or of a political subdivision or authority
23 of any foreign state. However, the amount added under this paragraph shall
24 be reduced by any interest on indebtedness incurred to carry the obligations
25 or securities described in this paragraph and by any expenses incurred in the
26 production of interest or dividend income described in this paragraph.

27 “(b) Interest or dividends on obligations of any authority, commission,
28 instrumentality and territorial possession of the United States that by the
29 laws of the United States are exempt from federal income tax but not from
30 state income taxes. However, the amount added under this paragraph shall

1 be reduced by any interest on indebtedness incurred to carry the obligations
2 or securities described in this paragraph and by any expenses incurred in the
3 production of interest or dividend income described in this paragraph.

4 “(c) The amount of any federal estate taxes allocable to income in respect
5 of a decedent not taxable by Oregon.

6 “(d) The amount of any allowance for depletion in excess of the taxpayer’s
7 adjusted basis in the property depleted, deducted on the taxpayer’s federal
8 income tax return for the taxable year, pursuant to sections 613, 613A, 614,
9 616 and 617 of the Internal Revenue Code.

10 “(e) For taxable years beginning on or after January 1, 1985, the dollar
11 amount deducted under section 151 of the Internal Revenue Code for personal
12 exemptions for the taxable year.

13 “(f) The amount taken as a deduction on the taxpayer’s federal return for
14 unused qualified business credits under section 196 of the Internal Revenue
15 Code.

16 “(g) The amount of any increased benefits paid to a taxpayer under
17 chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon
18 Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not
19 includable in the taxpayer’s federal taxable income under the Internal Rev-
20 enue Code.

21 “(h) The amount of any long term care insurance premiums paid or in-
22 curred by the taxpayer during the tax year if:

23 “(A) The amount is taken into account as a deduction on the taxpayer’s
24 federal return for the tax year; and

25 “(B) The taxpayer claims the credit allowed under ORS 315.610 for the tax
26 year.

27 “(i) Any amount taken as a deduction under section 1341 of the Internal
28 Revenue Code in computing federal taxable income for the tax year, if the
29 taxpayer has claimed a credit for claim of right income repayment adjust-
30 ment under ORS 315.068.

1 “(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS
2 348.841, from a college savings network account established under ORS
3 348.841 to 348.873, the amount of the withdrawal that is attributable to con-
4 tributions that were subtracted from federal taxable income under ORS
5 316.699.

6 “(3) Discount and gain or loss on retirement or disposition of obligations
7 described under subsection (2)(a) of this section issued on or after January
8 1, 1985, shall be treated for purposes of this chapter in the same manner as
9 under sections 1271 to 1283 and other pertinent sections of the Internal
10 Revenue Code as if the obligations, although issued by a foreign state or a
11 political subdivision of a foreign state, were not tax exempt under the
12 Internal Revenue Code.

13 **“SECTION 89. Sections 69 to 80 of this 2015 Act and the amendments**
14 **to ORS 305.140, 305.895 and 305.992 and section 44, chapter 1, Oregon**
15 **Laws 2015, by sections 81 to 84 of this 2015 Act apply to retail sales of**
16 **marijuana items by licensed marijuana retailers occurring on or after**
17 **January 1, 2016.**

18 **“SECTION 90. (1) Section 86 of this 2015 Act and the amendments**
19 **to ORS 316.680 by sections 87 and 88 of this 2015 Act apply to conduct**
20 **occurring on or after January 1, 2016, and to tax years beginning on**
21 **or after January 1, 2016.**

22 **“(2) The repeal of section 71, chapter 1, Oregon Laws 2015, by sec-**
23 **tion 133 of this 2015 Act applies to all tax years.**

24

25

“TESTING

26

27 **“SECTION 91. As used in sections 91 to 102 of this 2015 Act:**

28 **“(1) ‘Cannabinoid’ means any of the chemical compounds that are**
29 **the active constituents of marijuana.**

30 **“(2) ‘Cannabinoid concentrate or extract’ means a substance ob-**

1 tained by separating cannabinoids from marijuana by a mechanical,
2 chemical or other process.

3 “(3) ‘Cannabinoid edible’ means food or potable liquid into which a
4 cannabinoid concentrate or extract or the dried leaves or flowers of
5 marijuana have been incorporated.

6 “(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any
7 other product intended for human consumption or use, including a
8 product intended to be applied to a person’s skin or hair, that contains
9 cannabinoids or the dried leaves or flowers of marijuana.

10 “(b) ‘Cannabinoid product’ does not include:

11 “(A) Usable marijuana by itself;

12 “(B) A cannabinoid concentrate or extract by itself; or

13 “(C) Industrial hemp, as defined in ORS 571.300.

14 “(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,
15 any part of the plant Cannabis family Cannabaceae and the seeds of
16 the plant Cannabis family Cannabaceae.

17 “(b) ‘Marijuana’ does not include industrial hemp, as defined in
18 ORS 571.300.

19 “(6) ‘Marijuana item’ means marijuana, usable marijuana, a
20 cannabinoid product or a cannabinoid concentrate or extract.

21 “(7) ‘Processing’ means the compounding or conversion of
22 marijuana into cannabinoid products or cannabinoid concentrates or
23 extracts.

24 “(8) ‘Production’ means:

25 “(a) Planting, cultivating, growing, trimming or harvesting
26 marijuana; or

27 “(b) Drying marijuana leaves and flowers.

28 “(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of
29 marijuana.

30 “(b) ‘Usable marijuana’ does not include:

1 “(A) The seeds, stalks and roots of marijuana; or

2 “(B) Waste material that is a by-product of producing marijuana.

3 “SECTION 92. (1) Sections 91 to 102 of this 2015 Act and rules
4 adopted under sections 91 to 102 of this 2015 Act shall serve as the basis
5 for establishing the minimum standards for testing marijuana items
6 in this state as required under ORS 475.300 to 475.346 and sections 3 to
7 70, chapter 1, Oregon Laws 2015.

8 “(2) Sections 91 to 102 of this 2015 Act do not prevent the Oregon
9 Health Authority or the Oregon Liquor Control Commission from es-
10 tablishing additional minimum standards for testing marijuana items,
11 or from establishing minimum standards for producing or processing
12 marijuana items, if the authority or commission is otherwise author-
13 ized under the statutory laws of this state to establish those standards.

14 “SECTION 93. (1) The Oregon Health Authority shall require all
15 marijuana items transferred by a medical marijuana dispensary regis-
16 tered under ORS 475.314, and the Oregon Liquor Control Commission
17 shall require all marijuana items sold by a marijuana retailer that
18 holds a license under section 22, chapter 1, Oregon Laws 2015, to be
19 tested to ensure the public health and safety.

20 “(2)(a) In adopting rules to implement sections 91 to 102 of this 2015
21 Act, the authority may require:

22 “(A) A person responsible for a marijuana grow site under ORS
23 475.304, a marijuana producer that holds a license under section 19,
24 chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a
25 license under section 21, chapter 1, Oregon Laws 2015, to test usable
26 marijuana before selling or transferring the usable marijuana; and

27 “(B) A marijuana processor that holds a license under section 20,
28 chapter 1, Oregon Laws 2015, or a marijuana wholesaler that holds a
29 license under section 21, chapter 1, Oregon Laws 2015, to test
30 cannabinoid products or cannabinoid concentrates or extracts before

1 selling or transferring the cannabinoid products or cannabinoid con-
2 centrates or extracts.

3 “(b) In adopting rules to implement sections 91 to 102 of this 2015
4 Act, the authority may not require a marijuana item to be tested more
5 than once unless the marijuana item is processed into a different type
6 of marijuana item.

7 “(3) The testing of marijuana items as required by this section must
8 be conducted by a laboratory licensed by the authority under section
9 94 of this 2015 Act and accredited by the authority as described in
10 section 95 of this 2015 Act.

11 **“SECTION 94. (1) A laboratory that conducts testing of marijuana**
12 **items as required by section 93 of this 2015 Act must have a license to**
13 **operate at the premises at which the marijuana items are tested.**

14 “(2) For purposes of this section, the Oregon Health Authority shall
15 adopt rules establishing:

16 “(a) Qualifications to be licensed under this section, including that
17 an applicant for licensure under this section must be accredited by the
18 authority as described in section 95 of this 2015 Act;

19 “(b) Processes for applying for and renewing a license under this
20 section; and

21 “(c) Fees for applying for, receiving and renewing a license under
22 this section.

23 “(3) A license issued under this section must be renewed annually.

24 “(4) Fees adopted under subsection (2)(c) of this section must be
25 reasonably calculated to pay the expenses incurred by the commission
26 under sections 91 to 102 of this 2015 Act.

27 “(5) Fee moneys collected under this section shall be deposited in
28 the Oregon Health Authority Fund established under ORS 413.101 and
29 are continuously appropriated to the authority for the purpose of
30 carrying out the duties, functions and powers of the authority under

1 sections 91 to 102 of this 2015 Act.

2 **“SECTION 95. (1) A laboratory that conducts testing of marijuana**
3 **items as required by section 93 of this 2015 Act must be accredited**
4 **under ORS 438.605 to 438.620 and meet other qualifications as estab-**
5 **lished by the Oregon Health Authority under this section.**

6 **“(2) In addition to other qualifications required pursuant to ORS**
7 **438.605 to 438.620, the authority shall require an applicant for accredi-**
8 **tation under ORS 438.605 to 438.620 for purposes related to the testing**
9 **of marijuana items to:**

10 **“(a) Complete an online application;**

11 **“(b) Undergo an onsite inspection; and**

12 **“(c) Meet other applicable requirements, specifications and guide-**
13 **lines for testing marijuana items, as determined to be appropriate by**
14 **the authority by rule.**

15 **“(3) In establishing fees under ORS 438.620 for laboratories that test**
16 **marijuana items, the authority shall establish fees that are reasonably**
17 **calculated to pay the expenses incurred by the authority under this**
18 **section and ORS 438.605 to 439.620 in accrediting laboratories that test**
19 **marijuana items.**

20 **“SECTION 96. (1) The Oregon Health Authority, in consultation**
21 **with the Oregon Liquor Control Commission and the State Department**
22 **of Agriculture, shall adopt rules establishing minimum standards for**
23 **testing marijuana items. At a minimum, rules adopted under this**
24 **section shall:**

25 **“(a) Establish procedures for tracking usable marijuana,**
26 **cannabinoid products and cannabinoid concentrates or extracts to be**
27 **tested;**

28 **“(b) Establish procedures for determining batch sizes and for sam-**
29 **pling usable marijuana, cannabinoid products and cannabinoid con-**
30 **centrates or extracts;**

1 “(c) Establish procedures for documenting and reporting test re-
2 sults;

3 “(d) Establish procedures for disposing of samples of usable
4 marijuana, cannabinoid products and cannabinoid concentrates or ex-
5 tracts that have been tested;

6 “(e) Establish procedures for testing usable marijuana, cannabinoid
7 products and cannabinoid concentrates or extracts for
8 tetrahydrocannabinol and cannabidiol concentration;

9 “(f) Establish procedures for testing usable marijuana for microbi-
10 ological contaminants, pesticides and other contaminants as the au-
11 thority determines is necessary to protect the public health and safety;

12 “(g) Establish procedures for testing cannabinoid concentrates or
13 extracts made by separating cannabinoids from marijuana by an ex-
14 traction process other than the extraction process described in para-
15 graph (h) of this subsection for microbiological contaminants,
16 pesticides and other contaminants as the authority determines is
17 necessary to protect the public health and safety;

18 “(h) Establish procedures for testing cannabinoid concentrates or
19 extracts made by separating cannabinoids from marijuana by a chem-
20 ical extraction process using a hydrocarbon-based solvent for residual
21 solvents, chemical contaminants, pesticides and other contaminants
22 as the authority determines is necessary to protect the public health
23 and safety;

24 “(i) Require cannabinoid edibles to be tested in accordance with any
25 applicable law of this state, or any applicable rule adopted under a law
26 of this state, related to the production and processing of food products
27 or commodities; and

28 “(j) Require cannabinoid products that are meant to be applied to
29 the surfaces of the skin to be tested for residual solvents as the au-
30 thority determines is necessary to protect the public health and safety.

1 **“(2) The authority may establish additional procedures for testing**
2 **usable marijuana, cannabinoid products and cannabinoid concentrates**
3 **and extracts as the authority determines is necessary to protect the**
4 **public health and safety.**

5 **“(3) In adopting rules under subsections (1) and (2) of this section,**
6 **the authority:**

7 **“(a) May establish different minimum standards for different vari-**
8 **eties of usable marijuana and different types of cannabinoid products**
9 **and cannabinoid concentrates or extracts;**

10 **“(b) May establish different procedures for persons registered under**
11 **ORS 475.300 to 475.346 and persons licensed under sections 3 to 70,**
12 **chapter 1, Oregon Laws 2015;**

13 **“(c) Shall consider the cost of a potential procedure and the feasi-**
14 **bility that a person registered under ORS 475.300 to 475.346 or a person**
15 **licensed under sections 3 to 70, chapter 1, Oregon Laws 2015, will be**
16 **able to pay for the procedure; and**

17 **“(d) May not adopt rules that are more restrictive than is necessary**
18 **to protect the public health and safety.**

19 **“SECTION 97. Sections 91 to 102 of this 2015 Act do not apply to a**
20 **person responsible for a marijuana grow site under ORS 475.304, or a**
21 **person who has been designated as a primary caregiver under ORS**
22 **475.312, who transfers marijuana, usable marijuana, a cannabinoid**
23 **product or a cannabinoid concentrate or extract to a person who holds**
24 **a registry identification card issued under ORS 475.309 or a person who**
25 **has been designated as a primary caregiver.**

26 **“SECTION 98. (1) The Oregon Health Authority may inspect prem-**
27 **ises licensed under section 94 of this 2015 Act to ensure compliance**
28 **with sections 91 to 102 of this 2015 Act and rules adopted under sections**
29 **91 to 102 of this 2015 Act.**

30 **“(2) The authority may enter into an agreement with the Oregon**

1 **Liquor Control Commission for the purpose of conducting investi-**
2 **gations under this section. If the authority enters into an agreement**
3 **with the commission under this section, the commission shall have the**
4 **power to conduct investigations under sections 91 to 102 of this 2015**
5 **Act in the same manner that the commission is authorized to conduct**
6 **investigations under sections 3 to 70, chapter 1, Oregon Laws 2015, with**
7 **respect to premises for which persons hold a license under section 19,**
8 **20, 21 or 22, chapter 1, Oregon Laws 2015.**

9 **“SECTION 99. Subject to the provisions of ORS chapter 183, the**
10 **authority may refuse to issue or renew, or may suspend or revoke, a**
11 **license issued under section 94 of this 2015 Act, for violation of:**

12 **“(1) A provision of sections 91 to 102 of this 2015 Act or a rule**
13 **adopted under sections 91 to 102 of this 2015 Act;**

14 **“(2) A provision of ORS 475.300 to 475.346 or a rule adopted under**
15 **ORS 475.300 to 475.346; or**

16 **“(3) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015,**
17 **or a rule adopted under a provision of sections 3 to 70, chapter 1,**
18 **Oregon Laws 2015.**

19 **“SECTION 100. (1) In addition to any other liability or penalty pro-**
20 **vided by law, the Oregon Health Authority may impose for each vio-**
21 **lation of a provision of sections 91 to 102 of this 2015 Act, or a rule**
22 **adopted under a provision of sections 91 to 102 of this 2015 Act, a civil**
23 **penalty that does not exceed \$500 for each day that the violation oc-**
24 **curs.**

25 **“(2) The authority shall impose civil penalties under this section in**
26 **the manner provided by ORS 183.745.**

27 **“(3) Moneys collected under this section shall be deposited in the**
28 **Oregon Health Authority Fund established under ORS 413.101 and are**
29 **continuously appropriated to the authority for the purpose of carrying**
30 **out the duties, functions and powers of the authority under sections**

1 91 to 102 of this 2015 Act.

2 **“SECTION 101.** Subject to the applicable provisions of ORS chapter
3 183:

4 **“(1) The Oregon Health Authority may refuse to register a person**
5 **under ORS 475.304 or 475.314, may suspend activities conducted by a**
6 **registrant pursuant to ORS 475.304 or 475.314, or may remove a regis-**
7 **trant from a registry kept pursuant to ORS 475.304 or 475.314, if the**
8 **person violates section 93 of this 2015 Act or a rule adopted under**
9 **section 93 of this 2015 Act.**

10 **“(2) The Oregon Liquor Control Commission may refuse to issue or**
11 **renew, or may suspend or revoke, a license issued under section 19,**
12 **20, 21 or 22, chapter 1, Oregon Laws 2015, if the applicant or licensee**
13 **violates section 93 of this 2015 Act or a rule adopted under section 93**
14 **of this 2015 Act.**

15 **“SECTION 102.** A person who holds a license under section 94 of this
16 2015 Act, and an employee or other person who performs work for a
17 person who holds a license under section 94 of this 2015 Act, are ex-
18 empt from the criminal laws of this state for possession, delivery or
19 manufacture of marijuana, aiding and abetting another in the pos-
20 session, delivery or manufacture of marijuana, or any other criminal
21 offense in which possession, delivery or manufacture of marijuana is
22 an element.

23

24 **“PACKAGING AND LABELING**

25

26 **“SECTION 103.** As used in sections 103 to 110 of this 2015 Act:

27 **“(1) ‘Cannabinoid’ means any of the chemical compounds that are**
28 **the active constituents of marijuana.**

29 **“(2) ‘Cannabinoid concentrate or extract’ means a substance ob-**
30 **tained by separating cannabinoids from marijuana by a mechanical,**

1 **chemical or other process.**

2 **“(3) ‘Cannabinoid edible’ means food or potable liquid into which a**
3 **cannabinoid concentrate or extract or the dried leaves or flowers of**
4 **marijuana have been incorporated.**

5 **“(4)(a) ‘Cannabinoid product’ means a cannabinoid edible or any**
6 **other product intended for human consumption or use, including a**
7 **product intended to be applied to a person’s skin or hair, that contains**
8 **cannabinoids or the dried leaves or flowers of marijuana.**

9 **“(b) ‘Cannabinoid product’ does not include:**

10 **“(A) Usable marijuana by itself;**

11 **“(B) A cannabinoid concentrate or extract by itself; or**

12 **“(C) Industrial hemp, as defined in ORS 571.300.**

13 **“(5)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae,**
14 **any part of the plant Cannabis family Cannabaceae and the seeds of**
15 **the plant Cannabis family Cannabaceae.**

16 **“(b) ‘Marijuana’ does not include industrial hemp, as defined in**
17 **ORS 571.300.**

18 **“(6) ‘Marijuana item’ means marijuana, usable marijuana, a**
19 **cannabinoid product or a cannabinoid concentrate or extract.**

20 **“(7) ‘Processing’ means the compounding or conversion of**
21 **marijuana into cannabinoid products or cannabinoid concentrates or**
22 **extracts.**

23 **“(8) ‘Production’ means:**

24 **“(a) Planting, cultivating, growing, trimming or harvesting**
25 **marijuana; or**

26 **“(b) Drying marijuana leaves and flowers.**

27 **“(9)(a) ‘Usable marijuana’ means the dried leaves and flowers of**
28 **marijuana.**

29 **“(b) ‘Usable marijuana’ does not include:**

30 **“(A) The seeds, stalks and roots of marijuana; or**

1 **“(B) Waste material that is a by-product of producing marijuana.**

2 **“SECTION 104. (1) Sections 103 to 110 of this 2015 Act and rules**
3 **adopted under sections 103 to 110 of this 2015 Act shall serve as the**
4 **basis for establishing the minimum standards for packaging and la-**
5 **beling usable marijuana, cannabinoid products and cannabinoid con-**
6 **centrates or extracts in this state as required under ORS 475.300 to**
7 **475.346 and sections 3 to 70, chapter 1, Oregon Laws 2015.**

8 **“(2) Sections 103 to 110 of this 2015 Act do not prevent the Oregon**
9 **Health Authority or the Oregon Liquor Control Commission from es-**
10 **tablishing additional minimum standards for packaging and labeling**
11 **usable marijuana, cannabinoid products and cannabinoid concentrates**
12 **or extracts, or from establishing minimum standards for producing or**
13 **processing marijuana items, if the authority or commission is other-**
14 **wise authorized under the statutory laws of this state to establish**
15 **those standards.**

16 **“SECTION 105. The Oregon Health Authority shall require all usa-**
17 **ble marijuana, cannabinoid products and cannabinoid concentrates or**
18 **extracts transferred by a medical marijuana dispensary registered un-**
19 **der ORS 475.314, and the Oregon Liquor Control Commission shall re-**
20 **quire all usable marijuana, cannabinoid products and cannabinoid**
21 **concentrates or extracts sold by a marijuana retailer that holds a li-**
22 **cence under section 22, chapter 1, Oregon Laws 2015, to be packaged**
23 **and labeled in a manner that ensures the public health and safety.**
24 **Packaging and labeling usable marijuana, cannabinoid products and**
25 **cannabinoid concentrates or extracts as required by this section must**
26 **be done in accordance with section 106 of this 2015 Act.**

27 **“SECTION 106. (1) The Oregon Health Authority, in consultation**
28 **with the Oregon Liquor Control Commission and the State Department**
29 **of Agriculture, shall adopt rules establishing minimum standards for**
30 **packaging and labeling usable marijuana, cannabinoid products and**

1 **cannabinoid concentrates or extracts. At a minimum, rules adopted**
2 **under this section shall:**

3 **“(a) Ensure that usable marijuana, cannabinoid edibles,**
4 **cannabinoid concentrates or extracts and other cannabinoid products,**
5 **as determined necessary by the authority, are packaged in child-**
6 **resistant safety packaging;**

7 **“(b) Ensure that usable marijuana, cannabinoid edibles,**
8 **cannabinoid concentrates or extracts and other cannabinoid products,**
9 **as determined necessary by the authority, are not marketed in a**
10 **manner that is untruthful or misleading, or that otherwise creates a**
11 **significant risk to public health and safety;**

12 **“(c) Ensure that cannabinoid edibles and other cannabinoid pro-**
13 **ducts, as determined necessary by the authority, are not packaged or**
14 **presented in a manner that is attractive to minors;**

15 **“(d) Ensure that cannabinoid edibles and other cannabinoid pro-**
16 **ducts, as determined necessary by the authority, are not marketed in**
17 **a manner that is attractive to minors;**

18 **“(e) Ensure that cannabinoid edibles, cannabinoid concentrates or**
19 **extracts and other cannabinoid products, as determined necessary by**
20 **the authority, are labeled to include information related to the**
21 **potency of the cannabinoid edible, cannabinoid concentrate or extract**
22 **or other cannabinoid product; and**

23 **“(f) Ensure that cannabinoid edibles are labeled in accordance with**
24 **any state or federal law, rule or regulation prescribing a labeling re-**
25 **quirement for the same type of food product or potable liquid when the**
26 **food product or potable liquid does not contain marijuana or**
27 **cannabinoids.**

28 **“(2) In adopting rules under subsection (1) of this section, the au-**
29 **thority:**

30 **“(a) May establish different minimum standards for different vari-**

1 eties of usable marijuana and for different types of cannabinoid pro-
2 ducts and cannabinoid concentrates or extracts;

3 “(b) May establish different minimum standards for persons regis-
4 tered under ORS 475.300 to 475.346 and persons licensed under sections
5 3 to 70, chapter 1, Oregon Laws 2015;

6 “(c) Shall consider the cost of a potential requirement and the fea-
7 sibility that a person registered under ORS 475.300 to 475.346 or a per-
8 son licensed under sections 3 to 70, chapter 1, Oregon Laws 2015, can
9 afford to comply with the requirement; and

10 “(d) May not adopt rules that are more restrictive than is necessary
11 to protect the public health and safety.

12 “SECTION 107. Sections 103 to 110 of this 2015 Act do not apply to
13 a person responsible for a marijuana grow site under ORS 475.304, or
14 a person who has been designated as a primary caregiver under ORS
15 475.312, who transfers usable marijuana, a cannabinoid product or a
16 cannabinoid concentrate or extract to a person who holds a registry
17 identification card issued under ORS 475.309 or a person who has been
18 designated as a primary caregiver.

19 “SECTION 108. (1) The Oregon Health Authority may inspect the
20 premises of a medical marijuana dispensary registered under ORS
21 475.314, or the premises of a person who holds a license under section
22 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to ensure compliance with
23 sections 103 to 110 of this 2015 Act and any rule adopted under sections
24 103 to 110 of this 2015 Act.

25 “(2) The authority may enter into an agreement with the Oregon
26 Liquor Control Commission for the purpose of conducting investi-
27 gations under this section. If the authority enters into an agreement
28 with the commission under this section, the commission shall have the
29 power to conduct investigations under sections 103 to 110 of this 2015
30 Act in the same manner that the commission is authorized to conduct

1 investigations under sections 3 to 70, chapter 1, Oregon Laws 2015, with
2 respect to premises for which persons hold a license under section 19,
3 20, 21 or 22, chapter 1, Oregon Laws 2015.

4 **“SECTION 109.** Subject to the applicable provisions of ORS chapter
5 183:

6 **“(1)** The Oregon Health Authority may refuse to register a person
7 under ORS 475.304 or 475.314, may suspend activities conducted by a
8 registrant pursuant to ORS 475.304 or 475.314, or may remove a regis-
9 trant from a registry kept pursuant to ORS 475.304 or 475.314, if the
10 person violates any provision of sections 103 to 110 of this 2015 Act or
11 any rule adopted under sections 103 to 110 of this 2015 Act.

12 **“(2)** The Oregon Liquor Control Commission may refuse to issue or
13 renew, or may suspend or revoke, a license issued under section 19,
14 20, 21 or 22, chapter 1, Oregon Laws 2015, if the applicant or licensee
15 violates a provision of sections 103 to 110 of this 2015 Act or any rule
16 adopted under sections 103 to 110 of this 2015 Act.

17 **“SECTION 110.** (1) In addition to any other liability or penalty pro-
18 vided by law, the Oregon Health Authority may impose for each vio-
19 lation of a provision of sections 103 to 110 of this 2015 Act, or a rule
20 adopted under a provision of sections 103 to 110 of this 2015 Act, a civil
21 penalty that does not exceed \$500 for each day that the violation oc-
22 curs.

23 **“(2)** The authority shall impose civil penalties under this subsection
24 in the manner provided by ORS 183.745.

25 **“(3)** Moneys collected under this section shall be deposited in the
26 Oregon Health Authority Fund established under ORS 413.101 and are
27 continuously appropriated to the authority for the purpose of carrying
28 out the duties, functions and powers of the authority under sections
29 103 to 110 of this 2015 Act.

30 **“SECTION 110a.** The rules of the Oregon Health Authority adopted

1 under ORS 475.314 (8) as that statute was in effect before the operative
2 date specified in section 136 of this 2015 Act continue in effect until
3 superseded or repealed by rules of the authority adopted under section
4 106 of this 2015 Act.

5
6 **“NURSERIES**

7
8 **“SECTION 111. As used in sections 111 to 118 of this 2015 Act:**

9 **“(1) ‘Immature marijuana plant’ means a marijuana plant that is**
10 **not flowering.**

11 **“(2)(a) ‘Marijuana’ means the plant Cannabis family Cannabaceae**
12 **and any part of the plant Cannabis family Cannabaceae other than the**
13 **seeds of the plant Cannabis family Cannabaceae.**

14 **“(b) ‘Marijuana’ does not include industrial hemp, as defined in**
15 **ORS 571.300.**

16 **“(3) ‘Mature marijuana plant’ means a marijuana plant, whether**
17 **growing or cut and drying, that is not an immature marijuana plant.**

18 **“(4)(a) ‘Usable marijuana’ means the dried leaves and flowers of**
19 **marijuana.**

20 **“(b) ‘Usable marijuana’ does not include:**

21 **“(A) The seeds, stalks and roots of marijuana; or**

22 **“(B) Waste material that is a by-product of producing marijuana.**

23 **“SECTION 112. (1)(a) The Oregon Liquor Control Commission shall**
24 **certify breeders of the seeds of the plant Cannabis family Cannabaceae**
25 **and propagators of immature marijuana plants. Subject to paragraph**
26 **(b) of this subsection, a person may not breed the seeds of the plant**
27 **Cannabis family Cannabaceae or propagate immature marijuana**
28 **plants unless the person is certified under this section.**

29 **“(b) Subsection (1) of this section does not apply to a person re-**
30 **sponsible for a marijuana grow site under ORS 475.304, a person who**

1 holds a license under section 19, chapter 1, Oregon Laws 2015, or a
2 person who holds a license under ORS 571.300 to 571.315.

3 “(2) A person certified under this section may:

4 “(a) Grow mature marijuana plants for the purpose of breeding and
5 harvesting the seeds of the plant Cannabis family Cannabaceae;

6 “(b) Propagate immature marijuana plants; and

7 “(c) Sell or otherwise transfer the seeds of the plant Cannabis
8 family Cannabaceae and immature marijuana plants to the marijuana
9 grow site of a person designated to produce marijuana by a registry
10 identification cardholder under ORS 475.304, a medical marijuana
11 dispensary registered under ORS 475.314 or a person who holds a li-
12 cense under section 19, 21 or 22, chapter 1, Oregon Laws 2015.

13 “(3) A person certified under this section may not sell or otherwise
14 transfer mature marijuana plants or usable marijuana to any other
15 person unless the certified person is responsible for a marijuana grow
16 site registered under ORS 475.304 or holds a license under section 19,
17 chapter 1, Oregon Laws 2015.

18 **“SECTION 113.** (1) Subject to subsection (2) of this section, the
19 Oregon Liquor Control Commission, in consultation with the State
20 Department of Agriculture, shall adopt rules establishing:

21 “(a) Qualifications for certification under section 112 of this 2015
22 Act;

23 “(b) Processes for applying for and renewing a certificate under
24 section 112 of this 2015 Act;

25 “(c) Fees for applying for, receiving and renewing a certificate un-
26 der section 112 of this 2015 Act;

27 “(d) Reasonable limits on operations described in section 112 of this
28 2015 Act as necessary to control plant pests and plant diseases and
29 protect the public health and safety;

30 “(e) Procedures for tracking the seeds of the plant Cannabis family

1 Cannabaceae and immature marijuana plants that are sold or trans-
2 ferred as described in section 112 of this 2015 Act;

3 “(f) Reasonable requirements for keeping records of sales and
4 transfers made as described in section 112 of this 2015 Act;

5 “(g) Procedures for auditing records of sales and transfers made as
6 described in section 112 of this 2015 Act; and

7 “(h) Procedures for disposing of marijuana or usable marijuana re-
8 sulting from the growing of mature marijuana plants for purposes
9 described in section 112 of this 2015 Act.

10 “(2) In establishing reasonable limits under subsection (1)(d) of this
11 section, the commission may not limit:

12 “(a) The number of mature marijuana plants and immature
13 marijuana plants that a person certified under section 112 of this sec-
14 tion may possess;

15 “(b) The size of the premises on which a person certified under
16 section 112 of this section may conduct operations; or

17 “(c) The weight or size of shipments made to marijuana grow sites
18 of persons designated to produce marijuana by registry identification
19 cardholders under ORS 475.304 or persons who hold a license under
20 section 19, chapter 1, Oregon Laws 2015.

21 “(3) In establishing procedures under subsection (1)(e) of this sec-
22 tion, the commission may use the system developed and maintained
23 under section 23 of this 2015 Act.

24 “(4) A person certified under section 112 of this 2015 Act must renew
25 the certification annually.

26 “(5) Fees adopted under subsection (1) of this section must be rea-
27 sonably calculated to pay the costs associated with implementing and
28 administering sections 111 to 118 of this 2015 Act.

29 “(6) Fee moneys collected under this section shall be deposited in
30 the Seed and Start Fund established under section 117 of this 2015 Act.

1 **“SECTION 114.** The Oregon Liquor Control Commission may inspect
2 premises where persons certified under section 112 of this 2015 Act
3 conduct operations described in section 112 (2) of this 2015 Act. The
4 commission shall have the power to conduct inspections under this
5 section in the same manner in which the commission is authorized to
6 conduct inspections under sections 3 to 70, chapter 1, Oregon Laws
7 2015, with respect to premises for which persons hold a license under
8 section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

9 **“SECTION 115.** Subject to the provisions of ORS chapter 183, the
10 commission may refuse to issue or renew, or may suspend or revoke,
11 a certificate issued under section 112 of this 2015 Act, for violation of:

12 **“(1)** A provision of sections 111 to 118 of this 2015 Act or a rule
13 adopted under sections 111 to 118 of this 2015 Act; or

14 **“(2)** A provision of sections 3 to 70, chapter 1, Oregon Laws 2015,
15 or a rule adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.

16 **“SECTION 116.** (1) In addition to any other liability or penalty pro-
17 vided by law, the Oregon Liquor Control Commission may impose for
18 each violation of a provision of sections 111 to 118 of this 2015 Act, or
19 a rule adopted under a provision of sections 111 to 118 of this 2015 Act,
20 a civil penalty that does not exceed \$500 for each day that the violation
21 occurs.

22 **“(2)** The commission shall impose civil penalties under this section
23 in the manner provided by ORS 183.745.

24 **“(3)** Moneys collected under this section shall be deposited in the
25 Seed and Start Fund established under section 117 of this 2015 Act.

26 **“SECTION 117.** The Seed and Start Fund is established in the State
27 Treasury, separate and distinct from the General Fund. Interest
28 earned by the Seed and Start Fund shall be credited to the fund. All
29 moneys in the Seed and Start Fund are continuously appropriated to
30 the Oregon Liquor Control Commission for the purposes of carrying

1 out the functions, powers and duties of the commission under sections
2 111 to 118 of this 2015 Act.

3 **“SECTION 118.** A person who is certified under section 112 of this
4 2015 Act, and an employee or other person who performs work for a
5 person who is certified under section 112 of this 2015 Act, are exempt
6 from the criminal laws of this state for possession, delivery or manu-
7 facture of marijuana, aiding and abetting another in the possession,
8 delivery and manufacture of marijuana, or any other criminal offense
9 in which possession, delivery or manufacture of marijuana is an ele-
10 ment.

11
12 **“RESEARCH CERTIFICATION**

13
14 **“SECTION 119.** (1) The Oregon Health Authority, in conjunction
15 with the Oregon Liquor Control Commission and the State Department
16 of Agriculture, shall establish a program for the purpose of identifying
17 and certifying private and public researchers of cannabis.

18 **“(2)** As part of the program, the authority shall identify individuals,
19 businesses, nonprofit organizations, research institutions and public
20 entities that are conducting research in the following areas:

21 **“(a)** Clinical research, including research on the effects of cannabis
22 on pregnancy, lactation, epilepsy, inflammatory diseases and skin dis-
23 eases; and

24 **“(b)** Agricultural research, including research on mold, pesticides,
25 heavy metals, plant genetics, photobiology, fertilizers and industrial
26 hemp.

27 **“(3)** The authority shall certify researchers identified pursuant to
28 subsection (2) of this section after considering the following:

29 **“(a)** A research candidate’s access to public funding;

30 **“(b)** A research candidate’s access to private funding;

1 **fined in section 5, chapter 1, Oregon Laws 2015; or**

2 **“(b) A person acting within the scope of and in compliance with**
3 **section 6 (1), chapter 1, Oregon Laws 2015.**

4 **“SECTION 121.** ORS 475.862 is amended to read:

5 **“475.862. (1) It is unlawful for any person to deliver marijuana within**
6 **1,000 feet of the real property comprising a public or private elementary,**
7 **secondary or career school attended primarily by minors.**

8 **“(2) Unlawful delivery of marijuana within 1,000 feet of a school is a**
9 **Class A felony.**

10 **“(3) This section does not apply to:**

11 **“(a) A licensee or licensee representative, as those terms are de-**
12 **fined in section 5, chapter 1, Oregon Laws 2015; or**

13 **“(b) A person acting within the scope of and in compliance with**
14 **section 6 (1), chapter 1, Oregon Laws 2015.**

15 **“SECTION 122.** ORS 475.856, as amended by section 77, chapter 1, Oregon
16 Laws 2015, is amended to read:

17 **“475.856. (1) As used in this section, ‘homegrown’ and ‘household’**
18 **have the meanings given those terms in section 5, chapter 1, Oregon**
19 **Laws 2015.**

20 **“[(1)] (2) Except for licensees and licensee representatives as defined in**
21 **section 5, chapter 1, Oregon Laws 2015 [subsections (10) and (11) of section**
22 **5 of this Act], and except for a person acting within the scope of and in**
23 **compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1)**
24 **of section 6 of this Act], it is unlawful for any person to manufacture**
25 **marijuana.**

26 **“[(2)] (3) Unlawful manufacture of marijuana is a Class [B felony]**
27 **_____.**

28 **“[(3)] (4) Notwithstanding subsection [(2)] (3) of this section, unlawful**
29 **manufacture of marijuana is a Class B misdemeanor[,] if a person 21 years**
30 **of age or older manufactures homegrown marijuana at a household and the**

1 total number of homegrown marijuana plants at the household exceeds four
2 marijuana plants but does not exceed eight marijuana plants.

3 “[4] *As used in subsection (3) of this section, the terms ‘homegrown’ and*
4 *‘household’ have the meanings given to them in section 5 of this Act.*”

5 **“SECTION 123.** ORS 475.860, as amended by section 78, chapter 1, Oregon
6 Laws 2015, is amended to read:

7 “475.860. (1) Except for licensees and licensee representatives as defined
8 in **section 5, chapter 1, Oregon Laws 2015** [subsections (10) and (11) of
9 section 5 of this Act], and except for a person acting within the scope of and
10 in compliance with **section 6 (1), chapter 1, Oregon Laws 2015** [subsection
11 (1) of section 6 of this Act], it is unlawful for any person to deliver marijuana.

12 “(2) Unlawful delivery of marijuana is a[:] **Class** _____.

13 “[a] *Class B felony if the delivery is for consideration.*”

14 “[b] *Class C felony if the delivery is for no consideration.*”

15 “(3) Notwithstanding subsection (2) of this section, unlawful delivery of
16 marijuana is a:

17 “(a) Class [A *misdemeanor*] _____, if the delivery is for no consider-
18 ation and consists of less than one avoirdupois ounce of the dried leaves,
19 stems and flowers of the plant Cannabis family Moraceae; or

20 “(b) Violation, if the delivery is for no consideration and consists of less
21 than five grams of the dried leaves, stems and flowers of the plant Cannabis
22 family Moraceae. A violation under this paragraph is a specific fine vio-
23 lation. The presumptive fine for a violation under this paragraph is \$650.

24 “(4) Notwithstanding subsections (2) and (3) of this section, unlawful de-
25 livery of marijuana is a[:] **Class** _____, **if the delivery is to a person**
26 **under 18 years of age and the defendant is at least 18 years of age and**
27 **is at least three years older than the person to whom the marijuana**
28 **is delivered.**

29 “[a] *Class A felony, if the delivery is to a person under 18 years of age*
30 *and the defendant is at least 18 years of age and is at least three years older*

1 *than the person to whom the marijuana is delivered; or]*

2 *“[(b) Class C misdemeanor, if the delivery:]*

3 *“[(A) Is for no consideration;]*

4 *“[(B) Consists of less than five grams of the dried leaves, stems and flowers*
5 *of the plant Cannabis family Moraceae;]*

6 *“[(C) Takes place in a public place, as defined in ORS 161.015, that is*
7 *within 1,000 feet of the real property comprising a public or private elementary,*
8 *secondary or career school attended primarily by minors; and]*

9 *“[(D) Is to a person who is 18 years of age or older.]*

10 **“SECTION 124.** ORS 475.864, as amended by section 79, chapter 1, Oregon
11 Laws 2015, is amended to read:

12 *“475.864. (1) As used in subsections (2) to (4) of this section:*

13 *“(a) ‘Marijuana’ means the leaves, stems[,] and flowers of the plant*
14 *Cannabis family Moraceae.*

15 *“(b) ‘Marijuana product’ has the meaning given the term ‘marijuana’ in*
16 *ORS 475.005 (16), but does not include the leaves, stems and flowers of the*
17 *plant Cannabis family Moraceae.*

18 *“(2) It is unlawful for any person under 21 years of age knowingly or in-*
19 *tentionally to possess marijuana or marijuana product.*

20 *“(3)(a) Unlawful possession of [four] **eight** avoirdupois ounces or more of*
21 *marijuana by a person under 21 years of age is a Class [C felony]*
22 *_____ .*

23 *“(b) Unlawful possession of one avoirdupois ounce of marijuana or more,*
24 *but less than [four] **eight** avoirdupois ounces, by a person under 21 years of*
25 *age is a Class [B misdemeanor]_____ .*

26 *“(c) Unlawful possession of less than one avoirdupois ounce of marijuana*
27 *by a person under 21 years of age is a specific fine violation. The*
28 *presumptive fine for a violation under this paragraph is \$650.*

29 *“(4)(a) Unlawful possession of [one-quarter avoirdupois ounce] **16 ounces***
30 *or more of marijuana product **in a solid form or 72 or more marijuana***

1 **product in a liquid form** by a person under 21 years of age is a Class [C
2 *felony*] _____.

3 “(b) Unlawful possession of less than [*one-quarter avoirdupois ounce*] **16**
4 **ounces** of marijuana product **in a solid form or 72 ounces of marijuana**
5 **product in a liquid form** by a person under 21 years of age is a Class [B
6 *misdemeanor*] _____.

7 “(5) As used in subsections (6) to (8) of this section, [*the terms*]
8 ‘licensee,’ ‘licensee representative,’ ‘marijuana,’ [*marijuana extracts,*
9 *marijuana products,*] ‘**cannabinoid product,**’ ‘**cannabinoid concentrate,**’
10 ‘**cannabinoid extract,**’ ‘marijuana retailer,’ ‘public place[,]’ and ‘usable
11 marijuana’ have the meanings given [*to them*] **those terms** in section 5,
12 **chapter 1, Oregon Laws 2015** [*of this Act*].

13 “(6) Except for licensees and licensee representatives **acting in accord-**
14 **ance with sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule**
15 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015,** it is un-
16 lawful for any person 21 years of age or older knowingly or intentionally to
17 possess:

18 “(a) More than one ounce of usable marijuana in a public place.

19 “(b) More than eight ounces of usable marijuana.

20 “(c) More than [*sixteen*] **16** ounces of [*marijuana*] **cannabinoid** products
21 in solid form.

22 “(d) More than [*seventy-two*] **72** ounces of [*marijuana*] **cannabinoid** pro-
23 ducts in liquid form **or cannabinoid concentrates.**

24 “(e) More than one ounce of [*marijuana extracts*] **cannabinoid extracts.**

25 “(f) [*Any marijuana extracts that were*] **A cannabinoid extract that was**
26 not purchased from a [*licensed*] marijuana retailer **who holds a license**
27 **under section 22, chapter 1, Oregon Laws 2015.**

28 “(7) A violation of [*paragraphs (a) to (e) of*] subsection (6)(a) to (e) of this
29 section is a:

30 “(a) Class C felony, if the amount possessed is more than four times the

1 applicable maximum amount specified in subsection (6)(a) to (e) of this sec-
2 tion;

3 “(b) Class B misdemeanor, if the amount possessed is more than two
4 times, but not more than four times, the applicable maximum amount speci-
5 fied in subsection (6)(a) to (e) of this section; or

6 “(c) Class B violation, if the amount possessed is not more than two times
7 the applicable maximum amount specified in subsection (6)(a) to (e) of this
8 section.

9 “(8) A violation of [*paragraph (f) of*] subsection (6)(f) of this section is
10 a:

11 “(a) Class C felony, if the amount possessed is more than one-quarter
12 ounce of [*such marijuana extracts*] **the cannabinoid extract**; or

13 “(b) Class B misdemeanor, if the amount possessed is not more than one-
14 quarter ounce of [*such marijuana extracts*] **the cannabinoid extract**.

15 **“SECTION 125.** ORS 161.705 is amended to read:

16 “161.705. Notwithstanding ORS 161.525, the court may enter judgment of
17 conviction for a Class A misdemeanor and make disposition accordingly
18 when:

19 “(1)(a) A person is convicted of any Class C felony; **or**

20 “[*(b) A person is convicted of a Class B felony pursuant to ORS 475.860*
21 *(2)(a); or*]

22 “[*(c)*] **(b)** A person convicted of a felony described in paragraph (a) [*or*
23 *(b)*] of this subsection, or of a Class A felony pursuant to ORS 166.720, has
24 successfully completed a sentence of probation; and

25 “(2) The court, considering the nature and circumstances of the crime and
26 the history and character of the defendant, believes that it would be unduly
27 harsh to sentence the defendant for a felony.

28 **“SECTION 126.** ORS 475.900 is amended to read:

29 “475.900. (1) A violation of ORS 475.752, 475.806 to 475.894, 475.904 or
30 475.906 shall be classified as crime category 8 of the sentencing guidelines

1 grid of the Oregon Criminal Justice Commission if:

2 “(a) The violation constitutes delivery or manufacture of a controlled
3 substance and involves substantial quantities of a controlled substance. For
4 purposes of this paragraph, the following amounts constitute substantial
5 quantities of the following controlled substances:

6 “(A) Five grams or more of a mixture or substance containing a detect-
7 able amount of heroin;

8 “(B) Ten grams or more of a mixture or substance containing a detectable
9 amount of cocaine;

10 “(C) Ten grams or more of a mixture or substance containing a detectable
11 amount of methamphetamine, its salts, isomers or salts of its isomers;

12 “(D) Two hundred or more user units of a mixture or substance contain-
13 ing a detectable amount of lysergic acid diethylamide;

14 “(E) Sixty grams or more of a mixture or substance containing a detect-
15 able amount of psilocybin or psilocin; or

16 “(F) Five grams or more or 25 or more pills, tablets or capsules of a
17 mixture or substance containing a detectable amount of:

18 “(i) 3,4-methylenedioxyamphetamine;

19 “(ii) 3,4-methylenedioxymethamphetamine; or

20 “(iii) 3,4-methylenedioxy-N-ethylamphetamine.

21 “(b) The violation constitutes possession, delivery or manufacture of a
22 controlled substance and the possession, delivery or manufacture is a com-
23 mercial drug offense. A possession, delivery or manufacture is a commercial
24 drug offense for purposes of this subsection if it is accompanied by at least
25 three of the following factors:

26 “(A) The delivery was of heroin, cocaine, methamphetamine, lysergic acid
27 diethylamide, psilocybin or psilocin and was for consideration;

28 “(B) The offender was in possession of \$300 or more in cash;

29 “(C) The offender was unlawfully in possession of a firearm or other
30 weapon as described in ORS 166.270 (2), or the offender used, attempted to

1 use or threatened to use a deadly or dangerous weapon as defined in ORS
2 161.015, or the offender was in possession of a firearm or other deadly or
3 dangerous weapon as defined in ORS 161.015 for the purpose of using it in
4 connection with a controlled substance offense;

5 “(D) The offender was in possession of materials being used for the
6 packaging of controlled substances such as scales, wrapping or foil, other
7 than the material being used to contain the substance that is the subject of
8 the offense;

9 “(E) The offender was in possession of drug transaction records or cus-
10 tomer lists;

11 “(F) The offender was in possession of stolen property;

12 “(G) Modification of structures by painting, wiring, plumbing or lighting
13 to facilitate a controlled substance offense;

14 “(H) The offender was in possession of manufacturing paraphernalia, in-
15 cluding recipes, precursor chemicals, laboratory equipment, lighting, venti-
16 lating or power generating equipment;

17 “(I) The offender was using public lands for the manufacture of controlled
18 substances;

19 “(J) The offender had constructed fortifications or had taken security
20 measures with the potential of injuring persons; or

21 “(K) The offender was in possession of controlled substances in an amount
22 greater than:

23 “(i) Three grams or more of a mixture or substance containing a detect-
24 able amount of heroin;

25 “(ii) Eight grams or more of a mixture or substance containing a detect-
26 able amount of cocaine;

27 “(iii) Eight grams or more of a mixture or substance containing a de-
28 tectable amount of methamphetamine;

29 “(iv) Twenty or more user units of a mixture or substance containing a
30 detectable amount of lysergic acid diethylamide;

1 “(v) Ten grams or more of a mixture or substance containing a detectable
2 amount of psilocybin or psilocin; or

3 “(vi) Four grams or more or 20 or more pills, tablets or capsules of a
4 mixture or substance containing a detectable amount of:

5 “(I) 3,4-methylenedioxyamphetamine;

6 “(II) 3,4-methylenedioxymethamphetamine; or

7 “(III) 3,4-methylenedioxy-N-ethylamphetamine.

8 “(c) The violation constitutes a violation of ORS 475.848, 475.852, 475.862,
9 475.868, 475.872, 475.878, 475.882, 475.888, 475.892 or 475.904.

10 “(d) The violation constitutes manufacturing methamphetamine and the
11 manufacturing consists of:

12 “(A) A chemical reaction involving one or more precursor substances for
13 the purpose of manufacturing methamphetamine; or

14 “(B) Grinding, soaking or otherwise breaking down a precursor substance
15 for the purpose of manufacturing methamphetamine.

16 “(e) The violation constitutes a violation of ORS 475.860 (4)[(a)] or a vi-
17 olation of ORS 475.906 (1) or (2) that is not described in ORS 475.907.

18 “(2) A violation of ORS 475.752 or 475.806 to 475.894 shall be classified
19 as crime category 6 of the sentencing guidelines grid of the Oregon Criminal
20 Justice Commission if:

21 “(a) The violation constitutes delivery of heroin, cocaine, methamphet-
22 amine or 3,4-methylenedioxyamphetamine,
23 3,4-methylenedioxymethamphetamine or
24 3,4-methylenedioxy-N-ethylamphetamine and is for consideration.

25 “(b) The violation constitutes possession of:

26 “(A) Five grams or more of a mixture or substance containing a detect-
27 able amount of heroin;

28 “(B) Ten grams or more of a mixture or substance containing a detectable
29 amount of cocaine;

30 “(C) Ten grams or more of a mixture or substance containing a detectable

1 amount of methamphetamine;

2 “(D) Two hundred or more user units of a mixture or substance contain-
3 ing a detectable amount of lysergic acid diethylamide;

4 “(E) Sixty grams or more of a mixture or substance containing a detect-
5 able amount of psilocybin or psilocin; or

6 “(F) Five grams or more or 25 or more pills, tablets or capsules of a
7 mixture or substance containing a detectable amount of:

8 “(i) 3,4-methylenedioxyamphetamine;

9 “(ii) 3,4-methylenedioxymethamphetamine; or

10 “(iii) 3,4-methylenedioxy-N-ethylamphetamine.

11 “(3) Any felony violation of ORS 475.752 or 475.806 to 475.894 not con-
12 tained in subsection (1) or (2) of this section shall be classified as:

13 “(a) Crime category 4 of the sentencing guidelines grid of the Oregon
14 Criminal Justice Commission if the violation involves delivery or manufac-
15 ture of a controlled substance; or

16 “(b) Crime category 1 of the sentencing guidelines grid of the Oregon
17 Criminal Justice Commission if the violation involves possession of a con-
18 trolled substance.

19 “(4) In order to prove a commercial drug offense, the state shall plead in
20 the accusatory instrument sufficient factors of a commercial drug offense
21 under subsections (1) and (2) of this section. The state has the burden of
22 proving each factor beyond a reasonable doubt.

23 “(5) As used in this section, ‘mixture or substance’ means any mixture or
24 substance, whether or not the mixture or substance is in an ingestible or
25 marketable form at the time of the offense.

26 “**SECTION 127.** ORS 475.904 is amended to read:

27 “475.904. (1) Except as authorized by ORS 475.005 to 475.285 and 475.752
28 to 475.980, it is unlawful for any person to manufacture or deliver a schedule
29 I, II or III controlled substance within 1,000 feet of the real property com-
30 prising a public or private elementary, secondary or career school attended

1 primarily by minors.

2 “(2) Unlawful manufacture or delivery of a controlled substance within
3 1,000 feet of a school is a Class A felony[, *except as otherwise provided in*
4 *ORS 475.860*].

5 “(3) **This section does not apply to:**

6 “(a) **A licensee or licensee representative, as those terms are de-**
7 **defined in section 5, chapter 1, Oregon Laws 2015; or**

8 “(b) **A person acting within the scope of and in compliance with**
9 **section 6 (1), chapter 1, Oregon Laws 2015.**

10 “**SECTION 128. The amendments to statutes by sections 120 to 127**
11 **of this 2015 Act apply to conduct occurring on and after the operative**
12 **date specified in section 136 of this 2015 Act.**

13

14 “**RETAIL DRUG OUTLETS**

15

16 “**SECTION 129. Section 130 of this 2015 Act is added to and made a**
17 **part of ORS chapter 689.**

18 “**SECTION 130. (1) The State Board of Pharmacy shall establish by**
19 **rule instructions for the disposal of marijuana left behind by individ-**
20 **uals visiting retail drug outlets.**

21 “(2) **At a minimum, the instructions established in subsection (1)**
22 **of this section must:**

23 “(a) **Require an employee or supervisor of the retail drug outlet to**
24 **notify law enforcement upon discovering marijuana at the site; and**

25 “(b) **Include procedures for destroying the marijuana so that it can**
26 **no longer be used for human consumption.**

27 “(3) **A person acting under and in accordance with this section is**
28 **exempt from the criminal laws of this state for any criminal offense**
29 **in which possession of marijuana is an element.**

30

1 sections 91 to 110a of this 2015 Act are repealed.

2
3 **“SERIES PLACEMENT**

4
5 **“SECTION 135. Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32 and 35 of**
6 **this 2015 Act are added to and made a part of sections 3 to 70, chapter**
7 **1, Oregon Laws 2015.**

8
9 **“OPERATIVE DATES**

10
11 **“SECTION 136. (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 35, 69**
12 **to 80, 86, 91 to 110, 119 and 130 of this 2015 Act and the amendments**
13 **to statutes and session law by sections 1, 2, 5 to 9, 11, 12, 14 to 16, 24,**
14 **25, 27, 28, 33, 34, 36 to 68a, 81 to 84, 87, 88 and 120 to 127 of this 2015**
15 **Act become operative on January 1, 2016.**

16 **“(2) Sections 111 to 118 of this 2015 Act become operative on October**
17 **1, 2015.**

18 **“(3) The Oregon Liquor Control Commission, Oregon Health Au-**
19 **thority, State Department of Agriculture and Department of Revenue**
20 **may take any action before the operative dates specified in subsections**
21 **(1) and (2) of this section that is necessary to enable the commission,**
22 **authority and department to exercise all the duties, functions and**
23 **powers conferred on the commission, authority and department by**
24 **sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 35, 69 to 80, 86, 91 to 110, 119**
25 **and 130 of this 2015 Act and the amendments to statutes and session**
26 **law by sections 1, 2, 5 to 9, 11, 12, 14 to 16, 24, 25, 27, 28, 33, 34, 36 to**
27 **68a, 81 to 84, 87, 88 and 120 to 127 of this 2015 Act.**

28
29 **“CAPTIONS**

1 **“SECTION 137. The unit captions used in this 2015 Act are provided**
2 **only for the convenience of the reader and do not become part of the**
3 **statutory law of this state or express any legislative intent in the**
4 **enactment of this 2015 Act.**

5

6

“EFFECTIVE DATE

7

8 **“SECTION 138. This 2015 Act takes effect on the 91st day after the**
9 **date on which the 2015 regular session of the Seventy-eighth Legisla-**
10 **tive Assembly adjourns sine die.”.**

11
