

Requested by Senator PROZANSKI

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2198**

1 On page 1 of the printed bill, line 2, after “cannabis;” delete the rest of  
2 the line and insert “creating new provisions; amending ORS 475B.110 and  
3 475B.450; repealing sections 29 and 29b, chapter 83, Oregon Laws 2016; and  
4 declaring an emergency.”.

5 Delete lines 3 through 23.

6 On page 2, delete lines 1 through 15.

7 Delete lines 17 through 45 and delete pages 3 through 186 and insert:

8 **“SECTION 1. Section 2 of this 2017 Act is added to and made a part  
9 of ORS 475B.010 to 475B.395.**

10 **“SECTION 2. Notwithstanding ORS 475B.110 (2)(d), a marijuana  
11 retailer may be located within 1,000 feet of a school if:**

12 **“(1) The marijuana retailer is not located within 500 feet of:**

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

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

17 **“(2) The Oregon Liquor Control Commission determines that there  
18 is a physical or geographic barrier capable of preventing children from  
19 traversing to the premises of the marijuana retailer.**

20 **“SECTION 3. Section 4 of this 2017 Act is added to and made a part  
21 of ORS 475B.400 to 475B.525.**

1       **“SECTION 4. Notwithstanding ORS 475B.450 (3)(d), a medical**  
2 **marijuana dispensary may be located within 1,000 feet of a school if:**

3       **“(1) The medical marijuana dispensary is not located within 500 feet**  
4 **of:**

5       **“(a) A public elementary or secondary school for which attendance**  
6 **is compulsory under ORS 339.020; or**

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

9       **“(2) The Oregon Liquor Control Commission determines that there**  
10 **is a physical or geographic barrier capable of preventing children from**  
11 **traversing to the premises of the medical marijuana dispensary.**

12       **“SECTION 5. ORS 475B.110, as amended by section 4, chapter 24, Oregon**  
13 **Laws 2016, and section 10, chapter 83, Oregon Laws 2016, is amended to read:**

14       **“475B.110. (1) The retail sale of marijuana items is subject to regulation**  
15 **by the Oregon Liquor Control Commission.**

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

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

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

21       **“(c) May not be located in an area that is zoned exclusively for residen-**  
22 **tial use;**

23       **“(d) Except as provided in [section 29b, chapter 83, Oregon Laws 2016]**  
24 **section 2 of this 2017 Act, may not be located within 1,000 feet of:**

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

27       **“(B) A private or parochial elementary or secondary school, teaching**  
28 **children as described in ORS 339.030 (1)(a); and**

29       **“(e) Must meet the requirements of any rule adopted by the commission**  
30 **under subsection (3) of this section.**

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

2 “(a) Require a marijuana retailer to annually renew a license issued un-  
3 der this section;

4 “(b) Establish application, licensure and renewal of licensure fees for  
5 marijuana retailers;

6 “(c) Require marijuana items sold by a marijuana retailer to be tested in  
7 accordance with ORS 475B.555;

8 “(d) Subject to the limitations and privileges described in section 5 (4),  
9 chapter 83, Oregon Laws 2016, allow a marijuana retailer registered under  
10 section 5, chapter 83, Oregon Laws 2016, to sell medical grade cannabinoid  
11 products, cannabinoid concentrates and cannabinoid extracts at retail in the  
12 same manner that rules adopted under ORS 475B.010 to 475B.395 allow a  
13 marijuana retailer to sell general use cannabinoid products, cannabinoid  
14 concentrates and cannabinoid extracts at retail, excepting those circum-  
15 stances where differentiating between the sale of medical grade cannabinoid  
16 products, cannabinoid concentrates and cannabinoid extracts and the sale  
17 of general use cannabinoid products, cannabinoid concentrates and  
18 cannabinoid extracts is necessary to protect the public health and safety; and

19 “(e) Require a marijuana retailer to meet any public health and safety  
20 standards and industry best practices established by the commission by rule.

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

22 “(a) May not exceed, together with other fees collected under ORS  
23 475B.010 to 475B.395, the cost of administering ORS 475B.010 to 475B.395; and

24 “(b) Shall be deposited in the Marijuana Control and Regulation Fund  
25 established under ORS 475B.240.

26 “**SECTION 6.** ORS 475B.450, as amended by section 8, chapter 24, Oregon  
27 Laws 2016, and section 30, chapter 83, Oregon Laws 2016, is amended to read:

28 “475B.450. (1)(a) The Oregon Health Authority shall establish by rule a  
29 medical marijuana dispensary registration system for the purpose of tracking  
30 and regulating the transfer of:

1 “(A) Usable marijuana, immature marijuana plants and seeds from regis-  
2 try identification cardholders, designated primary caregivers and persons  
3 responsible for marijuana grow sites to medical marijuana dispensaries;

4 “(B) Medical cannabinoid products, cannabinoid concentrates and  
5 cannabinoid extracts from persons responsible for marijuana processing sites  
6 to medical marijuana dispensaries; and

7 “(C) Usable marijuana, immature marijuana plants, seeds, medical  
8 cannabinoid products, cannabinoid concentrates and cannabinoid extracts  
9 from medical marijuana dispensaries to registry identification cardholders  
10 and designated primary caregivers.

11 “(b) A person may not operate an establishment for the purpose of pro-  
12 viding the services described in paragraph (a) of this subsection unless the  
13 person is registered under this section.

14 “(2) The registration system established under subsection (1) of this sec-  
15 tion must require an applicant for a medical marijuana dispensary to submit  
16 an application to the authority that includes:

17 “(a) The name of the individual who owns the medical marijuana  
18 dispensary or, if a business entity owns the medical marijuana dispensary,  
19 the name of each individual who has a financial interest in the medical  
20 marijuana dispensary;

21 “(b) The name of the individual or individuals responsible for the medical  
22 marijuana dispensary, if different from the name of the individual who owns  
23 the medical marijuana dispensary;

24 “(c) The address of the medical marijuana dispensary;

25 “(d) Proof that each individual responsible for the medical marijuana  
26 dispensary is 21 years of age or older;

27 “(e) Documentation, as required by the authority by rule, that demon-  
28 strates the medical marijuana dispensary meets the requirements of sub-  
29 section (3) of this section; and

30 “(f) Any other information that the authority considers necessary.

1 “(3) To qualify for registration under this section, a medical marijuana  
2 dispensary:

3 “(a) May not be located in an area that is zoned for residential use;

4 “(b) May not be located at the same address as a marijuana grow site;

5 “(c) Must be registered as a business, or have filed an application to  
6 register as a business, with the office of the Secretary of State;

7 “(d) Except as provided under [*section 29, chapter 83, Oregon Laws 2016*]  
8 **section 4 of this 2017 Act**, may not be located within 1,000 feet of:

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

11 “(B) A private or parochial elementary or secondary school, teaching  
12 children as described in ORS 339.030 (1)(a);

13 “(e) Must not be located within 1,000 feet of another medical marijuana  
14 dispensary; and

15 “(f) Must meet the requirements of any rule adopted by the authority  
16 under subsection (10) of this section.

17 “(4)(a) The authority shall conduct a criminal records check under ORS  
18 181A.195 for each individual named in an application submitted under sub-  
19 section (2) of this section.

20 “(b) An individual convicted for the manufacture or delivery of a con-  
21 trolled substance in Schedule I or Schedule II may not own or be responsible  
22 for a medical marijuana dispensary for two years from the date the individ-  
23 ual is convicted.

24 “(c) An individual convicted more than once for the manufacture or de-  
25 livery of a controlled substance in Schedule I or Schedule II may not own  
26 or be responsible for a medical marijuana dispensary.

27 “(5) If a person submits the application required under subsection (2) of  
28 this section, if the medical marijuana dispensary identified in the application  
29 meets the requirements of this section and any rules adopted under this  
30 section and if each individual named in the application passes the criminal

1 records check required under subsection (4) of this section, the authority  
2 shall register the medical marijuana dispensary and issue proof of registra-  
3 tion. Proof of registration must be displayed on the premises of the medical  
4 marijuana dispensary at all times.

5 “(6) A medical marijuana dispensary that is registered under this section  
6 is not required to register with the State Board of Pharmacy under ORS  
7 475.125.

8 “(7) The individual or individuals responsible for a medical marijuana  
9 dispensary shall maintain documentation of each transfer of usable  
10 marijuana, medical cannabinoid products, cannabinoid concentrates,  
11 cannabinoid extracts, immature marijuana plants and seeds.

12 “(8) The authority may inspect:

13 “(a) The premises of a proposed medical marijuana dispensary or a regis-  
14 tered medical marijuana dispensary to ensure compliance with this section  
15 and ORS 475B.453 and any rules adopted under this section or ORS 475B.453;  
16 and

17 “(b) The records of a registered medical marijuana dispensary to ensure  
18 compliance with subsection (7) of this section.

19 “(9) Subject to the provisions of ORS chapter 183, the authority may re-  
20 fuse to register an applicant under this section or may suspend or revoke the  
21 registration of a medical marijuana dispensary if the authority determines  
22 that the applicant, the owner of the medical marijuana dispensary, a person  
23 responsible for the medical marijuana dispensary, or an employee of the  
24 medical marijuana dispensary, violated a provision of ORS 475B.400 to  
25 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance  
26 adopted pursuant to ORS 475B.500.

27 “(10) The authority shall adopt rules to implement this section, including  
28 rules that:

29 “(a) Require a registered medical marijuana dispensary to annually renew  
30 the registration for that dispensary;

1       “(b) Establish fees for registering, and renewing the registration of, a  
2 medical marijuana dispensary;

3       “(c) Require that each medical marijuana dispensary install and maintain  
4 a minimum security system that includes video surveillance, an alarm system  
5 and a safe;

6       “(d) Require that usable marijuana, medical cannabinoid products,  
7 cannabinoid concentrates, cannabinoid extracts and immature marijuana  
8 plants transferred by a medical marijuana dispensary be tested to ensure the  
9 public health and safety; and

10       “(e) Impose any other standard on the operation of a medical marijuana  
11 dispensary to ensure the public health and safety.

12       **“SECTION 7. Sections 29 and 29b, chapter 83, Oregon Laws 2016, are  
13 repealed.**

14       **“SECTION 8. This 2017 Act being necessary for the immediate  
15 preservation of the public peace, health and safety, an emergency is  
16 declared to exist, and this 2017 Act takes effect on its passage.”.**

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