

D R A F T

SUMMARY

Makes changes to laws regulating production, processing, sale, use and governance of cannabis. Changes become operative March 1, 2016.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to cannabis; creating new provisions; amending ORS 90.396, 305.620,
3 419C.239, 419C.420, 419C.443, 475.245, 475.752, 475.856, 475.858, 475.860,
4 475.862, 475.864, 475.898, 475B.015, 475B.063, 475B.070, 475B.075, 475B.090,
5 475B.100, 475B.110, 475B.120, 475B.150, 475B.160, 475B.185, 475B.218,
6 475B.235, 475B.245, 475B.250, 475B.255, 475B.340, 475B.375, 475B.415,
7 475B.420, 475B.428, 475B.435, 475B.443, 475B.450, 475B.760, 475B.800,
8 809.265 and 813.215 and section 3, chapter 20, Oregon Laws 2015; repealing
9 ORS 811.481 and sections 173 and 175b, chapter 614, Oregon Laws 2015;
10 and declaring an emergency.

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

LICENSEES AND REGISTRANTS

(Producers Licensed by the Oregon Liquor Control Commission)

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17 **SECTION 1.** ORS 475B.070 is amended to read:

18 475B.070. (1) The production of marijuana is subject to regulation by the
19 Oregon Liquor Control Commission.

20 (2) A marijuana producer must have a production license issued by the

1 commission for the premises at which the marijuana is produced. To hold a
2 production license under this section, a marijuana producer:

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

4 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on*
5 *an application submitted under ORS 475B.040 has been a resident of this state*
6 *for two or more years, and*] Must provide proof that the applicant is 21 years
7 of age or older; and

8 (c) Must meet the requirements of any rule adopted by the commission
9 under subsection (3) of this section.

10 (3) The commission shall adopt rules that:

11 (a) Require a marijuana producer to annually renew a license issued un-
12 der this section;

13 (b) Establish application, licensure and renewal of licensure fees for
14 marijuana producers;

15 (c) Require marijuana produced by marijuana producers to be tested in
16 accordance with ORS 475B.555;

17 **(d) Assist the viability of marijuana producers that are independ-**
18 **ently owned and operated and are limited in size and revenue with**
19 **respect to other marijuana producers;**

20 [(d)] (e) Require marijuana producers to submit, at the time of applying
21 for or renewing a license under ORS 475B.040, a report describing the
22 applicant's or licensee's electrical or water usage; and

23 [(e)(A)] (f)(A) Require a marijuana producer to meet any public health
24 and safety standards and industry best practices established by the commis-
25 sion by rule related to:

26 (i) The production of marijuana; or

27 (ii) The propagation of immature marijuana plants and the seeds of the
28 plant Cannabis family Cannabaceae.

29 (B) For purposes of establishing rules under subparagraph (A)(ii) of this
30 paragraph, the commission may not limit:

31 (i) The number of immature marijuana plants that may be possessed by

1 a marijuana producer licensed under this section;

2 (ii) The size of the grow canopy a marijuana producer licensed under this
3 section uses to grow immature marijuana plants; or

4 (iii) The weight or size of shipments of immature marijuana plants made
5 by a marijuana producer licensed under this section.

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

7 (a) May not exceed, **together with other fees collected under ORS**
8 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
9 [*with respect to marijuana producers*];

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

13 (c) Shall be deposited in the Marijuana Control and Regulation Fund es-
14 tablished under ORS 475B.240.

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**(Processors Licensed by the
Oregon Liquor Control Commission)**

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19 **SECTION 2.** ORS 475B.090 is amended to read:

20 475B.090. (1) The processing of marijuana items is subject to regulation
21 by the Oregon Liquor Control Commission.

22 (2) A marijuana processor must have a processor license issued by the
23 commission for the premises at which marijuana items are processed. To hold
24 a processor license under this section, a marijuana processor:

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

26 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on*
27 *an application submitted under ORS 475B.040 has been a resident of this state*
28 *for two or more years, and*] Must provide proof that the applicant is 21 years
29 of age or older;

30 (c) If the marijuana processor processes marijuana extracts, may not be
31 located in an area zoned exclusively for residential use; and

1 (d) Must meet the requirements of any rule adopted by the commission
2 under subsection (3) of this section.

3 (3) The commission shall adopt rules that:

4 (a) Require a marijuana processor to annually renew a license issued
5 under this section;

6 (b) Establish application, licensure and renewal of licensure fees for
7 marijuana processors;

8 (c) Require marijuana processed by a marijuana processor to be tested in
9 accordance with ORS 475B.555; and

10 (d) Require a marijuana processor to meet any public health and safety
11 standards and industry best practices established by the commission by rule
12 related to:

13 (A) Cannabinoid edibles;

14 (B) Cannabinoid concentrates;

15 (C) Cannabinoid extracts; and

16 (D) Any other type of cannabinoid product identified by the commission
17 by rule.

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

19 (a) May not exceed, **together with other fees collected under ORS**
20 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
21 [*with respect to marijuana processors*]; and

22 (b) Shall be deposited in the Marijuana Control and Regulation Fund es-
23 tablished under ORS 475B.240.

24

25 (Wholesalers Licensed by the
26 Oregon Liquor Control Commission)

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28 **SECTION 3.** ORS 475B.100 is amended to read:

29 475B.100. (1) The wholesale sale of marijuana items is subject to regu-
30 lation by the Oregon Liquor Control Commission.

31 (2) A marijuana wholesaler must have a wholesale license issued by the

1 commission for the premises at which marijuana items are received, stored
2 or delivered. To hold a wholesale license under this section, a marijuana
3 wholesaler:

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

5 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on*
6 *an application submitted under ORS 475B.040 has been a resident of this state*
7 *for two or more years, and*] Must provide proof that the applicant is 21 years
8 of age or older;

9 (c) May not be located in an area that is zoned exclusively for residential
10 use; and

11 (d) Must meet the requirements of any rule adopted by the commission
12 under subsection (3) of this section.

13 (3) The commission shall adopt rules that:

14 (a) Require a marijuana wholesaler to annually renew a license issued
15 under this section;

16 (b) Establish application, licensure and renewal of licensure fees for
17 marijuana wholesalers;

18 (c) Require marijuana items received, stored or delivered by a marijuana
19 wholesaler to be tested in accordance with ORS 475B.555; and

20 (d) Require a marijuana wholesaler to meet any public health and safety
21 standards and industry best practices established by the commission by rule.

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

23 (a) May not exceed, **together with other fees collected under ORS**
24 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
25 [*with respect to marijuana wholesalers*]; and

26 (b) Shall be deposited in the Marijuana Control and Regulation Fund es-
27 tablished under ORS 475B.240.

28

29 **(Retailers Licensed by the**
30 **Oregon Liquor Control Commission)**

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1 **SECTION 4.** ORS 475B.110 is amended to read:

2 475B.110. (1) The retail sale of marijuana items is subject to regulation
3 by the Oregon Liquor Control Commission.

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

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

8 (b) [*Must, until January 1, 2020, provide proof that an applicant listed on*
9 *an application submitted under ORS 475B.040 has been a resident of this state*
10 *for two or more years, and*] Must provide proof that the applicant is 21 years
11 of age or older;

12 (c) May not be located in an area that is zoned exclusively for residential
13 use;

14 (d) May not be located within 1,000 feet of:

15 (A) A public elementary or secondary school for which attendance is
16 compulsory under ORS 339.020; or

17 (B) A private or parochial elementary or secondary school, teaching
18 children as described in ORS 339.030 (1)(a); and

19 (e) Must meet the requirements of any rule adopted by the commission
20 under subsection (3) of this section.

21 (3) The commission shall adopt rules that:

22 (a) Require a marijuana retailer to annually renew a license issued under
23 this section;

24 (b) Establish application, licensure and renewal of licensure fees for
25 marijuana retailers;

26 (c) Require marijuana items sold by a marijuana retailer to be tested in
27 accordance with ORS 475B.555; and

28 (d) Require a marijuana retailer to meet any public health and safety
29 standards and industry best practices established by the commission by rule.

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

31 (a) May not exceed, **together with other fees collected under ORS**

1 **475B.010 to 475B.395**, the cost of administering ORS 475B.010 to 475B.395
2 [*with respect to marijuana retailers*]; and

3 (b) Shall be deposited in the Marijuana Control and Regulation Fund es-
4 tablished under ORS 475B.240.

5

6 **(Marijuana Grow Sites Registered**
7 **with the Oregon Health Authority)**

8

9 **SECTION 5.** ORS 475B.420 is amended to read:

10 475B.420. (1)(a) The Oregon Health Authority shall establish by rule a
11 marijuana grow site registration system to track and regulate the production
12 of marijuana by a registry identification cardholder or a person designated
13 by the registry identification cardholder to produce marijuana for the regis-
14 try identification cardholder.

15 (b) Except as provided in paragraph (c) of this subsection, a person may
16 not produce marijuana unless the person is registered under this section.

17 (c) Paragraph (b) of this subsection does not apply to the production of
18 marijuana as provided in ORS 475B.010 to 475B.395 or as otherwise provided
19 for by the statutory laws of this state.

20 (2) Rules adopted under this section must require an applicant for a reg-
21 istry identification card, or a registry identification cardholder who produces
22 marijuana or who designates another person to produce marijuana, to submit
23 an application to the authority containing the following information at the
24 time of making an application under ORS 475B.415 (2), renewing a registry
25 identification card under ORS 475B.415 (6)(b), or notifying the authority of
26 a change under ORS 475B.415 (6)(a):

27 (a) The name of the person responsible for the marijuana grow site;

28 (b) [*Proof, until January 1, 2020, that the person responsible for the*
29 *marijuana grow site has been a resident of this state for two or more years,*
30 *and*] Proof that the person is 21 years of age or older;

31 (c) The address of the marijuana grow site; and

1 (d) Any other information that the authority considers necessary to track
2 the production of marijuana under ORS 475B.400 to 475B.525.

3 (3)(a) The authority shall conduct a criminal records check under ORS
4 181A.195 of any person whose name is submitted under this section as the
5 person responsible for a marijuana grow site.

6 (b) A person convicted of a Class A or Class B felony under ORS 475.752
7 to 475.920 for the manufacture or delivery of a controlled substance in
8 Schedule I or Schedule II may not act as or be designated a person respon-
9 sible for a marijuana grow site for two years from the date of conviction.

10 (c) A person convicted more than once of a Class A or Class B felony
11 under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled
12 substance in Schedule I or Schedule II may not act as or be designated a
13 person responsible for a marijuana grow site.

14 (4) Subject to subsection (11) of this section, the authority shall issue a
15 marijuana grow site registration card if the requirements of subsections (2)
16 and (3) of this section are met.

17 (5) A person who holds a marijuana grow site registration card under this
18 section must display the card at the marijuana grow site at all times.

19 (6) A marijuana grow site registration card must be obtained and posted
20 for each registry identification cardholder for whom marijuana is being
21 produced at a marijuana grow site.

22 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and
23 usable marijuana associated with the production of marijuana for a registry
24 identification cardholder by a person responsible for a marijuana grow site
25 are the property of the registry identification cardholder.

26 (b) All seeds, immature marijuana plants, mature marijuana plants and
27 usable marijuana associated with the production of marijuana for a registry
28 identification cardholder by a person responsible for a marijuana grow site
29 must be transferred to the registry identification cardholder upon the request
30 of the registry identification cardholder.

31 (c) All usable marijuana associated with the production of marijuana for

1 a registry identification cardholder by a person responsible for a marijuana
2 grow site must be transferred to a marijuana processing site upon the re-
3 quest of the registry identification cardholder. For purposes of this para-
4 graph, a request to transfer usable marijuana constitutes an assignment of
5 the right to possess the usable marijuana.

6 (d) All seeds, immature marijuana plants and usable marijuana associated
7 with the production of marijuana for a registry identification cardholder by
8 a person responsible for a marijuana grow site must be transferred to a
9 medical marijuana dispensary upon request of the registry identification
10 cardholder. For purposes of this paragraph, a request to transfer seeds, im-
11 mature marijuana plants or usable marijuana constitutes an assignment of
12 the right to possess the seeds, immature marijuana plants or usable
13 marijuana.

14 (e) Information related to transfers made under this subsection must be
15 submitted to the authority in the manner required by ORS 475B.423.

16 (8) A registry identification cardholder, or the designated caregiver of a
17 registry identification cardholder, may reimburse a person responsible for a
18 marijuana grow site for all costs associated with the production of marijuana
19 for the registry identification cardholder.

20 (9) The authority may inspect:

21 (a) The marijuana grow site of a person designated to produce marijuana
22 by a registry identification cardholder to ensure compliance with this section
23 and ORS 475B.423 and 475B.428 and any rule adopted under this section and
24 ORS 475B.423 and 475B.428; and

25 (b) The records of the marijuana grow site of a person designated to
26 produce marijuana by a registry identification cardholder to ensure compli-
27 ance with this section and ORS 475B.423 and any rule adopted under this
28 section and ORS 475B.423.

29 (10) The authority may refuse to register a registry identification
30 cardholder or a designee under this section or may suspend or revoke the
31 registration of a person responsible for a marijuana grow site if the author-

1 ity determines that the applicant or the person responsible for a marijuana
2 grow site violated a provision of ORS 475B.400 to 475B.525, a rule adopted
3 under ORS 475B.400 to 475B.525 or an ordinance adopted pursuant to ORS
4 475B.500.

5 (11) The authority may require a person responsible for a marijuana grow
6 site, prior to issuing a marijuana grow site registration card under sub-
7 section (4) of this section, to pay a fee reasonably calculated to pay costs
8 incurred under this section and ORS 475B.423 and 475B.458.

9

10

**(Processors Registered with the
Oregon Health Authority)**

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12

13 **SECTION 6.** ORS 475B.435 is amended to read:

14 475B.435. (1)(a) The Oregon Health Authority shall establish by rule a
15 marijuana processing site registration system to track and regulate the pro-
16 cessing of marijuana by a person responsible for a marijuana processing site.

17 (b) Except as provided in paragraph (c) of this subsection, a person may
18 not process marijuana unless the person is registered under this section.

19 (c) Paragraph (b) of this subsection does not apply to the processing of
20 marijuana as provided in ORS 475B.010 to 475B.395 or as otherwise provided
21 for by the statutory laws of this state.

22 (2) The registration system established under subsection (1) of this section
23 must require an applicant for a marijuana processing site to submit an ap-
24 plication to the authority that includes:

25 (a) The name of the individual who owns the marijuana processing site
26 or, if a business entity owns the marijuana processing site, the name of each
27 individual who has a financial interest in the marijuana processing site;

28 (b) The name of the individual or individuals responsible for the
29 marijuana processing site, if different from the name of the individual who
30 owns the marijuana processing site;

31 (c) The address of the marijuana processing site;

1 (d) [*Proof, until January 1, 2020, that each individual responsible for the*
2 *marijuana processing site has been a resident of this state for two or more*
3 *years, and*] Proof that each individual responsible for the marijuana pro-
4 cessing site is 21 years of age or older;

5 (e) Documentation, as required by the authority by rule, that demon-
6 strates the marijuana processing site meets the requirements of subsection
7 (3) of this section; and

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

9 (3) To qualify for registration under this section, a marijuana processing
10 site:

11 (a) May not be located in an area that is zoned for residential use if the
12 marijuana processing site processes cannabinoid extracts;

13 (b) Must be registered as a business, or have filed an application to reg-
14 ister as a business, with the office of the Secretary of State; and

15 (c) Must meet the requirements of any rule adopted by the authority un-
16 der 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 under subsection (2)
19 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 marijuana processing site for two years from the date the individual
23 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 marijuana processing site.

27 (5) If a person submits the application required under subsection (2) of
28 this section, if the marijuana processing site 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
31 records check required under subsection (4) of this section, the authority

1 shall register the marijuana processing site and issue proof of registration.
2 Proof of registration must be displayed on the premises of the marijuana
3 processing site at all times.

4 (6) A marijuana processing site that is registered under this section is
5 not required to register with the State Board of Pharmacy under ORS
6 475.125.

7 (7) The individual or individuals responsible for a marijuana processing
8 site shall maintain documentation of each transfer of usable marijuana,
9 medical cannabinoid products, cannabinoid concentrates and cannabinoid
10 extracts.

11 (8) The authority may inspect:

12 (a) The premises of a proposed marijuana processing site or a registered
13 marijuana processing site to ensure compliance with this section and ORS
14 475B.438 and 475B.440 and any rules adopted under this section and ORS
15 475B.438 and 475B.440; and

16 (b) The records of a registered marijuana processing site to ensure com-
17 pliance with subsection (7) of this section.

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

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

28 (a) Require a registered marijuana processing site to annually renew the
29 registration for that site;

30 (b) Establish fees for registering, and renewing the registration of, a
31 marijuana processing site;

1 (c) Require that medical cannabinoid products, cannabinoid concentrates
2 and cannabinoid extracts transferred by a marijuana processing site be tested
3 to ensure the public health and safety; and

4 (d) Impose any other standard on the operation of a marijuana processing
5 site to ensure the public health and safety.

6 **SECTION 6a.** ORS 475B.443 is amended to read:

7 475B.443. (1) A marijuana processing site may not transfer medical
8 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to
9 a person other than [*a registry identification cardholder, a designated primary*
10 *caregiver*] **another marijuana processing site** or a medical marijuana
11 dispensary.

12 (2) A person other than a marijuana processing site may not transfer
13 medical cannabinoid products, cannabinoid concentrates or cannabinoid ex-
14 tracts to a medical marijuana dispensary.

15

16 **(Medical Marijuana Dispensaries Registered**
17 **with the Oregon Health Authority)**

18

19 **SECTION 7.** ORS 475B.450 is amended to read:

20 475B.450. (1)(a) The Oregon Health Authority shall establish by rule a
21 medical marijuana dispensary registration system for the purpose of tracking
22 and regulating the transfer of:

23 (A) Usable marijuana, immature marijuana plants and seeds from registry
24 identification cardholders, designated primary caregivers and persons re-
25 sponsible for marijuana grow sites to medical marijuana dispensaries;

26 (B) Medical cannabinoid products, cannabinoid concentrates and
27 cannabinoid extracts from persons responsible for marijuana processing sites
28 to medical marijuana dispensaries; and

29 (C) Usable marijuana, immature marijuana plants, seeds, medical
30 cannabinoid products, cannabinoid concentrates and cannabinoid extracts
31 from medical marijuana dispensaries to registry identification cardholders

1 and designated primary caregivers.

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

5 (2) The registration system established under subsection (1) of this section
6 must require an applicant for a medical marijuana dispensary to submit an
7 application to the authority that includes:

8 (a) The name of the individual who owns the medical marijuana
9 dispensary or, if a business entity owns the medical marijuana dispensary,
10 the name of each individual who has a financial interest in the medical
11 marijuana dispensary;

12 (b) The name of the individual or individuals responsible for the medical
13 marijuana dispensary, if different from the name of the individual who owns
14 the medical marijuana dispensary;

15 (c) The address of the medical marijuana dispensary;

16 (d) [*Proof, until January 1, 2020, that each individual responsible for the*
17 *medical marijuana dispensary has been a resident of this state for two or more*
18 *years, and*] Proof that each individual responsible for the medical marijuana
19 dispensary is 21 years of age or older;

20 (e) Documentation, as required by the authority by rule, that demon-
21 strates the medical marijuana dispensary meets the requirements of sub-
22 section (3) of this section; and

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

24 (3) To qualify for registration under this section, a medical marijuana
25 dispensary:

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

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

28 (c) Must be registered as a business, or have filed an application to reg-
29 ister as a business, with the office of the Secretary of State;

30 (d) May not be located within 1,000 feet of:

31 (A) A public elementary or secondary school for which attendance is

1 compulsory under ORS 339.020; or

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

4 (e) Must not be located within 1,000 feet of another medical marijuana
5 dispensary; and

6 (f) Must meet the requirements of any rule adopted by the authority under
7 subsection (10) of this section.

8 (4)(a) The authority shall conduct a criminal records check under ORS
9 181A.195 for each individual named in an application submitted under sub-
10 section (2) of this section.

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

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

18 (5) If a person submits the application required under subsection (2) of
19 this section, if the medical marijuana dispensary identified in the application
20 meets the requirements of this section and any rules adopted under this
21 section and if each individual named in the application passes the criminal
22 records check required under subsection (4) of this section, the authority
23 shall register the medical marijuana dispensary and issue proof of registra-
24 tion. Proof of registration must be displayed on the premises of the medical
25 marijuana dispensary at all times.

26 (6) A medical marijuana dispensary that is registered under this section
27 is not required to register with the State Board of Pharmacy under ORS
28 475.125.

29 (7) The individual or individuals responsible for a medical marijuana
30 dispensary shall maintain documentation of each transfer of usable
31 marijuana, medical cannabinoid products, cannabinoid concentrates,

1 cannabinoid extracts, immature marijuana plants and seeds.

2 (8) The authority may inspect:

3 (a) The premises of a proposed medical marijuana dispensary or a regis-
4 tered medical marijuana dispensary to ensure compliance with this section
5 and ORS 475B.453 and any rules adopted under this section or ORS 475B.453;
6 and

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

9 (9) Subject to the provisions of ORS chapter 183, the authority may refuse
10 to register an applicant under this section or may suspend or revoke the
11 registration of a medical marijuana dispensary if the authority determines
12 that the applicant, the owner of the medical marijuana dispensary, a person
13 responsible for the medical marijuana dispensary, or an employee of the
14 medical marijuana dispensary, violated a provision of ORS 475B.400 to
15 475B.525, a rule adopted under ORS 475B.400 to 475B.525 or an ordinance
16 adopted pursuant to ORS 475B.500.

17 (10) The authority shall adopt rules to implement this section, including
18 rules that:

19 (a) Require a registered medical marijuana dispensary to annually renew
20 the registration for that dispensary;

21 (b) Establish fees for registering, and renewing the registration of, a
22 medical marijuana dispensary;

23 (c) Require that each medical marijuana dispensary install and maintain
24 a minimum security system that includes video surveillance, an alarm system
25 and a safe;

26 (d) Require that usable marijuana, medical cannabinoid products,
27 cannabinoid concentrates, cannabinoid extracts and immature marijuana
28 plants transferred by a medical marijuana dispensary be tested to ensure the
29 public health and safety; and

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

**(Registry Identification Cardholders
and Designated Primary Caregivers)**

SECTION 8. ORS 475B.415 is amended to read:

475B.415. (1) The Oregon Health Authority shall establish a program for the issuance of registry identification cards to applicants who meet the requirements of this section.

(2) The authority shall issue a registry identification card to an applicant who is 18 years of age or older if the applicant pays a fee in an amount established by the authority by rule and submits to the authority an application containing the following information:

(a) Written documentation from the applicant's attending physician stating that the attending physician has diagnosed the applicant as having a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the applicant's debilitating medical condition;

(b) The name, address and date of birth of the applicant;

(c) The name, address and telephone number of the applicant's attending physician;

(d) Proof of residency, [as] **submitted in a form** required by the authority by rule;

(e) The name and address of the applicant's designated primary caregiver, if the applicant is designating a primary caregiver under ORS 475B.418; and

(f) The information described in ORS 475B.420 (2), if the applicant is applying to produce marijuana or designate another person under ORS 475B.420 to produce marijuana.

(3)(a) The authority shall issue a registry identification card to an applicant who is under 18 years of age if:

(A) The applicant pays the fee and submits the application described in subsection (2) of this section; and

(B) The custodial parent or legal guardian who is responsible for the

1 health care decisions of the applicant signs and submits to the authority a
2 written statement that:

3 (i) The applicant's attending physician has explained to the applicant and
4 to the custodial parent or legal guardian the possible risks and benefits of
5 the medical use of marijuana;

6 (ii) The custodial parent or legal guardian consents to the medical use
7 of marijuana by the applicant;

8 (iii) The custodial parent or legal guardian agrees to serve as the
9 applicant's designated primary caregiver; and

10 (iv) The custodial parent or legal guardian agrees to control the acqui-
11 sition, dosage and frequency of the medical use of marijuana by the applicant.

12 (b) An applicant who is under 18 years of age may not apply to produce
13 marijuana under subsection (2)(f) of this section.

14 (4) The authority shall:

15 **(a) On the date on which the authority receives an application, is-**
16 **sue a receipt to the applicant verifying that the authority received an**
17 **application under subsection (2) or (3) of this section; and**

18 **(b) Approve or deny an application received under subsection (2) or**
19 **(3) of this section** within 30 days after receiving the application.

20 (5)(a) If the authority approves an application, the authority shall issue
21 a serially numbered registry identification card to the applicant within five
22 days after approving the application. The registry identification card must
23 include the following information:

24 (A) The registry identification cardholder's name, address and date of
25 birth;

26 (B) The issuance date and expiration date of the registry identification
27 card;

28 (C) If the registry identification cardholder designated a primary
29 caregiver under ORS 475B.418, the name and address of the registry iden-
30 tification cardholder's designated primary caregiver; and

31 (D) Any other information required by the authority by rule.

1 (b) If the registry identification cardholder designated a primary caregiver
2 under ORS 475B.418, the authority shall issue an identification card to the
3 designated primary caregiver. The identification card must contain the in-
4 formation required by paragraph (a) of this subsection.

5 (6) A registry identification cardholder shall:

6 (a) In a form and manner prescribed by the authority, notify the authority
7 of any change concerning the registry identification cardholder's:

8 (A) Name, address or attending physician;

9 (B) Designated primary caregiver, including the designation of a primary
10 caregiver made at a time other than at the time of applying for or renewing
11 a registry identification card; or

12 (C) Person responsible for a marijuana grow site, including the desig-
13 nation of a person responsible for a marijuana grow site made at a time
14 other than at the time of applying for or renewing a registry identification
15 card.

16 (b) Annually renew the registry identification card by paying a fee in an
17 amount established by the authority by rule and submitting to the authority
18 an application that contains the following information:

19 (A) Updated written documentation from the registry identification
20 cardholder's attending physician stating that the registry identification
21 cardholder still has a debilitating medical condition and that the medical use
22 of marijuana may mitigate the symptoms or effects of the registry identifi-
23 cation cardholder's debilitating medical condition;

24 (B) The information described in subsection (2)(b) to (f) of this section;
25 and

26 (C) If the registry identification cardholder is under 18 years of age, a
27 statement signed by the custodial parent or legal guardian of the registry
28 identification cardholder that meets the requirements of subsection (3) of this
29 section.

30 **(7) The authority shall:**

31 **(a) On the date on which the authority receives an application, is-**

1 **sue a receipt to the applicant verifying that the authority received an**
2 **application under subsection (6)(b) of this section; and**

3 **(b) Approve or deny an application received under subsection (6)(b)**
4 **of this section within 30 days after receiving the application.**

5 [(7)(a)] **(8)(a)** If the registry identification cardholder's attending physi-
6 cian determines that the registry identification cardholder no longer has a
7 debilitating medical condition, or determines that the medical use of
8 marijuana is contraindicated for the registry identification cardholder's de-
9 bilitating medical condition, the registry identification cardholder shall re-
10 turn the registry identification card to the authority within 30 calendar days
11 after receiving notice of the determination.

12 (b) If, because of circumstances beyond the control of the registry iden-
13 tification cardholder, a registry identification cardholder is unable to obtain
14 a second medical opinion about the registry identification cardholder's con-
15 tinuing eligibility for the medical use of marijuana before having to return
16 the registry identification card to the authority, the authority may grant the
17 registry identification cardholder additional time to obtain a second medical
18 opinion.

19 [(8)(a)] **(9)(a)** The authority may deny an application for a registry iden-
20 tification card or an application to renew a registry identification card, or
21 may suspend or revoke a registry identification card, if:

22 (A) The applicant or registry identification cardholder does not provide
23 the information required by this section;

24 (B) The authority determines that the applicant or registry identification
25 cardholder provided false information; or

26 (C) The authority determines that the applicant or registry identification
27 cardholder violated a provision of ORS 475B.400 to 475B.525 or a rule
28 adopted under ORS 475B.400 to 475B.525.

29 (b) If a registry identification card is revoked, any associated identifica-
30 tion card issued under subsection (5)(b) of this section, or marijuana grow
31 site registration card issued under ORS 475B.420 (6), shall also be revoked.

1 (c) A person whose application is denied, or whose registry identification
2 card is revoked, under this subsection may not reapply for a registry iden-
3 tification card for six months from the date of the denial or revocation un-
4 less otherwise authorized by the authority.

5 ~~[(9)(a)]~~ **(10)(a)** The authority may deny a designation of a primary
6 caregiver made under ORS 475B.418, or suspend or revoke an associated
7 identification card issued under subsection (5)(b) of this section, if the au-
8 thority determines that the designee or the registry identification cardholder
9 violated a provision of ORS 475B.400 to 475B.525 or a rule adopted under
10 ORS 475B.400 to 475B.525.

11 (b) A person whose designation has been denied, or whose identification
12 card has been revoked, under this subsection may not be designated as a
13 primary caregiver under ORS 475B.418 for six months from the date of the
14 denial or revocation unless otherwise authorized by the authority.

15 ~~[(10)]~~ **(11)** Notwithstanding subsection (2) or (6)(b) of this section, if an
16 applicant for a registry identification card, or a registry identification
17 cardholder applying for renewal of a registry identification card, submits to
18 the authority proof of having served in the Armed Forces of the United
19 States and of having been diagnosed with post-traumatic stress disorder, the
20 authority may not impose a fee that is greater than \$20 for the issuance or
21 renewal of the registry identification card.

22 **(12) For any purpose described in ORS 475B.400 to 475B.525, includ-**
23 **ing exemption from criminal liability under ORS 475B.475, a receipt**
24 **issued by the authority verifying that an application has been sub-**
25 **mitted to the authority under subsection (2), (3) or (6)(b) of this sec-**
26 **tion has the same legal effect as a registry identification card for 30**
27 **days following the date on which the receipt was issued to the appli-**
28 **cant.**

29

30

MATURE MARIJUANA PLANT GROW CANOPIES

31

1 **SECTION 9.** ORS 475B.075 is amended to read:

2 475B.075. (1) Subject to subsection (2) of this section, the Oregon Liquor
3 Control Commission shall adopt rules restricting the size of mature
4 marijuana plant grow canopies at premises for which a license has been is-
5 sued under ORS 475B.070. In adopting rules under this subsection, the com-
6 mission shall:

7 (a) Limit the size of mature marijuana plant grow canopies, for premises
8 where marijuana is grown outdoors and for premises where marijuana is
9 grown indoors, in a manner calculated to result in premises that produce the
10 same amount of harvested marijuana leaves and harvested marijuana flowers
11 regardless of whether the marijuana is grown outdoors or indoors.

12 (b) Adopt a tiered system under which the permitted size of a marijuana
13 producer's mature marijuana plant grow canopy increases at the time of
14 licensure renewal under ORS 475B.070, except that the permitted size of a
15 marijuana producer's mature marijuana plant grow canopy may not increase
16 following any year during which the commission disciplined the marijuana
17 producer for violating a provision of ORS 475B.010 to 475B.395 or a rule
18 adopted under a provision of ORS 475B.010 to 475B.395.

19 (c) Take into consideration the market demand for marijuana items in
20 this state, the number of persons applying for a license under ORS 475B.070
21 and to whom a license has been issued under ORS 475B.070, and whether the
22 availability of marijuana items in this state is commensurate with the mar-
23 ket demand.

24 (2) This section:

25 **(a) Applies only to that portion of a premises for which a license**
26 **has been issued under ORS 475B.070 that is used to produce mature**
27 **marijuana plants; and**

28 **(b) Does not apply to a premises for which a license has been issued un-**
29 **der ORS 475B.070 if the premises is used only to propagate immature**
30 **marijuana plants.**

31

1 **APPLICATION PROCESS FOR OREGON**
2 **LIQUOR CONTROL COMMISSION LICENSEES**

3
4 **SECTION 10.** ORS 475B.063 is amended to read:

5 475B.063. (1) Prior to [*the issuance of*] **receiving** a license under ORS
6 475B.070, 475B.090, 475B.100 or 475B.110, [*the Oregon Liquor Control Com-*
7 *mission*] **an applicant** shall request a land use compatibility statement from
8 the city or county that authorizes the land use. The land use compatibility
9 statement must demonstrate that the requested license is for a land use that
10 is allowable as a permitted or conditional use within the given zoning des-
11 ignation where the land is located. The **Oregon Liquor Control** Commission
12 may not issue a license if the land use compatibility statement shows that
13 the proposed land use is prohibited in the applicable zone.

14 (2) **Except as provided in subsection (3) of this section,** a city or
15 county that receives a request for a land use compatibility statement under
16 this section must act on that request within 21 days of:

17 (a) Receipt of the request, if the land use is allowable as an outright
18 permitted use; or

19 (b) Final local permit approval, if the land use is allowable as a condi-
20 tional use.

21 (3) **A city or county that receives a request for a land use compat-**
22 **ibility statement under this section is not required to act on that re-**
23 **quest during the period that the commission discontinues licensing**
24 **those premises pursuant to ORS 475B.800 (4)(b).**

25 [(3)] (4) A city or county action concerning a land use compatibility
26 statement under this section is not a land use decision for purposes of ORS
27 chapter 195, 196, 197, [*or*] 215 **or 227.**

28
29 **RESEARCH**

30
31 **SECTION 11.** ORS 475B.235 is amended to read:

1 475B.235. (1) The Oregon Liquor Control Commission, in consultation
2 with the Oregon Health Authority and the State Department of Agriculture,
3 shall establish a program for the purpose of identifying and certifying pri-
4 vate and public researchers of cannabis.

5 (2)(a) The authority shall assist the commission in identifying candidates
6 for certification under this section with respect to potential medical re-
7 search.

8 (b) The department shall assist the commission in identifying candidates
9 for certification under this section with respect to potential agricultural re-
10 search.

11 (3) Subject to subsection (4) of this section, the commission shall adopt
12 by rule or order:

13 (a) Qualifications for certification under this section;

14 (b) The term of a certificate issued under this section;

15 (c) Processes for applying for, receiving and renewing a certificate under
16 this section;

17 (d) Procedures for tracking marijuana, usable marijuana, cannabinoid
18 products, cannabinoid concentrates and cannabinoid extracts received by and
19 disposed or otherwise made use of by a person certified under this section;
20 and

21 (e) Procedures for disposing or otherwise making use of marijuana, usable
22 marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid
23 extracts.

24 (4) In establishing qualifications under subsection (3) of this section, the
25 commission shall consider the following:

26 (a) A research applicant's access to funding and the overall cost of the
27 proposed research;

28 (b) The overall benefit of an applicant's proposed research to this state's
29 cannabis industry or to public health and safety; and

30 (c) Legal barriers to conducting the proposed research or legal risks as-
31 sociated with conducting the proposed research.

1 **(5) In adopting procedures under subsection (3)(d) and (e) of this**
2 **section with respect to making use of marijuana, usable marijuana,**
3 **cannabinoid products, cannabinoid concentrates and cannabinoid ex-**
4 **tracts, the commission shall also adopt procedures by which a person**
5 **certified under this section may transfer limited amounts of**
6 **marijuana, usable marijuana, cannabinoid products, cannabinoid con-**
7 **centrates and cannabinoid extracts to another person certified under**
8 **this section or to a premises for which a license has been issued under**
9 **ORS 475B.070, 475B.090, 475B.100 or 475B.110.**

10 [(5)] **(6)** A person certified under this section:

11 (a) May receive marijuana, usable marijuana, cannabinoid products,
12 cannabinoid concentrates and cannabinoid extracts from a licensee or a
13 registrant under ORS 475B.400 to 475B.525; and

14 (b) May not sell or otherwise transfer marijuana, usable marijuana,
15 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to
16 any other person, except as provided in rules adopted by the commission
17 under subsection (3)(e) of this section.

18 [(6)] **(7)** Except as otherwise provided by the commission by rule, rules
19 adopted by the commission for the purpose of administering and enforcing
20 ORS 475B.010 to 475B.395 with respect to licensees and licensee represen-
21 tatives apply to persons certified under this section and persons employed
22 by or who otherwise perform work for persons certified under this section.

23 [(7)] **(8)** A person who is certified under this section, and an employee of
24 or other person who performs work for a person certified under this section,
25 is exempt from the criminal laws of this state for possession, delivery or
26 manufacture of marijuana, aiding and abetting another in the possession,
27 delivery and manufacture of marijuana, or any other criminal offense in
28 which possession, delivery or manufacture of marijuana is an element, while
29 performing activities related to conducting research as described in this
30 section.

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WORK PERMITS

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SECTION 11a. ORS 475B.218 is amended to read:

475B.218. (1) The Oregon Liquor Control Commission shall issue permits to qualified applicants to perform work described in ORS 475B.215. The commission shall adopt rules establishing:

- (a) The qualifications for performing work described in ORS 475B.215;
- (b) The term of a permit issued under this section;
- (c) Procedures for applying for and renewing a permit issued under this section; and
- (d) Reasonable application, issuance and renewal fees for a permit issued under this section.

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

- (A) Checking identification;
- (B) Detecting intoxication;
- (C) Handling marijuana items;
- (D) The content of ORS 475B.010 to 475B.395 and rules adopted under ORS 475B.010 to 475B.395; and
- (E) Any matter deemed necessary by the commission to protect the public health and safety.

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

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

- (A) As part of a final order suspending a permit issued under this section, the commission may require a permit holder to successfully complete the course as a condition of lifting the suspension; and
- (B) As part of a final order revoking a permit issued under this section, the commission shall require an individual to successfully complete the

1 course prior to applying for a new permit.

2 (3) The commission shall conduct a criminal records check under ORS
3 181A.195 on an individual applying for a permit under this section.

4 (4) Subject to the applicable provisions of ORS chapter 183, the commis-
5 sion may suspend, revoke or refuse to issue or renew a permit if the indi-
6 vidual who is applying for or who holds the permit:

7 (a) Is convicted of a felony[,] **or is convicted of an offense under ORS**
8 **475.856, 475.858, 475.860, 475.862 or 475B.010 to 475B.395**, except that the
9 commission may not consider a conviction for [*the manufacture or delivery*
10 *of marijuana*] **an offense under ORS 475.856, 475.858, 475.860, 475.862 or**
11 **475B.010 to 475B.395** if the date of the conviction is two or more years before
12 the date of the application or renewal;

13 (b) Violates any provision of ORS 475B.010 to 475B.395 or any rule
14 adopted under ORS 475B.010 to 475B.395; or

15 (c) Makes a false statement to the commission.

16 (5) A permit issued under this section is a personal privilege and permits
17 work described under ORS 475B.215 only for the individual who holds the
18 permit.

19

20

DELEGATION OF AUTHORITY

21

22 **SECTION 12.** Section 13 of this 2016 Act is added to and made a part
23 of ORS 475B.010 to 475B.395.

24 **SECTION 13.** Except for the power to adopt rules, the Oregon Li-
25 quor Control Commission may delegate to the administrator appointed
26 under ORS 471.720 any of the commission's functions, duties and
27 powers as prescribed by ORS 475B.010 to 475B.395, 475B.400 to 475B.525,
28 475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.800 or any other law
29 of the state related to the regulation of marijuana items.

30

31

AUTHORIZATION TO REQUIRE FINGERPRINTS

1 **SECTION 13a.** (1) Section 13b of this 2016 Act is added to and made
2 a part of ORS 475B.010 to 475B.395.

3 (2) Section 13c of this 2016 Act is added to and made a part of ORS
4 475B.550 to 475B.590.

5 **SECTION 13b.** For the purpose of requesting a state or nationwide
6 criminal records check under ORS 181A.195, the Oregon Liquor Control
7 Commission may require the fingerprints of any individual listed on
8 an application submitted under ORS 475B.218.

9 **SECTION 13c.** For the purpose of requesting a state or nationwide
10 criminal records check under ORS 181A.195, the Oregon Liquor Control
11 Commission may require the fingerprints of any individual listed on
12 an application submitted under ORS 475B.560.

13
14 **EXEMPTION FROM PUBLIC DISCLOSURE**

15
16 **SECTION 13d.** Section 13e of this 2016 Act is added to and made a
17 part of ORS 475B.010 to 475B.395.

18 **SECTION 13e.** Information submitted on an application pursuant
19 to ORS 475B.040, and information kept and maintained by the Oregon
20 Liquor Control Commission that is related to a person who holds a li-
21 cense under ORS 475B.070, 475B.090, 475B.100 and 475B.110, is exempt
22 from public disclosure under ORS 192.410 to 192.505.

23
24 **EXCESS USABLE MARIJUANA PRODUCED WITHIN**
25 **MARIJUANA GROW SITE POSSESSION LIMITS**

26
27 **SECTION 14.** ORS 475B.428 is amended to read:

28 475B.428. (1) Subject to subsection (2) of this section, a registry identifi-
29 cation cardholder and the designated primary caregiver of the registry iden-
30 tification cardholder may jointly possess six or fewer mature marijuana
31 plants.

1 (2)(a) A person may be designated to produce marijuana under ORS
2 475B.420 by no more than four registry identification cardholders.

3 (b) A person who is designated to produce marijuana by a registry iden-
4 tification cardholder may produce no more than six mature marijuana plants
5 per registry identification cardholder.

6 (c) **Pursuant to a personal agreement entered into under ORS**
7 **475B.425, a person who is designated to produce marijuana by a regis-**
8 **try identification cardholder may provide the seeds of marijuana, im-**
9 **mature marijuana plants and usable marijuana to additional registry**
10 **identification cardholders, to designated primary caregivers for addi-**
11 **tional registry identification cardholders, to marijuana processing**
12 **sites and to medical marijuana dispensaries.**

13 (3) If the address of a person responsible for a marijuana grow site under
14 ORS 475B.420 is located within city limits in an area zoned for residential
15 use:

16 (a) Except as provided in paragraph (b) of this subsection, no more than
17 12 mature marijuana plants may be produced at the address; or

18 (b) Subject to subsection (5) of this section, if each person responsible for
19 a marijuana grow site located at the address first registered with the Oregon
20 Health Authority under ORS 475B.420 before January 1, 2015, no more than
21 the amount of mature marijuana plants located at that address on December
22 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature
23 marijuana plants, may be produced at the address.

24 (4) If the address of a person responsible for a marijuana grow site under
25 ORS 475B.420 is located in an area other than an area described in sub-
26 section (3) of this section:

27 (a) Except as provided in paragraph (b) of this subsection, no more than
28 48 mature marijuana plants may be produced at the address; or

29 (b) Subject to subsections (5) and (6) of this section, if each person re-
30 sponsible for a marijuana grow site located at the address first registered
31 with the authority under ORS 475B.420 before January 1, 2015, no more than

1 the amount of mature marijuana plants located at that address on December
2 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature
3 marijuana plants, may be produced at the address.

4 (5) If the authority suspends or revokes the registration of a person re-
5 sponsible for a marijuana grow site that is located at an address described
6 in subsection (3)(b) or (4)(b) of this section:

7 (a) No more than 12 mature marijuana plants may be subsequently
8 produced at any address described in subsection (3) of this section at which
9 the person responsible for that marijuana grow site produces marijuana.

10 (b) No more than 48 mature marijuana plants may be subsequently
11 produced at any address described in subsection (4) of this section at which
12 the person responsible for that marijuana grow site produces marijuana.

13 (6) If a registry identification cardholder who designated a person to
14 produce marijuana for the registry identification cardholder pursuant to ORS
15 475B.420 terminates the designation, the person responsible for the marijuana
16 grow site whose designation has been terminated may not be designated to
17 produce marijuana by another registry identification cardholder, except that
18 the person may be designated by another registry identification cardholder
19 if no more than 48 mature marijuana plants are produced at the address for
20 the marijuana grow site at which the person produces marijuana.

21 (7) If a law enforcement officer determines that a registry identification
22 cardholder, the designated primary caregiver of a registry identification
23 cardholder, or a person responsible for a marijuana grow site under ORS
24 475B.420 who grows marijuana for a registry identification cardholder, pos-
25 sesses a number of mature marijuana plants in excess of the quantities
26 specified in this section, the law enforcement officer may confiscate only the
27 excess number of mature marijuana plants.

28

29 **INVENTORY OF MEDICAL MARIJUANA BUSINESSES**
30 **APPLYING TO BE LICENSED BY**
31 **THE OREGON LIQUOR CONTROL COMMISSION**

1 **SECTION 15.** Section 16 of this 2016 Act is added to and made a part
2 of ORS 475B.010 to 475B.395.

3 **SECTION 16.** (1) The Oregon Liquor Control Commission shall adopt
4 by rule procedures by which:

5 (a) A marijuana grow site registered under ORS 475B.420 that suc-
6 cessfully applies for a license under ORS 475B.070 transitions from be-
7 ing registered by the Oregon Health Authority to being licensed by the
8 commission;

9 (b) A marijuana processing site registered under ORS 475B.435 that
10 successfully applies for a license under ORS 475B.090 transitions from
11 being registered by the authority to being licensed by the commission;
12 and

13 (c) A medical marijuana dispensary registered under ORS 475B.450
14 that successfully applies for a license under ORS 475B.110 transitions
15 from being registered by the authority to being licensed by the com-
16 mission.

17 (2)(a) In adopting rules under this section, the commission shall
18 adopt, at a minimum, procedures by which the inventory possessed by
19 a marijuana grow site, a marijuana processing site or a medical
20 marijuana dispensary on the date on which the marijuana grow site,
21 the marijuana processing site or the medical marijuana dispensary is
22 first subject to tracking by the commission under ORS 475B.150:

23 (A) May be delivered to marijuana processors that hold a license
24 under ORS 475B.090, marijuana wholesalers that hold a license under
25 ORS 475B.100 or marijuana retailers that hold a license under ORS
26 475B.110; or

27 (B) May be sold to consumers by marijuana retailers that hold a
28 license under ORS 475B.110.

29 (b) Procedures adopted under this subsection must require a
30 marijuana grow site that successfully applies for a license under ORS
31 475B.070 to return to a person to whom a registry identification card

1 **has been issued under ORS 475B.415, and for whom the marijuana grow**
2 **site is producing marijuana and usable marijuana, all the marijuana**
3 **and usable marijuana owned by the person, except as otherwise al-**
4 **lowed under a personal agreement entered into under ORS 475B.425.**

5
6 **REQUIREMENT TO MAINTAIN BOND**

7
8 **SECTION 17. ORS 475B.120 is added to and made a part of ORS**
9 **475B.700 to 475B.760.**

10 **SECTION 18. ORS 475B.120 is amended to read:**

11 475B.120. (1) Except as provided in subsection (2) of this section, the
12 [*Oregon Liquor Control Commission*] **Department of Revenue** may require
13 a person that holds a license under ORS 475B.110 to maintain on file with
14 the [*commission*] **department** a bond with a corporate surety authorized to
15 transact business in this state. The bond shall be in a form acceptable to the
16 [*commission*] **department** and shall be in an amount that the [*commission*]
17 **department** determines is reasonably affordable and available. The bond is
18 payable to the [*commission*] **department** if the licensee fails to pay any tax
19 imposed on the sale of marijuana items as required by state law.

20 (2) In lieu of maintaining the bond required by subsection (1) of this
21 section, a person that holds a license under ORS 475B.110 may deposit in a
22 bank or trust company for the benefit of the [*commission*] **department** an
23 equivalent amount in cash, letters of credit recognized by the State Treas-
24 urer or negotiable securities of a character approved by the State Treasurer.
25 Interest earned on deposited funds or securities shall accrue to the person
26 that made the deposit.

27 **SECTION 19. (1) The amendments to ORS 475B.120 by section 18 of**
28 **this 2016 Act do not relieve a person that holds a license under ORS**
29 **475B.110 of the duty to maintain, pursuant to ORS 475B.120, a bond**
30 **that the Oregon Liquor Control Commission imposed immediately be-**
31 **fore the operative date specified in section 60 of this 2016 Act, and the**

1 Department of Revenue may enforce the duty to maintain, pursuant
2 to ORS 475B.120, a bond that the commission imposed immediately
3 before the operative date specified in section 60 of this 2016 Act.

4 (2) Notwithstanding the transfer of duties, functions and powers by
5 the amendments to ORS 475B.120 by section 18 of this 2016 Act, rules
6 adopted by the Oregon Liquor Control Commission for the purpose of
7 implementing ORS 475B.120 that are in effect on the operative date
8 specified in section 60 of this 2016 Act continue in effect until super-
9 seded or repealed by rules adopted by the Department of Revenue for
10 the purpose of implementing ORS 475B.120, except that references in
11 those rules to the commission or to an officer or employee of the
12 commission are considered to be references to the department or to
13 an officer or employee of the department.

14
15 **LOCAL CONTROL**

16 **(Repeal of Ordinances that Prohibit the**
17 **Establishment of Marijuana-Related Businesses)**

18
19 **SECTION 20. (1) The governing body of a city or county may repeal**
20 **an ordinance that prohibits the establishment of any one or more of**
21 **the following in the area subject to the jurisdiction of the city or in**
22 **the unincorporated area subject to the jurisdiction of the county:**

- 23 (a) Marijuana processing sites registered under ORS 475B.435;
24 (b) Medical marijuana dispensaries registered under ORS 475B.450;
25 (c) Marijuana producers licensed under ORS 475B.070;
26 (d) Marijuana processors licensed under ORS 475B.090;
27 (e) Marijuana wholesalers licensed under ORS 475B.100;
28 (f) Marijuana retailers licensed under ORS 475B.110; or
29 (g) Any combination of the entities described in this subsection.

30 (2) If the governing body of a city or county repeals an ordinance
31 under this section, the governing body must provide the text of the

1 **ordinance:**

2 (a) **To the Oregon Health Authority, in a form and manner pre-**
3 **scribed by the authority, if the ordinance concerns a medical**
4 **marijuana dispensary registered under ORS 475B.450 or a marijuana**
5 **processing site registered under ORS 475B.435; or**

6 (b) **To the Oregon Liquor Control Commission, in a form and man-**
7 **ner prescribed by the commission, if the ordinance concerns a prem-**
8 **ises for which a license has been issued under ORS 475B.070, 475B.090,**
9 **475B.100 or 475B.110.**

10

11

(Effective Date of Opt-In Ordinances

12

Adopted Pursuant to Referral)

13

14

SECTION 21. ORS 475B.800 is amended to read:

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16

17

18

19

475B.800. (1) The governing body of a city or county may adopt ordinances to be referred to the electors of the city or county as described in subsection (2) of this section that prohibit or allow the establishment of any one or more of the following in the area subject to the jurisdiction of the city or **in** the unincorporated area subject to the jurisdiction of the county:

20

(a) Marijuana processing sites registered under ORS 475B.435;

21

(b) Medical marijuana dispensaries registered under ORS 475B.450;

22

(c) Marijuana producers licensed under ORS 475B.070;

23

(d) Marijuana processors licensed under ORS 475B.090;

24

(e) Marijuana wholesalers licensed under ORS 475B.100;

25

(f) Marijuana retailers licensed under ORS 475B.110; or

26

(g) Any combination of the entities described in this subsection.

27

28

29

30

(2) If the governing body of a city or county adopts an ordinance under this section, the governing body shall submit the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

31

(3) If the governing body of a city or county adopts an ordinance under

1 this section, the governing body must provide the text of the ordinance:

2 (a) To the Oregon Health Authority, in a form and manner prescribed by
3 the authority, if the ordinance concerns a medical marijuana dispensary
4 registered under ORS 475B.450 or a marijuana processing site registered un-
5 der ORS 475B.435; or

6 (b) To the Oregon Liquor Control Commission, if the ordinance concerns
7 a premises for which a license has been issued under ORS 475B.070, 475B.090,
8 475B.100 or 475B.110.

9 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this
10 section, the authority shall discontinue registering those entities to which
11 the prohibition applies until the date of the next statewide general election.

12 (b) Upon receiving notice of a prohibition under subsection (3) of this
13 section, the commission shall discontinue licensing those premises to which
14 the prohibition applies until the date of the next statewide general election.

15 **(5)(a) If an allowance is approved at the next statewide general**
16 **election under subsection (2) of this section, and the allowance con-**
17 **cerns an entity described in subsection (1)(a) or (b) of this section, the**
18 **authority shall begin registering the entity to which the allowance**
19 **applies on the first business day of the January immediately following**
20 **the date of the statewide general election.**

21 **(b) If an allowance is approved at the next statewide general**
22 **election under subsection (2) of this section, and the allowance con-**
23 **cerns an entity described in subsection (1)(c) to (f) of this section, the**
24 **commission shall begin licensing the premises to which the allowance**
25 **applies on the first business day of the January immediately following**
26 **the date of the next statewide general election.**

27 [(5)] **(6)** Notwithstanding any other provisions of law, a city or county
28 that adopts an ordinance under this section that prohibits the establishment
29 of an entity described in subsection (1) of this section may not impose a tax
30 or fee on the production, processing or sale of marijuana or any product into
31 which marijuana has been incorporated.

1 [(6)] (7) Notwithstanding subsection (1) of this section, a medical
2 marijuana dispensary is not subject to an ordinance adopted under this sec-
3 tion if the medical marijuana dispensary:

4 (a) Is registered under ORS 475B.450 on or before the date on which the
5 governing body adopts the ordinance; and

6 (b) Has successfully completed a city or county land use application pro-
7 cess.

8 [(7)] (8) Notwithstanding subsection (1) of this section, a marijuana pro-
9 cessing site is not subject to an ordinance adopted under this section if the
10 marijuana processing site:

11 (a) Is registered under ORS 475B.435 on or before the date on which the
12 governing body adopts the ordinance; and

13 (b) Has successfully completed a city or county land use application pro-
14 cess.

15

16 **(Intergovernmental Agreements)**

17

18 **SECTION 22.** ORS 305.620 is amended to read:

19 305.620. (1) Any state agency or department may enter into agreements
20 with any political subdivision of this state for the collection, enforcement,
21 administration and distribution of local taxes of the political subdivision
22 imposed upon or measured by gross or net income, wages or net earnings
23 from self-employment, [or] local general sales and use taxes **or taxes im-**
24 **posed under ORS 475B.345.**

25 (2) The department or agency shall prescribe the rules by which the
26 agreements entered into under subsection (1) of this section are administered.

27 (3) The department or agency shall prescribe the rules by which the taxes
28 described by subsection (1) of this section are administered, collected, en-
29 forced and distributed.

30 (4) A political subdivision may appear as an intervenor at any conference
31 held by the Department of Revenue or conference, hearing or proceeding held

1 by another department or agency in connection with a local tax administered
2 by the department or agency. The political subdivision may be represented
3 by its own counsel. The department or agency shall adopt rules governing
4 the procedures to be followed by the political subdivision in making an ap-
5 pearance.

6 (5) Costs incurred by the department or agency in the administration,
7 enforcement, collection and distribution of taxes under the agreements en-
8 tered into under subsection (1) of this section shall be first deducted from
9 the taxes collected before distribution is made to the political subdivision
10 which is a party to the agreement.

11 (6) The Oregon Tax Court shall have exclusive jurisdiction to review de-
12 terminations of the Department of Revenue or orders of another department
13 or agency relating to the collection, enforcement, administration and dis-
14 tribution of local taxes under agreements entered into under subsection (1)
15 of this section.

16 (7) A proceeding for refund or to set aside additional taxes or taxes as-
17 sessed when no return was filed may be initiated before the state agency or
18 department.

19 (8) An appeal from a determination or an order may be taken by the
20 taxpayer or by the political subdivision whose taxes are in issue, by filing
21 a complaint with the clerk of the Oregon Tax Court at its principal office
22 in Salem, Oregon, within 60 days after the notice of the determination of the
23 Department of Revenue or the order of the department or agency is sent to
24 the taxpayer or the political subdivision. The filing of the complaint in the
25 Oregon Tax Court shall constitute perfection of the appeal. Service of the
26 taxpayer's complaint shall be accomplished by the clerk of the tax court by
27 filing a copy of the complaint with the administrative head of the department
28 or agency and a copy with the political subdivision. Service of the political
29 subdivision's complaint shall be accomplished by the clerk of the tax court
30 by filing a copy of the complaint with the administrative head of the de-
31 partment or agency and mailing a copy of the complaint to the taxpayer. The

1 complaint of a taxpayer shall be entitled in the name of the person filing as
2 plaintiff and the department or agency as defendant. The complaint of a
3 political subdivision shall be entitled in the name of the political subdivision
4 as plaintiff and the taxpayer and the department or agency as defendants.
5 A copy of the order of the department or agency shall be attached to the
6 complaint. All procedures shall be in accordance with ORS 305.405 to 305.494.

7
8 **(Personal Use and Possession)**
9

10 **SECTION 23.** (1) As used in this section, “designated primary
11 caregiver,” “immature marijuana plant,” “marijuana,” “medical
12 cannabinoid product” and “registry identification cardholder” have the
13 meanings given those terms in ORS 475B.410.

14 (2) A city or county may not adopt an ordinance, by referral or
15 otherwise, that prohibits or otherwise limits:

16 (a) The privileges described in ORS 475B.245; or

17 (b) The right of a registry identification cardholder and the desig-
18 nated primary caregiver of a registry identification cardholder to:

19 (A) Possess the seeds of marijuana, immature marijuana plants or
20 medical cannabinoid products as described in ORS 475B.400 to 475B.525;

21 (B) Jointly possess up to six mature marijuana plants under ORS
22 475B.428 (1); or

23 (C) Jointly possess up to 24 ounces of usable marijuana under ORS
24 475B.430 (1).

25
26 **AGREEMENTS WITH FEDERALLY RECOGNIZED INDIAN TRIBES**
27

28 **SECTION 23a.** Section 23b of this 2016 Act is added to and made a
29 part of ORS 475B.010 to 475B.395.

30 **SECTION 23b.** (1) The Governor, or the Governor’s designee, may
31 enter into an agreement with the governing body of a federally re-

1 **cognized Indian tribe located in this state for the purpose of cross-**
2 **jurisdictional coordination and enforcement of marijuana-related**
3 **businesses licensed to conduct business on tribal trust land by the**
4 **governing body.**

5 **(2) An agreement entered into under this section:**

6 **(a) Must provide for the cross-jurisdictional coordination and**
7 **enforcement of marijuana producers, marijuana processors, marijuana**
8 **wholesalers, marijuana retailers and marijuana testing laboratories**
9 **licensed by the governing body of the federally recognized Indian tribe.**

10 **(b) Must require the governing body of the federally recognized In-**
11 **dian tribe to impose the same or similar requirements on marijuana**
12 **producers, marijuana processors, marijuana wholesalers, marijuana**
13 **retailers and marijuana testing laboratories that:**

14 **(A) ORS 475B.010 to 475B.395, and rules adopted under ORS 475B.010**
15 **to 475B.395, impose on persons who hold a license under ORS 475B.070,**
16 **475B.090, 475B.100 and 475B.110;**

17 **(B) ORS 475B.550 to 475B.590, and rules adopted under ORS 475B.550**
18 **to 475B.590, impose on persons who hold a license under ORS 475B.070,**
19 **475B.090, 475B.100, 475B.110 and 475B.560; and**

20 **(C) ORS 475B.600 to 475B.655, and rules adopted under ORS 475B.600**
21 **to 475B.655, impose on persons who hold a license under ORS 475B.070,**
22 **475B.090, 475B.100 and 475B.110.**

23 **(c) May authorize an agency of this state to assist in the imple-**
24 **mentation and enforcement of the terms of the agreement.**

25

26

CRIMES

27

(Home Use and Possession)

28

29 **SECTION 24.** ORS 475B.245 is amended to read:

30 475B.245. ORS 475B.025, **475B.030**, 475B.033, 475B.035, 475B.040, 475B.045,
31 **475B.050**, 475B.055, 475B.060, **475B.063**, 475B.065, 475B.068, 475B.070,

1 **475B.075, 475B.080,** 475B.090, 475B.100, 475B.110, **475B.115, 475B.125,**
2 475B.130, **475B.135, 475B.140, 475B.145, 475B.150,** 475B.160, 475B.165,
3 475B.170, **475B.180, 475B.190, 475B.195, 475B.200, 475B.205,** 475B.210,
4 **475B.215, 475B.218, 475B.230, 475B.233, 475B.235, 475B.240,** [475B.265,]
5 475B.325, 475B.330, 475B.335, **475B.340, 475B.345,** 475B.350, 475B.353,
6 475B.355, 475B.358, **475B.360, 475B.365, 475B.370** and [475B.380] **475B.373** do
7 not apply:

8 (1) To the production[, *processing or storage*] of homegrown marijuana at
9 a household by one or more persons 21 years of age and older, if the total
10 amount of homegrown marijuana at the household does not exceed four
11 marijuana plants [*and eight ounces of usable marijuana*] at any time.

12 **(2) To the possession or storage of usable marijuana items at a**
13 **household by one or more persons 21 years of age or older, if the total**
14 **amount of usable marijuana at the household does not exceed eight**
15 **ounces of usable marijuana at any time.**

16 [(2)] **(3)** To the making, processing, **possession** or storage of [*homemade*]
17 cannabinoid products at a household by one or more persons 21 years of age
18 and older, if the total amount of [*homemade*] cannabinoid products at the
19 household does not exceed 16 ounces in solid form at any time.

20 [(3)] **(4)** To the making, processing, **possession** or storage of [*homemade*]
21 cannabinoid products at a household by one or more persons 21 years of age
22 and older, if the total amount of [*homemade*] cannabinoid products at the
23 household does not exceed 72 ounces in liquid form at any time.

24 [(4)] **(5)** To the making, processing, **possession** or storage of [*homemade*]
25 cannabinoid concentrates at a household by one or more persons 21 years
26 of age or older, if the total amount of [*homemade*] cannabinoid concentrates
27 at the household does not exceed 16 ounces at any time.

28 **(6) To the possession of cannabinoid extracts at a household by one**
29 **or more persons 21 years of age or older, if the cannabinoid extracts**
30 **were purchased from a marijuana retailer that holds a license under**
31 **ORS 475B.110, or transferred by a medical marijuana dispensary reg-**

1 **istered by the Oregon Health Authority under ORS 475B.450, and the**
2 **total amount of cannabinoid extracts at the household does not exceed**
3 **one ounce at any time.**

4 [(5)] (7) To the delivery of not more than one ounce of [*homegrown*] **us-**
5 **able** marijuana at a time by a person 21 years of age or older to another
6 person 21 years of age or older for noncommercial purposes.

7 [(6)] (8) To the delivery of not more than 16 ounces of [*homemade*]
8 cannabinoid products in solid form at a time by a person 21 years of age or
9 older to another person 21 years of age or older for noncommercial purposes.

10 [(7)] (9) To the delivery of not more than 72 ounces of [*homemade*]
11 cannabinoid products in liquid form at a time by a person 21 years of age
12 or older to another person 21 years of age or older for noncommercial pur-
13 poses.

14 [(8)] (10) To the delivery of not more than 16 ounces of cannabinoid con-
15 centrates at a time by a person 21 years of age or older to another person
16 21 years of age or older for noncommercial purposes.

17 **SECTION 25.** ORS 475B.250 is amended to read:

18 475B.250. (1) A person may not produce, process, **possess** or store
19 homegrown marijuana, [*or homemade*] cannabinoid products or cannabinoid
20 concentrates if the homegrown marijuana, [*or homemade*] cannabinoid pro-
21 ducts or cannabinoid concentrates can be [*readily*] seen by normal unaided
22 vision from a public place.

23 **(2) A person may not possess or store a cannabinoid extract if the**
24 **cannabinoid extract can be seen by normal unaided vision from a**
25 **public place.**

26 [(2)] (3) A violation of subsection (1) **or (2)** of this section is a Class B
27 violation.

28 **SECTION 26.** ORS 475B.255 is amended to read:

29 475B.255. A person **other than a person that holds a license under**
30 **ORS 475B.090** may not [*produce,*] process [*or store homemade*] cannabinoid
31 extracts.

(Importing and Exporting)

SECTION 27. ORS 475B.185 is amended to read:

475B.185. (1) A [*licensee or licensee representative*] **person** may not import marijuana items into this state or export marijuana items from this state.

(2) Except as provided in subsection (3) of this section, a violation of this section is a Class B violation.

[(2)] **(3)** A violation of [*subsection (1) of*] this section is a:

(a) Class C felony, if the importation or exportation:

(A) Is for consideration[; or] and the person holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110; or

(B) Concerns usable marijuana and the importation or exportation exceeds 16 ounces of usable marijuana.

(b) Class A misdemeanor, if the importation or exportation:

(A) Is not for consideration[.] and the person holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.110; or

(B) Concerns usable marijuana and the importation or exportation exceeds one ounce of usable marijuana.

(Uniform Controlled Substances Act)

SECTION 28. Sections 29 and 34a of this 2016 Act are added to and made a part of ORS 475.752 to 475.980.

SECTION 29. As used in ORS 475.856, 475.858, 475.860, 475.862 and 475.864 and section 34a of this 2016 Act, “cannabinoid concentrate,” “cannabinoid extract,” “cannabinoid product,” “homegrown,” “licensee,” “licensee representative,” “marijuana,” “marijuana retailer,” “public place” and “usable marijuana” have the meanings given those terms in ORS 475B.015.

SECTION 30. ORS 475.856 is amended to read:

475.856. [(1) As used in this section, “homegrown,” “household,” “license”

1 *and “licensee representative” have the meanings given those terms in ORS*
2 *475B.015.]*

3 [(2)] (1) Except for licensees and licensee representatives that are engaged
4 in lawful activities, and except for a person acting within the scope of and
5 in compliance with ORS 475B.245, it is unlawful for any person to manufac-
6 ture marijuana.

7 [(3)] (2) Unlawful manufacture of marijuana is a Class C felony.

8 [(4)] (3) Notwithstanding subsection [(3)] (2) of this section, unlawful
9 manufacture of marijuana is a:

10 (a) Class B misdemeanor, if a person 21 years of age or older manufac-
11 tures homegrown marijuana at a household and the total number of
12 homegrown marijuana plants at the household exceeds four marijuana plants
13 but does not exceed eight marijuana plants.

14 (b) **Class B felony, if a person manufactures a cannabinoid extract.**

15 **SECTION 31.** ORS 475.858 is amended to read:

16 475.858. (1) **Except for licensees and licensee representatives that are**
17 **engaged in lawful activities, and except for a person acting within the**
18 **scope of and in compliance with ORS 475B.245,** it is unlawful for any
19 person to manufacture marijuana within 1,000 feet of the real property com-
20 prising a public or private elementary, secondary or career school attended
21 primarily by minors.

22 (2) Unlawful manufacture of marijuana within 1,000 feet of a school is a
23 Class [A] C felony.

24 [(3) *This section does not apply to:*]

25 [(a) *A licensee or licensee representative, as those terms are defined in ORS*
26 *475B.015, that is engaged in lawful activities; or]*

27 [(b) *A person acting within the scope of and in compliance with ORS*
28 *475B.245.]*

29 (3) **Notwithstanding subsection (2) of this section, unlawful manu-**
30 **facture of marijuana within 1,000 feet of a school is a:**

31 (a) **Class B felony, if a person manufactures homegrown marijuana**

1 **at a household and the total number of homegrown marijuana plants**
2 **at the household exceeds eight marijuana plants.**

3 **(b) Class A felony, if a person manufactures a cannabinoid extract.**

4 **SECTION 32.** ORS 475.860 is amended to read:

5 475.860. (1) Except for licensees and licensee representatives[, *as those*
6 *terms are defined in ORS 475B.015,*] that are engaged in lawful activities, and
7 except for a person acting within the scope of and in compliance with ORS
8 475B.245, it is unlawful for any person to deliver marijuana.

9 (2) Unlawful delivery of marijuana is a Class A misdemeanor.

10 (3) Notwithstanding subsection (2) of this section, unlawful delivery of
11 marijuana is a **Class C felony, if:**

12 **(a) A person who is at least 21 years of age delivers the marijuana**
13 **to a person who is under 18 years of age.**

14 **(b) A person delivers marijuana extracts that were not purchased**
15 **from a marijuana retailer that holds a license under ORS 475B.110.**

16 [*(a) Class A violation, if the delivery is for no consideration and consists*
17 *of less than one avoirdupois ounce of the dried leaves, stems and flowers of the*
18 *plant Cannabis family Moraceae; or]*

19 [*(b) Violation, if the delivery is for no consideration and consists of less*
20 *than five grams of the dried leaves, stems and flowers of the plant Cannabis*
21 *family Moraceae. A violation under this paragraph is a specific fine violation.*
22 *The presumptive fine for a violation under this paragraph is \$650.]*

23 [*(4) Notwithstanding subsections (2) and (3) of this section, unlawful de-*
24 *livery of marijuana is a Class C felony, if the delivery is to a person under*
25 *18 years of age and the defendant is at least 21 years of age.]*

26 **SECTION 33.** ORS 475.862 is amended to read:

27 475.862. (1) **Except for licensees and licensee representatives that are**
28 **engaged in lawful activities, and except for a person acting within the**
29 **scope of and in compliance with ORS 475B.245,** it is unlawful for any
30 person to deliver marijuana within 1,000 feet of the real property comprising
31 a public or private elementary, secondary or career school attended primarily

1 by minors.

2 (2) Unlawful delivery of marijuana within 1,000 feet of a school is a Class
3 [A] C felony.

4 [(3) *This section does not apply to:*]

5 [(a) *A licensee or licensee representative, as those terms are defined in ORS*
6 *475B.015, that is engaged in lawful activities; or]*

7 [(b) *A person acting within the scope of and in compliance with ORS*
8 *475B.245.*]

9 **(3) Notwithstanding subsection (2) of this section, unlawful delivery**
10 **of marijuana within 1,000 feet of a school is a:**

11 **(a) Class A felony, if a person who is at least 21 years of age delivers**
12 **the marijuana to a person who is under 18 years of age.**

13 **(b) Class B felony, if a person delivers marijuana extracts that were**
14 **not purchased from a marijuana retailer that holds a license under**
15 **ORS 475B.110.**

16 **(c) Class A misdemeanor, if a person who is under 18 years of age**
17 **delivers the marijuana for no consideration to a person who is under**
18 **18 years of age.**

19 **SECTION 34.** ORS 475.864 is amended to read:

20 475.864. [(1) *As used in subsections (2) to (4) of this section:*]

21 [(a) *“Marijuana” means the leaves, stems and flowers of the plant Cannabis*
22 *family Moraceae.*]

23 [(b) *“Marijuana product” has the meaning given the term “marijuana” in*
24 *ORS 475.005 (16), but does not include the leaves, stems and flowers of the*
25 *plant Cannabis family Moraceae.*]

26 [(2) *It is unlawful for any person under 21 years of age knowingly or in-*
27 *entionally to possess marijuana or marijuana product.*]

28 [(3)(a) *Unlawful possession of more than eight avoirdupois ounces of*
29 *marijuana by a person under 21 years of age is a Class A misdemeanor.*]

30 [(b) *Unlawful possession of more than one avoirdupois ounce of marijuana,*
31 *but less than eight avoirdupois ounces, by a person under 21 years of age is*

1 *a Class B misdemeanor.]*

2 *[(c) Unlawful possession of one avoirdupois ounce or less of marijuana by*
3 *a person under 21 years of age is a specific fine violation. The presumptive fine*
4 *for a violation under this paragraph is \$650.]*

5 *[(4)(a) Unlawful possession of more than 16 avoirdupois ounces of*
6 *marijuana product in a solid form or more than 72 ounces of marijuana*
7 *product in a liquid form by a person under 21 years of age is a Class A*
8 *misdemeanor.]*

9 *[(b) Unlawful possession of 16 avoirdupois ounces or less of marijuana*
10 *product in a solid form or 72 ounces or less of marijuana product in a liquid*
11 *form by a person under 21 years of age is a Class B misdemeanor.]*

12 *[(5) As used in subsections (6) to (8) of this section, “cannabinoid concen-*
13 *trate,” “cannabinoid extract,” “cannabinoid product,” “licensee,” “licensee rep-*
14 *resentative,” “marijuana,” “marijuana retailer,” “public place” and “usable*
15 *marijuana” have the meanings given those terms in ORS 475B.015.]*

16 **[(6)] (1)** Except for licensees and licensee representatives acting in ac-
17 cordance with ORS 475B.010 to 475B.395, and any rule adopted under ORS
18 475B.010 to 475B.395, it is unlawful for any person 21 years of age or older
19 knowingly or intentionally to possess:

20 (a) More than one ounce of usable marijuana in a public place.

21 (b) More than eight ounces of usable marijuana.

22 (c) More than 16 ounces of cannabinoid products in solid form or
23 cannabinoid concentrates.

24 (d) More than 72 ounces of cannabinoid products in liquid form.

25 (e) More than one ounce of cannabinoid extracts.

26 (f) A cannabinoid extract that was not purchased from a marijuana
27 retailer that holds a license under ORS 475B.110.

28 **[(7)] (2)** A violation of subsection **[(6)(a)] (1)(a)** to (e) of this section is
29 a:

30 (a) Class A misdemeanor, if the amount possessed is more than four times
31 the applicable maximum amount specified in subsection **[(6)(a)] (1)(a)** to (e)

1 of this section;

2 (b) Class B misdemeanor, if the amount possessed is more than two times,
3 but not more than four times, the applicable maximum amount specified in
4 subsection [(6)(a)] (1)(a) to (e) of this section; or

5 (c) Class B violation, if the amount possessed is not more than two times
6 the applicable maximum amount specified in subsection [(6)(a)] (1)(a) to (e)
7 of this section.

8 [(8)] (4) A violation of subsection [(6)(f)] (1)(f) of this section is a[:]
9 **Class C felony.**

10 [(a) *Class C felony, if the amount possessed is more than one-quarter ounce*
11 *of the cannabinoid extract; or]*

12 [(b) *Class B misdemeanor, if the amount possessed is not more than one-*
13 *quarter ounce of the cannabinoid extract.*]

14 **SECTION 34a. (1) Except for licensees and licensee representatives**
15 **acting in accordance with ORS 475B.010 to 475B.395, and any rule**
16 **adopted under ORS 475B.010 to 475B.395, it is unlawful for any person**
17 **under 21 years of age to knowingly or intentionally 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 16 ounces of cannabinoid products in solid form or**
21 **cannabinoid concentrates.**

22 (d) **More than 72 ounces of cannabinoid products in liquid form.**

23 (e) **More than one ounce of cannabinoid extracts.**

24 (f) **A cannabinoid extract that was not purchased from a marijuana**
25 **retailer that holds a license under ORS 475B.110.**

26 (2) **A violation of this section is a Class A misdemeanor.**

27

28 (Open Container Law)

29

30 **SECTION 35. Section 36 of this 2016 Act is added to and made a part**
31 **of the Oregon Vehicle Code.**

1 **SECTION 36.** (1) As used in this section, “marijuana item” has the
2 meaning given that term in ORS 475B.015.

3 (2) A person commits the offense of having an open container of
4 marijuana in a motor vehicle if the person does any of the following:

5 (a) Consumes in any manner a marijuana item in a motor vehicle
6 when the motor vehicle is upon a highway.

7 (b) Possesses on one’s person, while in a motor vehicle upon a
8 highway:

9 (A) A receptacle that contains a marijuana item that is unsealed
10 or a receptacle that contains a marijuana item, the contents of which
11 are partially removed; or

12 (B) An accessory used to consume a marijuana item that contains
13 any amount of the marijuana item.

14 (c) Subject to subsection (4) of this section, keeps in a motor vehicle
15 when the motor vehicle is upon a highway:

16 (A) A receptacle that contains a marijuana item that is unsealed
17 or a receptacle that contains a marijuana item, the contents of which
18 are partially removed; or

19 (B) An accessory used to consume a marijuana item that contains
20 any amount of the marijuana item.

21 (3) Subsection (2) of this section does not apply to passengers in a
22 motor vehicle that is operated by a common carrier and used primarily
23 to carry passengers for hire.

24 (4) Subsection (2)(c) of this section:

25 (a) Applies only to the registered owner of the motor vehicle or, if
26 the registered owner of the motor vehicle is not present in the motor
27 vehicle, to the driver of the motor vehicle.

28 (b) Does not apply if the receptacle is kept in the trunk of the mo-
29 tor vehicle or, if the motor vehicle does not have a trunk, is kept in
30 some other area of the motor vehicle not normally occupied or directly
31 accessible by the driver or passengers of the motor vehicle. For pur-

1 **poses of this paragraph, a utility compartment or glove compartment**
2 **is an area of a motor vehicle normally occupied or directly accessible**
3 **by the driver or passengers of the motor vehicle.**

4 **(c) Does not apply to the living quarters of a camper or motor**
5 **home.**

6 **(5) The offense of having an open container of marijuana in a motor**
7 **vehicle is a Class A traffic violation.**

8
9 **POST-PRISON SUPERVISION AND PAROLE**

10
11 **SECTION 37. Section 38 of this 2016 Act is added to and made a part**
12 **of ORS chapter 144.**

13 **SECTION 38. (1) As used in this section, “cannabinoid**
14 **concentrates,” “cannabinoid extracts,” “medical cannabinoid**
15 **products,” “registry identification card” and “usable marijuana” have**
16 **the meanings given those terms in ORS 475B.410.**

17 **(2) Notwithstanding ORS 144.102 and 144.270, the State Board of**
18 **Parole and Post-Prison Supervision may not condition the post-prison**
19 **supervision or parole of a person who is to be released from prison or**
20 **jail or paroled on the person refraining from the use of usable**
21 **marijuana, medical cannabinoid products, cannabinoid concentrates**
22 **or cannabinoid extracts if the person holds a valid registry identifica-**
23 **tion card.**

24
25 **TECHNICAL CHANGES AND CONFORMING AMENDMENTS**

26 **(Operative March 1, 2016)**

27
28 **SECTION 39. ORS 90.396 is amended to read:**

29 **90.396. (1) Except as provided in subsection (2) of this section, after at**
30 **least 24 hours’ written notice specifying the acts and omissions constituting**
31 **the cause and specifying the date and time of the termination, the landlord**

1 may terminate the rental agreement and take possession as provided in ORS
2 105.105 to 105.168, if:

3 (a) The tenant, someone in the tenant's control or the tenant's pet seri-
4 ously threatens to inflict substantial personal injury, or inflicts any sub-
5 stantial personal injury, upon a person on the premises other than the
6 tenant;

7 (b) The tenant or someone in the tenant's control recklessly endangers a
8 person on the premises other than the tenant by creating a serious risk of
9 substantial personal injury;

10 (c) The tenant, someone in the tenant's control or the tenant's pet inflicts
11 any substantial personal injury upon a neighbor living in the immediate vi-
12 cinity of the premises;

13 (d) The tenant or someone in the tenant's control intentionally inflicts
14 any substantial damage to the premises or the tenant's pet inflicts substan-
15 tial damage to the premises on more than one occasion;

16 (e)(A) The tenant intentionally provided substantial false information on
17 the application for the tenancy within the past year;

18 (B) The false information was with regard to a criminal conviction of the
19 tenant that would have been material to the landlord's acceptance of the
20 application; and

21 (C) The landlord terminates the rental agreement within 30 days after
22 discovering the falsity of the information; or

23 (f) The tenant, someone in the tenant's control or the tenant's pet com-
24 mits any act that is outrageous in the extreme, on the premises or in the
25 immediate vicinity of the premises. For purposes of this paragraph, an act
26 is outrageous in the extreme if the act is not described in paragraphs (a) to
27 (e) of this subsection, but is similar in degree and is one that a reasonable
28 person in that community would consider to be so offensive as to warrant
29 termination of the tenancy within 24 hours, considering the seriousness of
30 the act or the risk to others. An act that is outrageous in the extreme is
31 more extreme or serious than an act that warrants a 30-day termination un-

1 der ORS 90.392. Acts that are “outrageous in the extreme” include, but are
2 not limited to, the following acts by a person:

3 (A) Prostitution, commercial sexual solicitation or promoting
4 prostitution, as described in ORS 167.007, 167.008 and 167.012;

5 (B) Manufacture, delivery or possession of a controlled substance, as de-
6 scribed in ORS 475.005, but not including:

7 (i) The medical use of marijuana in compliance with ORS 475B.400 to
8 475B.525; **or**

9 *[(ii) Possession of, or delivery for no consideration of, less than one*
10 *avoirdupois ounce of marijuana as described in ORS 475.860 (3) or 475.864 (3);*
11 *or]*

12 *[(iii)]* **(ii)** Possession of prescription drugs;

13 (C) Intimidation, as described in ORS 166.155 and 166.165; or

14 (D) Burglary as described in ORS 164.215 and 164.225.

15 (2) If the cause for a termination notice given pursuant to subsection (1)
16 of this section is based upon the acts of the tenant’s pet, the tenant may cure
17 the cause and avoid termination of the tenancy by removing the pet from the
18 premises prior to the end of the notice period. The notice must describe the
19 right of the tenant to cure the cause. If the tenant returns the pet to the
20 premises at any time after having cured the violation, the landlord, after at
21 least 24 hours’ written notice specifying the subsequent presence of the of-
22 fending pet, may terminate the rental agreement and take possession as
23 provided in ORS 105.105 to 105.168. The tenant does not have a right to cure
24 this subsequent violation.

25 (3) For purposes of subsection (1) of this section, someone is in the
26 tenant’s control if that person enters or remains on the premises with the
27 tenant’s permission or consent after the tenant reasonably knows or should
28 know of that person’s act or likelihood to commit any act of the type de-
29 scribed in subsection (1) of this section.

30 (4) An act can be proven to be outrageous in the extreme even if the act
31 is one that does not violate a criminal statute. Notwithstanding the refer-

1 ences to criminal statutes in subsection (1)(f) of this section, the landlord's
2 burden of proof in an action for possession under subsection (1) of this sec-
3 tion is the civil standard of proof by a preponderance of the evidence.

4 (5) If a good faith effort by a landlord to terminate the tenancy under
5 subsection (1)(f) of this section and to recover possession of the rental unit
6 under ORS 105.105 to 105.168 fails by decision of the court, the landlord may
7 not be found in violation of any state statute or local ordinance requiring
8 the landlord to remove that tenant upon threat of fine, abatement or forfei-
9 ture as long as the landlord continues to make a good faith effort to termi-
10 nate the tenancy.

11 **SECTION 40.** ORS 419C.239 is amended to read:

12 419C.239. (1) A formal accountability agreement shall:

13 (a) Be completed within a period of time not to exceed one year;

14 (b) Be voluntarily entered into by all parties;

15 (c) Be revocable by the youth at any time by a written revocation;

16 (d) Be revocable by the juvenile department in the event the department
17 has reasonable cause to believe the youth has failed to carry out the terms
18 of the formal accountability agreement or has committed a subsequent of-
19 fense;

20 (e) Not be used as evidence against the youth at any adjudicatory hearing;

21 (f) Be executed in writing and expressed in language understandable to
22 the persons involved;

23 (g) Be signed by the juvenile department, the youth, the youth's parent
24 or parents or legal guardian, and the youth's counsel, if any;

25 (h) Become part of the youth's juvenile department record; and

26 (i) When the youth has been charged with having committed the youth's
27 first violation of a provision under ORS 475.860 [(3)(b) or 475.864 (3)(c)] and
28 unless the juvenile department determines that it would be inappropriate in
29 the particular case:

30 (A) Require the youth to participate in a diagnostic assessment and an
31 information or treatment program as recommended by the assessment. The

1 agencies or organizations providing assessment or programs of information
2 or treatment must be the same as those designated by the court under ORS
3 419C.443 (1) and must meet the standards set by the Director of the Oregon
4 Health Authority. The parent of the youth shall pay the cost of the youth's
5 participation in the program based upon the ability of the parent to pay.

6 (B) Monitor the youth's progress in the program which shall be the re-
7 sponsibility of the diagnostic assessment agency or organization. It shall
8 make a report to the juvenile department stating the youth's successful
9 completion or failure to complete all or any part of the program specified
10 by the diagnostic assessment. The form of the report shall be determined by
11 agreement between the juvenile department and the diagnostic assessment
12 agency or organization. The juvenile department shall make the report a part
13 of the record of the case.

14 (2) Notwithstanding any other provision of law, the following information
15 contained in a formal accountability agreement under ORS 419C.230 is not
16 confidential and is not exempt from disclosure:

17 (a) The name and date of birth of the youth;

18 (b) The act alleged; and

19 (c) The portion of the agreement providing for the disposition of the
20 youth.

21 **SECTION 41.** ORS 419C.420 is amended to read:

22 419C.420. If a youth is cited or summoned for a violation under ORS
23 471.430[,] **or** 475.860 [(3) *or* 475.864 (3)(c)] and fails to appear, the court may
24 adjudicate the citation or petition and enter a disposition without a hearing.

25 **SECTION 42.** ORS 419C.443 is amended to read:

26 419C.443. (1) Except when otherwise provided in subsection (3) of this
27 section, when a youth offender has been found to be within the jurisdiction
28 of the court under ORS 419C.005 for a first violation of the provisions under
29 ORS 475.860 [(3)(b) *or* 475.864 (3)(c)], the court shall order an evaluation and
30 designate agencies or organizations to perform diagnostic assessment and
31 provide programs of information and treatment. The designated agencies or

1 organizations must meet the standards set by the Director of the Oregon
2 Health Authority. Whenever possible, the court shall designate agencies or
3 organizations to perform the diagnostic assessment that are separate from
4 those that may be designated to carry out a program of information or
5 treatment. The parent of the youth offender shall pay the cost of the youth
6 offender's participation in the program based upon the ability of the parent
7 to pay. The petition shall be dismissed by the court upon written certifica-
8 tion of the youth offender's successful completion of the program from the
9 designated agency or organization providing the information and treatment.

10 (2) Monitoring the youth offender's progress in the program shall be the
11 responsibility of the diagnostic assessment agency or organization. The
12 agency or organization shall make a report to the court stating the youth
13 offender's successful completion or failure to complete all or any part of the
14 program specified by the diagnostic assessment. The form of the report shall
15 be determined by agreement between the court and the diagnostic assessment
16 agency or organization. The court shall make the report a part of the record
17 of the case.

18 (3) The court is not required to make the disposition required by sub-
19 section (1) of this section if the court determines that the disposition is in-
20 appropriate in the case or if the court finds that the youth offender has
21 previously entered into a formal accountability agreement under ORS
22 419C.239 (1)(i).

23 **SECTION 42a.** ORS 475.245 is amended to read:

24 475.245. (1) Whenever any person pleads guilty to or is found guilty of an
25 offense listed in subsection (5) of this section, the court, without entering a
26 judgment of guilt and with the consent of the district attorney and the per-
27 son, may defer further proceedings and place the person on probation.

28 (2) Upon violation of a term or condition of probation, the court may
29 enter an adjudication of guilt and proceed as otherwise provided.

30 (3) Upon fulfillment of the terms and conditions of probation, the court
31 shall discharge the person and dismiss the proceedings against the person.

1 Discharge and dismissal under this section shall be without adjudication of
2 guilt and is not a conviction for purposes of this section or for purposes of
3 disqualifications or disabilities imposed by law upon conviction of a crime.
4 There may be only one discharge and dismissal under this section with re-
5 spect to any person.

6 (4) In the event that the period of probation under this section expires,
7 but the terms and conditions of probation have not been fulfilled and no
8 probation violation proceeding was initiated prior to the expiration of the
9 period of probation, the court may not discharge the person and dismiss the
10 proceedings against the person. The court shall instead issue an order re-
11 quiring the person to appear and to show cause why the court should not
12 enter an adjudication of guilt as described in subsection (2) of this section
13 due to the failure of the person to fulfill the terms and conditions of pro-
14 bation prior to expiration of the period of probation. At the hearing on the
15 order to show cause, after considering any evidence or argument from the
16 district attorney and the person, the court may:

17 (a) Order a new period of probation to allow the person to fulfill the
18 terms and conditions of the previous period of probation; or

19 (b) Enter an adjudication of guilt as described in subsection (2) of this
20 section.

21 (5) This section applies to the following offenses:

22 (a) Possession of a controlled substance under ORS 475.752 (3), 475.814,
23 475.824, 475.834, 475.854, 475.864, 475.874, 475.884 or 475.894 **or section 34a**
24 **of this 2016 Act;**

25 (b) Unlawfully possessing a prescription drug under ORS 689.527 (6);

26 (c) Endangering the welfare of a minor under ORS 163.575 (1)(b);

27 (d) Frequenting a place where controlled substances are used under ORS
28 167.222; and

29 (e) A property offense that is motivated by a dependence on a controlled
30 substance.

31 **SECTION 42b.** ORS 475.752 is amended to read:

1 475.752. (1) Except for licensees and licensee representatives, as those
2 terms are defined in ORS 475B.015, that are engaged in lawful activities, and
3 except for a person acting within the scope of and in compliance with ORS
4 475B.245, and except as authorized by ORS 475.005 to 475.285 and 475.752 to
5 475.980, it is unlawful for any person to manufacture or deliver a controlled
6 substance. Any person who violates this subsection with respect to:

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

9 (b) A controlled substance in Schedule II, is guilty of a Class B felony,
10 except as otherwise provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880,
11 475.882, 475.904 and 475.906.

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

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

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

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

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

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

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

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

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

28 (3) It is unlawful for any person knowingly or intentionally to possess a
29 controlled substance, other than marijuana, unless the substance was ob-
30 tained directly from, or pursuant to a valid prescription or order of, a prac-
31 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 **or section 34a of this 2016**
7 **Act.**

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

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

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

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

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

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

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

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

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

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

30 **SECTION 42c.** ORS 475.898 is amended to read:

31 475.898. (1) A person who contacts emergency medical services or a law

1 enforcement agency to obtain medical assistance for another person who
2 needs medical assistance due to a drug-related overdose is immune from ar-
3 rest or prosecution for an offense listed in subsection (3) of this section if
4 the evidence of the offense was obtained because the person contacted
5 emergency medical services or a law enforcement agency.

6 (2) A person who is in need of medical assistance due to a drug-related
7 overdose is immune from arrest or prosecution for an offense listed in sub-
8 section (3) of this section if the evidence of the offense was obtained because
9 any person contacted emergency medical services or a law enforcement
10 agency to obtain medical assistance for the person.

11 (3) The immunity conferred under subsections (1) and (2) of this section
12 applies to arrest and prosecution for:

13 (a) Frequenting a place where controlled substances are used as described
14 in ORS 167.222;

15 (b) Possession of a controlled substance as described in ORS 475.752;

16 (c) Unlawful possession of hydrocodone as described in ORS 475.814;

17 (d) Unlawful possession of methadone as described in ORS 475.824;

18 (e) Unlawful possession of oxycodone as described in ORS 475.834;

19 (f) Unlawful possession of heroin as described in ORS 475.854;

20 (g) Unlawful possession of marijuana [*or a marijuana product*] as de-
21 scribed in ORS 475.864 **and section 34a of this 2016 Act**;

22 (h) Unlawful possession of 3,4-methylenedioxymethamphetamine as de-
23 scribed in ORS 475.874;

24 (i) Unlawful possession of cocaine as described in ORS 475.884;

25 (j) Unlawful possession of methamphetamine as described in ORS 475.894;

26 (k) Unlawfully possessing a prescription drug as described in ORS 689.527

27 (6); and

28 (L) Unlawful possession of drug paraphernalia with intent to sell or de-
29 liver as described in ORS 475.525.

30 (4)(a) A person may not be arrested for violating, or found to be in vio-
31 lation of, the conditions of the person's pretrial release, probation, post-

1 prison supervision or parole if the violation involves:

2 (A) The possession or use of a controlled substance or frequenting a place
3 where controlled substances are used; and

4 (B) The evidence of the violation was obtained because the person con-
5 tacted emergency medical services or a law enforcement agency to obtain
6 medical assistance for another person who needed medical assistance due to
7 a drug-related overdose.

8 (b) A person may not be arrested for violating, or found to be in violation
9 of, the conditions of the person's pretrial release, probation, post-prison
10 supervision or parole if the violation involves:

11 (A) The possession or use of a controlled substance or frequenting a place
12 where controlled substances are used; and

13 (B) The evidence of the violation was obtained because the person was in
14 need of medical assistance due to a drug-related overdose and any person
15 contacted emergency medical services or a law enforcement agency to obtain
16 medical assistance for the person.

17 (5)(a) A person may not be arrested on an outstanding warrant for any
18 of the offenses listed in subsection (3) of this section, or on an outstanding
19 warrant for a violation, other than commission of a new crime, of the con-
20 ditions of the person's probation, post-prison supervision or parole for con-
21 duct that would constitute an offense listed in subsection (3) of this section,
22 if the location of the person was obtained because the person contacted
23 emergency medical services or a law enforcement agency to obtain medical
24 assistance for another person who needed medical assistance due to a drug-
25 related overdose.

26 (b) A person may not be arrested on an outstanding warrant for any of
27 the offenses listed in subsection (3) of this section, or on an outstanding
28 warrant for a violation, other than commission of a new crime, of the con-
29 ditions of the person's probation, post-prison supervision or parole for con-
30 duct that would constitute an offense listed in subsection (3) of this section,
31 if the location of the person was obtained because the person was in need

1 of medical assistance due to a drug-related overdose and any person con-
2 tacted emergency medical services or a law enforcement agency to obtain
3 medical assistance for the person.

4 (c) This subsection does not apply to outstanding federal warrants or
5 outstanding warrants issued from other states.

6 (6) The immunity from arrest and prosecution described in this section is
7 not grounds for the suppression of evidence relating to a criminal offense
8 other than the offenses listed in subsection (3) of this section.

9 (7) As used in this section:

10 (a) "Controlled substance" has the meaning given that term in ORS
11 475.005.

12 (b) "Drug-related overdose" means an acute condition, including mania,
13 hysteria, extreme physical illness, coma or death, resulting from the con-
14 sumption or use of a controlled substance, or another substance with which
15 a controlled substance was combined, that a person would reasonably believe
16 to be a condition that requires medical attention.

17 **SECTION 42d.** ORS 809.265 is amended to read:

18 809.265. (1) Unless the court finds compelling circumstances not to order
19 suspension of driving privileges, the court in which a person is convicted of
20 an offense described in this subsection shall order suspension of the person's
21 driving privileges. This subsection applies when a person is convicted of:

22 (a) Any offense involving manufacturing, possession or delivery of con-
23 trolled substances[, *except for possession of less than one avoirdupois ounce*
24 *of marijuana as described in ORS 475.864 (3)*].

25 (b) Driving while under the influence of intoxicants in violation of ORS
26 813.010 or of a municipal ordinance if the person was under the influence
27 of an inhalant or a controlled substance.

28 [(2) *The court in which a person is convicted of possession of less than one*
29 *avoirdupois ounce of marijuana, as described in ORS 475.864 (3), may order*
30 *suspension of the person's driving privileges if the person is under 18 years*
31 *of age and the court determines that suspension of the person's driving privi-*

1 *leges is necessary for the safety of the community. The court shall indicate the*
2 *findings supporting the suspension in the judgment.]*

3 [(3)] (2) Upon receipt of an order under this section, the department shall
4 take action as directed under ORS 809.280.

5 **SECTION 42e.** ORS 813.215 is amended to read:

6 813.215. (1) A defendant is eligible for diversion if the defendant meets
7 all of the following conditions:

8 (a) On the date the defendant filed the petition for a driving while under
9 the influence of intoxicants diversion agreement, the defendant had no
10 charge, other than the charge for the present offense, pending for:

11 (A) An offense of driving while under the influence of intoxicants in vi-
12 olation of:

13 (i) ORS 813.010; or

14 (ii) The statutory counterpart to ORS 813.010 in another jurisdiction;

15 (B) A driving under the influence of intoxicants offense in another juris-
16 diction that involved the impaired driving of a vehicle due to the use of
17 intoxicating liquor, a controlled substance, an inhalant or any combination
18 thereof; or

19 (C) A driving offense in another jurisdiction that involved operating a
20 vehicle while having a blood alcohol content above that jurisdiction's per-
21 missible blood alcohol content.

22 (b) The defendant has not been convicted of an offense described in par-
23 agraph (a) of this subsection within the period beginning 15 years before the
24 date of the commission of the present offense and ending on the date the
25 defendant filed the petition for a driving while under the influence of
26 intoxicants diversion agreement.

27 (c) The defendant has not been convicted of a felony offense described in
28 ORS 813.010 (5)(a).

29 (d) The defendant was not participating in a driving while under the in-
30 fluence of intoxicants diversion program or in any similar alcohol or drug
31 rehabilitation program in this state or in another jurisdiction on the date

1 the defendant filed the petition for a driving while under the influence of
2 intoxicants diversion agreement. A defendant is not ineligible for diversion
3 under this paragraph by reason of participation in a diversion program or
4 any similar alcohol or drug rehabilitation program as a result of the charge
5 for the present offense[,] **or** a charge for violation of ORS 471.430 [*or a*
6 *charge for violation of ORS 475.864 (3)*].

7 (e) The defendant did not participate in a diversion or rehabilitation
8 program described in paragraph (d) of this subsection within the period be-
9 ginning 15 years before the date of the commission of the present offense and
10 ending on the date the defendant filed the petition for a driving while under
11 the influence of intoxicants diversion agreement. A defendant is not ineligi-
12 ble for diversion under this paragraph by reason of participation in a diver-
13 sion program or rehabilitation program described in paragraph (d) of this
14 subsection as a result of the charge for the present offense[,] **or** a charge for
15 violation of ORS 471.430 [*or a charge for violation of ORS 475.864 (3)*].

16 (f) The defendant had no charge of an offense of aggravated vehicular
17 homicide or of murder, manslaughter, criminally negligent homicide or as-
18 sault that resulted from the operation of a motor vehicle pending in this
19 state or in another jurisdiction on the date the defendant filed the petition
20 for a driving while under the influence of intoxicants diversion agreement.

21 (g) The defendant has not been convicted of an offense described in par-
22 agraph (f) of this subsection within the period beginning 15 years before the
23 date of the commission of the present offense and ending on the date the
24 defendant filed the petition for a driving while under the influence of
25 intoxicants diversion agreement.

26 (h) The defendant did not hold commercial driving privileges on the date
27 of the commission of the offense.

28 (i) The defendant was not operating a commercial motor vehicle at the
29 time of the offense.

30 (j) The present driving while under the influence of intoxicants offense
31 did not involve an accident resulting in:

1 (A) Death of any person; or

2 (B) Physical injury as defined in ORS 161.015 to any person other than
3 the defendant.

4 (2) For the purposes of subsection (1)(a) of this section, a conviction for
5 a driving offense in another jurisdiction based solely on a person under 21
6 years of age having a blood alcohol content that is lower than the permis-
7 sible blood alcohol content in that jurisdiction for a person 21 years of age
8 or older does not constitute a prior conviction.

9 (3) A defendant is eligible for a second or subsequent diversion if the
10 defendant meets all of the conditions of subsection (1) of this section and the
11 defendant has not been convicted of any other criminal offense involving a
12 motor vehicle within the period beginning 15 years before the date of the
13 commission of the present offense and ending on the date the defendant filed
14 the petition for the second or subsequent driving while under the influence
15 of intoxicants diversion agreement.

16 **SECTION 43.** ORS 475B.015 is amended to read:

17 475B.015. As used in ORS 475B.010 to 475B.395:

18 (1) “Consumer” means a person who purchases, acquires, owns, holds or
19 uses marijuana items other than for the purpose of resale.

20 (2) “Cannabinoid” means any of the chemical compounds that are the ac-
21 tive constituents of marijuana.

22 (3) “Cannabinoid concentrate” means a substance obtained by separating
23 cannabinoids from marijuana by:

24 (a) A mechanical extraction process;

25 (b) A chemical extraction process using a nonhydrocarbon-based or other
26 solvent, such as water, vegetable glycerin, vegetable oils, animal fats,
27 isopropyl alcohol or ethanol;

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

31 (d) Any other process identified by the Oregon Liquor Control Commis-

1 sion, in consultation with the Oregon Health Authority, by rule.

2 (4) “Cannabinoid edible” means food or potable liquid into which a
3 cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or
4 flowers have been incorporated.

5 (5) “Cannabinoid extract” means a substance obtained by separating
6 cannabinoids from marijuana by:

7 (a) A chemical extraction process using a hydrocarbon-based solvent, such
8 as butane, hexane or propane;

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

11 (c) Any other process identified by the commission, in consultation with
12 the authority, by rule.

13 (6)(a) “Cannabinoid product” means a cannabinoid edible and any other
14 product intended for human consumption or use, including a product in-
15 tended to be applied to the skin or hair, that contains cannabinoids or dried
16 marijuana leaves or flowers.

17 (b) “Cannabinoid product” does not include:

18 (A) Usable marijuana by itself;

19 (B) A cannabinoid concentrate by itself;

20 (C) A cannabinoid extract by itself; or

21 (D) Industrial hemp, as defined in ORS 571.300.

22 (7)(a) “Financial consideration” means value that is given or received ei-
23 ther directly or indirectly through sales, barter, trade, fees, charges, dues,
24 contributions or donations.

25 (b) “Financial consideration” does not include[:] **marijuana,**
26 **cannabinoid products or cannabinoid concentrates that are delivered**
27 **within the scope of and in compliance with ORS 475B.245.**

28 [(A) *Homegrown marijuana that is given or received when nothing is given*
29 *or received in return; or]*

30 [(B) *Homemade cannabinoid products or cannabinoid concentrates that are*
31 *given or received when nothing is given or received in return.*]

1 (8) “Homegrown” [*or* “*homemade*”] means grown [*or made*] by a person 21
2 years of age or older for noncommercial purposes.

3 (9) “Household” means a housing unit and any place in or around a
4 housing unit at which the occupants of the housing unit are producing,
5 processing, **possessing** or storing homegrown marijuana, [*or homemade*]
6 cannabinoid products, [*or*] cannabinoid concentrates **or cannabinoid ex-**
7 **tracts.**

8 (10) “Housing unit” means a house, an apartment or a mobile home, or a
9 group of rooms or a single room that is occupied as separate living quarters,
10 in which the occupants live and eat separately from any other persons in the
11 building and that has direct access from the outside of the building or
12 through a common hall.

13 (11) “Immature marijuana plant” means a marijuana plant that is not
14 flowering.

15 (12) “Licensee” means a person who holds a license issued under ORS
16 475B.070, 475B.090, 475B.100 or 475B.110.

17 (13) “Licensee representative” means an owner, director, officer, manager,
18 employee, agent or other representative of a licensee, to the extent that the
19 person acts in a representative capacity.

20 (14)(a) “Marijuana” means the plant Cannabis family Cannabaceae, any
21 part of the plant Cannabis family Cannabaceae and the seeds of the plant
22 Cannabis family Cannabaceae.

23 (b) “Marijuana” does not include industrial hemp, as defined in ORS
24 571.300.

25 (15) “Marijuana flowers” means the flowers of the plant genus Cannabis
26 within the plant family Cannabaceae.

27 (16) “Marijuana items” means marijuana, cannabinoid products,
28 cannabinoid concentrates and cannabinoid extracts.

29 (17) “Marijuana leaves” means the leaves of the plant genus Cannabis
30 within the plant family Cannabaceae.

31 (18) “Marijuana processor” means a person who processes marijuana

1 items in this state.

2 (19) “Marijuana producer” means a person who produces marijuana in
3 this state.

4 (20) “Marijuana retailer” means a person who sells marijuana items to a
5 consumer in this state.

6 (21) “Marijuana wholesaler” means a person who purchases marijuana
7 items in this state for resale to a person other than a consumer.

8 (22) “Mature marijuana plant” means a marijuana plant that is not an
9 immature marijuana plant.

10 (23) “Noncommercial” means not dependent or conditioned upon the pro-
11 vision or receipt of financial consideration.

12 (24)(a) “Premises” or “licensed premises” includes the following areas of
13 a location licensed under ORS 475B.070, 475B.090, 475B.100 or 475B.110:

14 (A) All public and private enclosed areas at the location that are used in
15 the business operated at the location, including offices, kitchens, rest rooms
16 and storerooms;

17 (B) All areas outside a building that the commission has specifically li-
18 censed for the [*production,*] processing, wholesale sale or retail sale of
19 marijuana items; and

20 (C) For a location that the commission has specifically licensed for the
21 production of marijuana outside a building, [*the entire lot or parcel, as de-*
22 *defined in ORS 92.010, that the licensee owns, leases or has a right to occupy*]
23 **that portion of the location used to produce marijuana.**

24 (b) “Premises” or “licensed premises” does not include a primary resi-
25 dence.

26 (25)(a) “Processes” means the processing, compounding or conversion of
27 marijuana into cannabinoid products, cannabinoid concentrates or
28 cannabinoid extracts.

29 (b) “Processes” does not include packaging or labeling.

30 (26)(a) “Produces” means the manufacture, planting, cultivation, growing
31 or harvesting of marijuana.

1 (b) “Produces” does not include:

2 (A) The drying of marijuana by a marijuana processor, if the marijuana
3 processor is not otherwise producing marijuana; or

4 (B) The cultivation and growing of an immature marijuana plant by a
5 marijuana processor, marijuana wholesaler or marijuana retailer if the
6 marijuana processor, marijuana wholesaler or marijuana retailer purchased
7 or otherwise received the plant from a licensed marijuana producer.

8 (27) “Propagate” means to grow immature marijuana plants or to breed
9 or produce the seeds of the plant Cannabis family Cannabaceae.

10 (28) “Public place” means a place to which the general public has access
11 and includes, but is not limited to, hallways, lobbies and other parts of
12 apartment houses and hotels not constituting rooms or apartments designed
13 for actual residence, and highways, streets, schools, places of amusement,
14 parks, playgrounds and areas used in connection with public passenger
15 transportation.

16 (29)(a) “Usable marijuana” means the dried leaves and flowers of
17 marijuana.

18 (b) “Usable marijuana” does not include:

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

20 (B) Waste material that is a by-product of producing or processing
21 marijuana.

22 **SECTION 44.** ORS 475B.150 is amended to read:

23 475B.150. (1) The Oregon Liquor Control Commission shall develop and
24 maintain a system for tracking the transfer of marijuana items between [*li-*
25 *censed*] premises.

26 (2) The purposes of the system developed and maintained under this sec-
27 tion include, but are not limited to:

28 (a) Preventing the diversion of marijuana items to criminal enterprises,
29 gangs, cartels and other states;

30 (b) Preventing persons from substituting or tampering with marijuana
31 items;

1 (c) Ensuring an accurate accounting of the production, processing and
2 sale of marijuana items;

3 [(d) *Ensuring that taxes are collected for the purpose of being distributed*
4 *as described in section 44, chapter 1, Oregon Laws 2015;*]

5 [(e)] (d) Ensuring that laboratory testing results are accurately reported;
6 and

7 [(f)] (e) Ensuring compliance with the provisions of ORS 475B.010 to
8 475B.395, rules adopted under the provisions of ORS 475B.010 to 475B.395 and
9 any other law of this state that charges the commission with a duty, function
10 or power related to marijuana.

11 (3) The system developed and maintained under this section must be ca-
12 pable of tracking, at a minimum:

13 (a) The propagation of immature marijuana plants and the production of
14 marijuana by a marijuana producer;

15 (b) The processing of marijuana by a marijuana processor;

16 (c) The receiving, storing and delivering of marijuana items by a
17 marijuana wholesaler;

18 (d) The sale of marijuana items by a marijuana retailer to a consumer;

19 (e) The purchase and sale of marijuana items between licensees, as per-
20 mitted by ORS 475B.010 to 475B.395;

21 (f) The transfer of marijuana items between [*licensed*] premises; and

22 (g) Any other information that the commission determines is reasonably
23 necessary to accomplish the duties, functions and powers of the commission
24 under ORS 475B.010 to 475B.395.

25 **SECTION 45.** ORS 475B.160 is amended to read:

26 475B.160. (1) A marijuana producer, marijuana processor or marijuana
27 wholesaler may deliver marijuana items only to or on a [*licensed*] premises.

28 (2) A [*licensed*] premises may receive marijuana items only from:

29 (a) A marijuana producer, marijuana processor or marijuana wholesaler
30 for whom a premises has been licensed by the Oregon Liquor Control
31 Commission[.];

1 (b) A researcher of cannabis certified under ORS 475B.235 who
2 transfers limited amounts of marijuana, usable marijuana,
3 cannabinoid products, cannabinoid concentrates and cannabinoid ex-
4 tracts in accordance with procedures adopted under ORS 475B.235
5 (3)(d) and (e); or

6 (c) A marijuana grow site registered under ORS 475B.420, marijuana
7 processing site registered under ORS 475B.435, or a medical marijuana
8 dispensary registered under ORS 475B.450, acting in accordance with
9 procedures adopted by the commission under section 16 of this 2016
10 Act.

11 (3) The sale of marijuana items by a marijuana retailer that holds a li-
12 cense issued under ORS 475B.110 must be restricted to the premises described
13 in the license, but deliveries may be made by the marijuana retailer to con-
14 sumers pursuant to a bona fide order received at the [*licensed*] premises prior
15 to delivery.

16 **SECTION 46.** ORS 475B.340 is amended to read:

17 475B.340. (1) For purposes of this section, “reasonable regulations” in-
18 cludes:

19 (a) Reasonable conditions on the manner in which a marijuana producer
20 licensed under ORS 475B.070 may produce marijuana;

21 (b) Reasonable conditions on the manner in which a marijuana processor
22 licensed under ORS 475B.090 may process marijuana;

23 (c) Reasonable conditions on the manner in which a marijuana wholesaler
24 licensed under ORS 475B.100 may sell marijuana at wholesale;

25 [(d) Reasonable limitations on the hours during which a marijuana retailer
26 licensed under ORS 475B.110 may operate;]

27 [(e)] (d) Reasonable conditions on the manner in which a marijuana
28 retailer licensed under ORS 475B.110 may sell marijuana items;

29 (e) Reasonable limitations on the hours during which a premises for
30 which a license has been issued under ORS 475B.070, 475B.090, 475B.100
31 or 475B.110 may operate;

1 (f) Reasonable requirements related to the public's access to a premises
2 for which a license has been issued under ORS 475B.070, 475B.090, 475B.100
3 or 475B.110; and

4 (g) Reasonable limitations on where a premises for which a license may
5 be issued under ORS 475B.070, 475B.090, 475B.100 or 475B.110 may be located.

6 (2) Notwithstanding ORS 633.738, the governing body of a city or county
7 may adopt ordinances that impose reasonable regulations on the operation
8 of businesses located at premises for which a license has been issued under
9 ORS 475B.070, 475B.090, 475B.100 or 475B.110 if the premises are located in
10 the area subject to the jurisdiction of the city or county, except that the
11 governing body of a city or county may not adopt an ordinance that prohibits
12 a premises for which a license has been issued under ORS 475B.110 from
13 being located within a distance that is greater than 1,000 feet of another
14 premises for which a license has been issued under ORS 475B.110.

15 (3) Regulations adopted under this section must be consistent with city
16 and county comprehensive plans and zoning ordinances and applicable pro-
17 visions of public health and safety laws.

18 **SECTION 47.** ORS 475B.375 is amended to read:

19 475B.375. [*ORS 475B.025, 475B.033, 475B.035, 475B.040, 475B.045, 475B.055,*
20 *475B.060, 475B.065, 475B.068, 475B.070, 475B.090, 475B.100, 475B.110,*
21 *475B.130, 475B.160, 475B.165, 475B.170, 475B.180, 475B.185, 475B.190,*
22 *475B.195, 475B.200, 475B.205, 475B.210, 475B.250, 475B.255, 475B.260,*
23 *475B.265, 475B.270, 475B.275, 475B.280, 475B.298, 475B.300, 475B.305,*
24 *475B.310, 475B.315, 475B.320, 475B.325, 475B.330, 475B.335, 475B.340,*
25 *475B.350, 475B.353, 475B.355, 475B.358, 475B.365, 475B.378, 475B.380 and*
26 *475B.395.*] **Except for ORS 475B.373 and section 16 of this 2016 Act, ORS**
27 **475B.010 to 475B.395:**

28 (1) Do not apply to the extent a person acts within the scope of and in
29 compliance with the Oregon Medical Marijuana Act; and

30 (2) Do not amend or affect duties, functions and powers of the Oregon
31 Health Authority under the Oregon Medical Marijuana Act.

1 **SECTION 48.** Section 3, chapter 20, Oregon Laws 2015, as amended by
 2 section 10, chapter 840, Oregon Laws 2015, is amended to read:

3 **Sec. 3.** (1) Notwithstanding ORS 221.770, 471.805 and 471.810, for the
 4 biennium beginning July 1, 2013, and the biennium beginning July 1, 2015,
 5 the Oregon Liquor Control Commission may expend moneys in the Oregon
 6 Liquor Control Commission Account to pay any expenses incurred by the
 7 commission in implementing and carrying out sections 3 to 70, chapter 1,
 8 Oregon Laws 2015. Any expenditure made under this subsection is considered
 9 a loan and must be repaid from the Oregon Marijuana Account established
 10 by section 44, chapter 1, Oregon Laws 2015. Expenditures made under this
 11 subsection shall be made from moneys in the Oregon Liquor Control Com-
 12 mission Account before the distributions required by ORS 471.810 are made.

13 (2) Notwithstanding section 44, chapter 1, Oregon Laws 2015, not later
 14 than *[June]* **September** 30, 2017, the Department of Revenue shall transfer
 15 from the Oregon Marijuana Account to the commission for deposit in the
 16 Oregon Liquor Control Commission Account an amount equal to the total
 17 amount expended by the commission under subsection (1) of this section plus
 18 two percent of the total amount expended. The department shall make the
 19 transfer required by this subsection before making any other withholding,
 20 distribution or expenditure from the Oregon Marijuana Account for purposes
 21 described in section 44, chapter 1, Oregon Laws 2015.

22 **SECTION 49.** Section 44, chapter 1, Oregon Laws 2015, is added to
 23 **and made a part of ORS 475B.700 to 475B.760.**

24
 25 **(Operative January 1, 2017)**

26
 27 **SECTION 50.** ORS 475B.760 is amended to read:

28 475B.760. (1) All moneys received by the Department of Revenue under
 29 ORS 475B.700 to 475B.760 *[and section 21a, chapter 699, Oregon Laws 2015,]*
 30 shall be deposited in the State Treasury and credited to a suspense account
 31 established under ORS 293.445. The department may pay expenses for the

1 administration and enforcement of ORS 475B.700 to 475B.760 [*and section 21a,*
2 *chapter 699, Oregon Laws 2015,*] out of moneys received from the tax imposed
3 under ORS 475B.705. Amounts necessary to pay administrative and enforce-
4 ment expenses are continuously appropriated to the department from the
5 suspense account.

6 (2) After the payment of administrative and enforcement expenses and
7 refunds or credits arising from erroneous overpayments, the department shall
8 credit the balance of the moneys received by the department under this sec-
9 tion to the Oregon Marijuana Account established under section 44, chapter
10 1, Oregon Laws 2015.

11

12 **YOUTH MARIJUANA-USE PREVENTION PILOT PROJECT**

13

14 **SECTION 51. (1) The Oregon Health Authority shall establish, for**
15 **the purpose of establishing a statewide program during the 2017-2019**
16 **biennium, an evidence-based pilot project for the purpose of increasing**
17 **awareness among youth of the impact of using marijuana and**
18 **marijuana-derived products.**

19 (2) As part of the pilot project, the authority shall solicit, in ac-
20 cordance with the provisions of ORS chapter 279B, a request for pro-
21 posals to implement a multi-media public campaign targeting youth
22 and young adults between 14 and 20 years of age and parents and
23 teachers.

24 (3) At a minimum, the authority shall implement the pilot project
25 in one metropolitan area located in this state and in one rural area
26 of significant size located in this state.

27 (4) The authority shall monitor and collect data on the effectiveness
28 of the pilot project established under this section.

29 (5) The Oregon Liquor Control Commission shall assist, pursuant
30 to an agreement or otherwise, the authority in establishing the pilot
31 project under this section.

1 (6) On or before January 1, 2017, the authority shall report to the
2 interim legislative committees related to health, and any interim leg-
3 islative committee specifically related to marijuana use, on the im-
4 plementation of the pilot project established under this section and on
5 further steps required to implement a statewide program during the
6 2017-2019 biennium. The report shall be made in the manner provided
7 by ORS 192.245 and may include recommendations for legislation.

8 SECTION 52. In addition to and not in lieu of any other appropri-
9 ation, there is appropriated to the Oregon Health Authority, for the
10 biennium beginning July 1, 2015, out of the General Fund, the amount
11 of \$_____ which may be expended for the implementation of the pilot
12 project established under section 51 of this 2016 Act.

13
14 **CLINICAL GUIDELINES WORK GROUP**

15
16 SECTION 53. (1) The Oregon Health Authority shall convene a work
17 group to develop recommendations related to attending physicians who
18 diagnose individuals as having a debilitating medical condition, as de-
19 fined in ORS 475B.410, and who prescribe the medical use of marijuana
20 for the purpose of mitigating the symptoms or effects of a debilitating
21 medical condition.

22 (2) The work group convened under this section shall include at
23 least one attending physician who has diagnosed an individual as
24 having a debilitating medical condition and at least one individual for
25 whom the medical use of marijuana has been prescribed for the pur-
26 pose of mitigating the symptoms or effects of a debilitating medical
27 condition. The work group convened under this section shall include
28 additional members as the authority considers necessary to carry out
29 the duties of the work group.

30 (3) At a minimum, the work group convened under this section
31 shall develop guidelines for attending physicians to follow when pre-

1 scribing the medical use of marijuana for the purpose of mitigating
2 the symptoms or effects of a debilitating medical condition.

3 (4) On or before January 1, 2017, the authority shall report to the
4 interim legislative committees related to health, and any interim leg-
5 islative committee specifically related to the regulation of the medical
6 use of marijuana, on the recommendations developed by the work
7 group. The report shall be made in the manner provided by ORS 192.245
8 and may include recommendations for legislation.

9
10 **REPORTS**

11 (By the Oregon Liquor Control Commission)

12
13 **SECTION 54.** On or before January 1, 2017, the Oregon Liquor
14 Control Commission shall report to the interim legislative committees
15 related to business, and any interim legislative committee specifically
16 related to businesses that produce marijuana, on rules adopted by the
17 commission under ORS 475B.070 (3)(d) related to assisting the viability
18 of marijuana producers that are independently owned and operated
19 and are limited in size and revenue with respect to other marijuana
20 producers. The report shall be made in the manner provided by ORS
21 192.245.

22
23 (By the Oregon Health Authority)

24
25 **SECTION 55.** On or before January 1, 2017, the Oregon Health Au-
26 thority shall report to the interim legislative committees related to the
27 environment, and any interim legislative committee specifically re-
28 lated to businesses that sell marijuana or marijuana-derived products,
29 on rules adopted by the authority or steps otherwise taken by the au-
30 thority related to recalling marijuana or marijuana-derived products
31 that are contaminated and unfit for human consumption. The report

1 shall be made in the manner provided by ORS 192.245 and may include
2 recommendations for legislation.

3

4

SUNSET FOR SECTIONS 51, 53, 54 AND 55

5

6 **SECTION 56.** Sections 51, 53, 54 and 55 of this 2016 Act are repealed
7 on January 2, 2018.

8

9

REPEALS

10

11 **SECTION 57.** ORS 811.481 is repealed.

12 **SECTION 58.** Sections 173 and 175b, chapter 614, Oregon Laws 2015,
13 are repealed.

14

15

APPLICABILITY

16

17 **SECTION 59.** The amendments to ORS 475.856, 475.858, 475.860,
18 475.862, 475.864 and 475B.185 by sections 27 and 30 to 34 of this 2016 Act
19 apply to conduct occurring on or after the operative date specified in
20 section 60 of this 2016 Act.

21

22

OPERATIVE DATES

23

24 **SECTION 60.** (1) Sections 12 to 13e, 15 to 17, 19, 20, 23 to 23b, 28, 29,
25 34a to 38, 49, 51 and 53 to 55 of this 2016 Act, the amendments to stat-
26 utes and session law by sections 1 to 11a, 14, 18, 21, 22, 24 to 27, 30 to
27 34 and 39 to 48 of this 2016 Act and the repeal of statutes and session
28 law by sections 57 and 58 of this 2016 Act become operative on March
29 1, 2016.

30

31 (2) The Oregon Liquor Control Commission, Oregon Health Au-
thority and Department of Revenue may take any action before the

1 operative date specified in subsection (1) of this section that is neces-
2 sary to enable the commission, authority or department to exercise,
3 on and after the operative date specified in subsection (1) of this sec-
4 tion, all the duties, powers and functions conferred on the commis-
5 sion, authority or department by sections 13, 13b, 13c, 13e, 16, 20, 23,
6 23b, 29, 34a, 36, 38, 51 and 53 to 55 of this 2016 Act, the amendments to
7 statutes and session law by sections 1 to 11a, 14, 18, 21, 22, 24 to 27, 30
8 to 34 and 39 to 48 of this 2016 Act and the repeal of statutes and session
9 law by sections 57 and 58 of this 2016 Act.

10 SECTION 61. The amendments to ORS 475B.760 by section 50 of this
11 2016 Act become operative on January 1, 2017.

12
13 **UNIT CAPTIONS**

14
15 SECTION 62. The unit captions used in this 2016 Act are provided
16 only for the convenience of the reader and do not become part of the
17 statutory law of this state or express any legislative intent in the
18 enactment of this 2016 Act.

19
20 **EMERGENCY CLAUSE**

21
22 SECTION 63. This 2016 Act being necessary for the immediate
23 preservation of the public peace, health and safety, an emergency is
24 declared to exist, and this 2016 Act takes effect on its passage.

25 _____