

## 2019 SUMMARY OF LEGISLATION

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# ALCOHOL AND MARIJUANA

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# ALCOHOL AND MARIJUANA MEASURES

<b>Alcohol Policy and Regulation</b>	Enacted	SB 248, SB 590, SB 829, HB 2334, HB 3113, HB 3239, HJM 8
	Not Enacted	SB 108-A, SB 635, SB 827, SB 830-A, SB 831-A, HB 3386
<b>Marijuana Policy and Regulation</b>	Enacted	SB 218, SB 365, SB 582, SB 1012, HB 2098, HB 3200
	Not Enacted	SB 382, SB 585-A, SB 639, HB 2233, HB 2382, HB 2672, HB 2723, HB 2909, HB 3096, HB 3169, HB 3211, HB 3362, HB 3395
<b>Other</b>	Enacted	-none-
	Not Enacted	SB 1046-A
<b>Redemption of Beverage Containers</b>	Enacted	SB 590
	Not Enacted	-none-

Picture: Timothy Lake, Clackamas County – [Gary Halvorson, Oregon State Archives](#)

# TASK FORCES AND REPORTING REQUIREMENTS

The following bills created task forces and reporting requirements. Additional information is provided in the bill summaries.

<b>Bill Number</b>	<b>Description</b>	<b>Deadline</b>
SB 218	Directs Oregon Liquor Control Commission to report on the effects to the marijuana industry of marijuana production license application restrictions based on the supply of and demand for marijuana.	Annually by December 31
SB 829	Directs the Oregon Liquor Control Commission to report on recommendations made by the advisory committee on wine labeling requirements.	September 15, 2020

[Senate Bill 108-A](#)

Not Enacted

**Distillery Retail Outlet Compensation**

**At the request of:** Senate Interim Committee on Business and Transportation

**Committees:** Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) sells distilled spirits through 279 approved retail liquor store agents. Agents are compensated using a formula that includes both a fixed rate determined by the type of store and annual sales volume and a variable rate based on sales. Licensed distilleries can sell bottles of their own products at their tasting rooms if they have a distillery retail outlet agent agreement with the OLCC. Distillers selling their own products are compensated as a retail liquor agent.

**Bill Summary:** Senate Bill 108-A would have required OLCC to develop separate compensation schedules and expenditure limits for distillery retail outlet agents and retail liquor agents. The measure also would have allowed retail liquor agents to set retail prices that exceed OLCC wholesale prices and retain the difference.

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[Senate Bill 218](#)

Effective Date: June 17, 2019

**Marijuana Production License Refusal**

**At the request of:** Governor Kate Brown

**Committees:** Senate Business and General Government, Senate Rules, House Economic Development

**Background and Current Law:** According to the Oregon Liquor Control Commission (OLCC), supply in Oregon's recreational marijuana market is currently twice the level of demand. In response to excess production, a continuing increase in production license applications, and competing demands on staff, the OLCC announced in May 2018, that it would temporarily pause the processing of marijuana license applications. This policy runs counter to the current statutory requirement that OLCC issue a production license to any applicant that meets the license requirements.

**Bill Summary:** Senate Bill 218 gives OLCC the ability through January 2, 2022 to refuse to issue new marijuana production licenses based on the supply and demand for marijuana. The measure also clarifies that the agency must process applications received on or before June 15, 2018 which include a land use compatibility statement (LUCS) within 21 days of the effective date of the measure.

**Oregon Laws 2019:** Chapter 419

[Senate Bill 248](#)

Effective Date: July 1, 2019

**Alcohol Licensing Fees**

**At the request of:** Governor Kate Brown for Oregon Liquor Control Commission

**Committees:** Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** The Oregon Liquor Control Commission is responsible for regulating the sale and service of alcoholic beverages in Oregon by administering the Oregon Liquor Control Act. Businesses that sell, manufacture, import, or distribute alcohol in Oregon must obtain a license, and employees who serve alcohol must obtain a service permit. Current statute establishes fees that must be paid when seeking to obtain or renew a license, permit, or certificate administered by the agency.

**Bill Summary:** Senate Bill 248 doubles 15 existing license, permit, and certification fees, and establishes a \$10 per day fee for the temporary use of an annual license.

**Oregon Laws 2019:** Chapter 420

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[Senate Bill 365](#)

Effective Date: June 7, 2019

**System Development Charges for Marijuana**

**At the request of:** Senate Interim Committee on Judiciary

**Committees:** Senate Business and General Government, House Economic Development

**Background and Current Law:** Marijuana is classified as a crop permitted to be the primary product grown on land zoned exclusively for farm use. Local governments are authorized to adopt and assess system development charges (SDCs), which are fees designed to cover the expense of capital improvements. SDCs cannot be assessed on farm use in exclusive farm use zones. Under its authority to adopt reasonable conditions for the production of marijuana, Deschutes County has enacted SDCs to offset the increased use of roads by marijuana producers.

**Bill Summary:** Senate Bill 365 prohibits local government from imposing SDCs for increased use of roads that result from marijuana production in exclusive farm use zones.

**Oregon Laws 2019:** Chapter 292

[Senate Bill 382](#)

Not Enacted

**Marijuana Transfer Limits**

**At the request of:** Senate Interim Committee on Judiciary

**Committees:** Senate Business and General Government

**Background and Current Law:** Current statute allows a registered medical marijuana grow site to transfer up to 20 pounds of marijuana per year to a licensed recreational marijuana processor or wholesaler. The marijuana must be transferred to the medical grower from the patient; the transfer to the recreational market must be tracked under the Oregon Liquor Control Commission (OLCC) recreational marijuana tracking system; and the marijuana transferred must meet the testing standards for recreational marijuana. The OLCC can, if it determines that supply exceeds consumer demand, issue an order temporarily reducing the amount of marijuana that may be transferred from the medical marijuana market to the recreational marijuana market.

**Bill Summary:** Senate Bill 382 would have removed the 20-pound per year limit, allowing a registered medical marijuana grower to transfer an unlimited amount of marijuana to the recreational market.

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[Senate Bill 582](#)

**Effective Date: January 1, 2020**

**Marijuana Exportation Agreements**

**Chief Sponsors:** Sen. Prozanski; Rep. Helm

**Committees:** Senate Judiciary, House Rules

**Background and Current Law:** Importing or exporting marijuana to or from Oregon is prohibited. Depending on the severity and amount of marijuana transferred, a violation is a Class B violation, a Class A misdemeanor, or a Class C felony.

**Bill Summary:** Senate Bill 582 authorizes the Governor to make agreements with other states regarding the coordination and enforcement of licensed marijuana-related businesses. It allows for the transportation and delivery of marijuana across state lines by marijuana producers, wholesalers, and researchers as authorized by the relevant agreements. The agreements must include enforceable public health, safety, and labeling standards; systems to regulate and track marijuana items; and that items delivered to Oregon must be tested, packaged, and labeled in compliance with current law. The measure does not become operative until federal law is amended to allow for the interstate transfer of marijuana or the United States Department of Justice issues an opinion or memorandum stating that the Department will allow or tolerate the interstate transfer of marijuana. If such an event occurs, the Oregon Liquor Control Commission must notify the Judiciary Committees and Legislative Counsel.

**Oregon Laws 2019:** Chapter 464

[Senate Bill 585-A](#)

Not Enacted

**Responsible Cannabis Retailer Program**

**Chief Sponsors:** Sen. Prozanski

**At the request of:** Andy Shelley

**Committees:** Senate Business and General Government, Joint Ways and Means

**Background and Current Law:** According to the Oregon Liquor Control Commission (OLCC), there are currently over 500 licensed recreational marijuana retailers in the state. The OLCC administers a Responsible Vendor Program (RVP) for alcohol retailers which makes participants eligible for reduced sanctions if their employees sell alcohol to a minor or fail to properly check identification. The RVP requires retailers to provide ongoing training to employees, accept only certain forms of ID, adopt specified policies, post specified signs on the premises, and keep records verifying compliance with the program requirements. A 2007 independent research study found that sales to minors "were significantly less likely at RVP outlets (25%) than non-RVP outlets (39%)."

**Bill Summary:** Senate Bill 585-A would have required the OLCC to establish a Cannabis Responsible Retailer Program similar to the RVP.

[Senate Bill 590](#)

Effective Date: June 13, 2019

**Beverage Redemption, Breweries and Brew-Pubs, and Storage**

**Chief Sponsors:** Sen. Prozanski; Rep. Holvey

**Committees:** Senate Environment and Natural Resources, House Economic Development

**Background and Current Law:** Under the Oregon Bottle Bill, a beverage dealer occupying a space of less than 5,000 square feet in a single area may refuse to accept for bottle deposit redemption any containers of the kind, size, and brand that the dealer does not sell. Current law does not differentiate types of space for purposes of this calculation.

The Oregon Liquor Control Commission (OLCC) manages and distributes distilled spirit and licenses and regulates businesses that sell and serve alcohol. Under an OLCC license, a brewery and brewery-public house may produce malt beverages at a first location and may sell malt beverages, wine, and cider to individuals at up to three locations in Oregon. A brewery licensee may also obtain a winery license to produce wine or cider.

The OLCC licenses for airlines, allowing them to sell and serve distilled spirits, malt beverages, wine, and cider for consumption on the licensed premises. Under current law, the OLCC does not have the authority to approve the delivery to and storage of alcoholic beverages other than the licensed premises.

**Bill Summary:** Senate Bill 590 identifies when the space occupied by a dealer equals the retail space for purposes of bottle bill deposit redemption requirements. The measure also allows the OLCC to issue more than one brewery-public house license at a single premises address under certain conditions and allows brewery and brewery-public house licensees to produce malt beverages for a brewery-public house licensee under a custom order agreement, as defined by OLCC rules. Finally, the measure allows an airline to have designated storage facilities other than the licensed premises with written OLCC approval.

**Oregon Laws 2019:** Chapter 373



### [Senate Bill 635](#)

**Not Enacted**

#### **Local Government Alcohol Licensing Fees**

**Chief Sponsors:** Sen. Bentz

**At the request of:** City of Ontario

**Committees:** Senate Business and General Government

**Background and Current Law:** Current statute allows the Oregon Liquor Control Commission to require that every potential licensee obtain a written recommendation from a local government prior to receiving a license. In obtaining the required recommendation, an applicant must also pay the local government an application fee of up to \$25. A local government may, in lieu of the application fee, adopt a processing fee up to \$100 for an original application, \$75 for specified changes, and \$35 for a renewal or temporary application.

**Bill Summary:** Senate Bill 635 would have increased the limits on the local application fee to \$100 and the local processing fee up to \$150 for an original application, \$125 for specified changes, and \$85 for a renewal or temporary application.

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### [Senate Bill 639](#)

**Not Enacted**

#### **Marijuana Social Consumption**

**Chief Sponsors:** Sens. Frederick, Prozanski

**Committees:** Senate Business and General Government

**Background and Current Law:** Current statute prohibits the public consumption of marijuana.

**Bill Summary:** Senate Bill 639 would have permitted the consumption and sale of marijuana items at temporary events and cannabis lounges, subject to the regulation of the Oregon Liquor Control Commission. The measure would have also allowed licensed growers and processors to offer tours to adults and to partner with a retailer for on-site sales to tour patrons.

[Senate Bill 827](#)

Not Enacted

**Mobile Malt Beverage Distribution**

**Chief Sponsors:** Sen. Gelser

**Committees:** Senate Business and General Government

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) licenses the manufacture, distribution, and sale of malt beverages. The OLCC is prohibited from licensing a location without defined boundaries unless the location is a public passenger carrier like an airline, railroad, or tour boat. Licensed breweries and brewery-public houses are authorized to make, sell, and dispense malt beverages to the public. Breweries and brewery-public houses can obtain a special events license allowing them to sell and dispense beverages at a designated location for up to five days.

**Bill Summary:** Senate Bill 827 would have allowed licensed breweries and brewery-public houses to sell and dispense malt beverages from mobile sources within the boundaries of a licensed special event.

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[Senate Bill 829](#)

**Effective Date: September 29, 2019**

**American Viticultural Area Identification Requirements**

**Chief Sponsors:** Sen. Hass; Reps. Noble, Williamson

**Committees:** Senate Business and General Government, House Economic Development

**Background and Current Law:** An American Viticultural Area (AVA) is a designated grape growing region approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB) that is defined by soil types, elevation, topography, and microclimate. Oregon currently contains 19 AVAs; five more AVAs in the Willamette Valley are pending federal approval. Wine containers must have a certificate of label approval or an exemption certificate from the TTB before being sold in the United States.

**Bill Summary:** Senate Bill 829 requires that wine labels for the Willamette Valley AVA, and other AVAs specified by rules adopted by the Oregon Liquor Control Commission (OLCC) after consultation with a rule advisory committee, identify both the AVA and any larger AVA in which it is wholly or partially located. The measure applies to wine bottled on or after January 1, 2023.

**Oregon Laws 2019:** Chapter 425

[Senate Bill 830-A](#)

Not Enacted

**Willamette Valley Pinot Noir Content Requirements**

**Chief Sponsors:** Sen. Hass; Reps. Noble, Williamson

**Committees:** Senate Business and General Government, House Economic Development

**Background and Current Law:** An American Viticultural Area (AVA) is a designated grape growing region approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB) that is defined by soil types, elevation, topography, and microclimate. Oregon currently contains 19 AVAs; five more AVAs in the Willamette Valley are pending federal approval. Wine containers must have a certificate of label approval or an exemption certificate from the TTB before being sold in the United States. TTB standards require at least 75 percent of grapes used to make wine to be of the named variety.

**Bill Summary:** Senate Bill 830-A would have required wine for which the label identifies specified single varieties and AVAs to be made from 100 percent of the identified fruit sourced entirely from the identified AVA. The measure would have applied to the Willamette Valley AVA and pinot noir; the Oregon Liquor Control Commission would have been authorized to apply the provisions to other AVAs and varieties by rule after consultation with a rule advisory committee.

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[Senate Bill 831-A](#)

Not Enacted

**Willamette Valley Fruit in Willamette Valley Wine**

**Chief Sponsors:** Sen. Hass; Reps. Noble, Williamson

**Committees:** Senate Business and General Government, House Economic Development

**Background and Current Law:** An American Viticultural Area (AVA) is a designated grape growing region approved by the Alcohol and Tobacco Tax and Trade Bureau (TTB) that is defined by soil types, elevation, topography, and microclimate. Oregon currently contains 19 AVAs; five more AVAs in the Willamette Valley are pending federal approval. Wine containers must have a certificate of label approval or an exemption certificate from the TTB before being sold in the United States. Oregon regulations require wine labels that claim or imply "Oregon," an Oregon county, or an AVA wholly within Oregon contain only fruit cultivated within the state and 95 percent from the specified AVA.

**Bill Summary:** Senate Bill 831-A would have required wine labels that identify the Willamette Valley AVA, and other AVAs specified by the Oregon Liquor Control Commission in rule after consultation with a rule advisory committee, to contain only fruit cultivated in the identified AVA.

[Senate Bill 1012](#)

Effective Date: June 4, 2019

**Marijuana Land Use Compatibility Exemption**

**At the request of:** Senate Committee on Judiciary for Randy Bisenz

**Committees:** Senate Business and General Government, House Agriculture and Land Use

**Background and Current Law:** Current statute allows local government to adopt reasonable time, place, and manner regulations for the operation of licensed recreational marijuana businesses. Applicants for a recreational marijuana grow site license must receive an approved land use compatibility statement from the municipal government where the grow site will be located. Applicants are exempt from the land use compatibility requirement if the site does not exceed a prescribed size, is located outside of city limits, and was registered as a medical grow site before January 1, 2015.

**Bill Summary:** Senate Bill 1012 clarifies that a recreational grow site applicant is not required to demonstrate continuous registration as a grow site since before January 1, 2015, to qualify for the exemption from the land use compatibility requirement. The measure applies to applications received before, on, or after the effective date.

**Oregon Laws 2019:** Chapter 254

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[Senate Bill 1046-A](#)

**Not Enacted**

**Adults in Places of Public Accommodation**

**Chief Sponsors:** Sen. Prozanski

**Committees:** Senate Rules, House Rules

**Background and Current Law:** In 2015, amendments to public accommodation statutes related to marijuana facilities created uncertainty in the law surrounding age-based discrimination.

**Bill Summary:** Senate Bill 1046-A would have clarified the general rule that the public accommodation statutes apply to discrimination based on age, when an individual is 18 years of age or older.

[House Bill 2098](#)

Effective Date: June 17, 2019

**Medical and Recreational Marijuana Regulation**

**At the request of:** Governor Kate Brown for Oregon Liquor Control Commission

**Committees:** House Economic Development, Senate Business and General Government

**Background and Current Law:** Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. Cardholders may grow plants for themselves, designate a grower and grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments. In 2014 Oregon voters enacted Ballot Measure 91, allowing the recreational use of marijuana for persons 21 years or older in Oregon. The Oregon Liquor Control Commission (OLCC) administers and regulates the licensing for recreational marijuana producers, processors, wholesalers, and retailers. In 2015, the Legislative Assembly approved a 17 percent tax at the point of sale on recreational marijuana, which is collected by the Oregon Department of Revenue.

**Bill Summary:** House Bill 2098 makes several changes to Oregon’s marijuana laws. First, the measure makes technical changes, including adding laboratory licensees to certain statutes, correcting citations, and clarifying how producers may handle kief, the resin crystals that can separate from marijuana flowers during processing. Second, the measure makes changes to enforcement by increasing the maximum civil penalty for recreational marijuana violations from \$5,000 to \$10,000 per violation, allowing the (OLCC) to take specified regulatory action when it finds a licensee is engaged in diversion or allowing unlicensed individuals to engage in licensed work, and by allowing OLCC to revoke a marijuana retailer license for failure to pay the retail tax or file a Department of Revenue return twice in any four consecutive quarters under certain circumstances. Third, the measure changes registry identification cardholder access through the recreational system, including giving the OLCC authority to establish limited-duration pilot programs to expand access to medical marijuana. Fourth, the measure establishes an advisory committee to advise the OLCC, Oregon Health Authority, and Oregon Department of Agriculture on standards for testing the potency of marijuana and marijuana items. Fifth, the measure clarifies that a recreational grow site applicant is not required to demonstrate continuous registration as a grow site to qualify for the exemption from the land use compatibility requirement. Finally, the measure allows pharmacists to dispense prescription drugs approved by the U.S. Food and Drug Administration that contain one or more cannabinoids.

**Oregon Laws 2019:** Chapter 391

[House Bill 2233](#)

Not Enacted

**Marijuana Consumption at Temporary Events and Lounges**

**Chief Sponsors:** Reps. Helm, Nosse, Fahey

**Committees:** House Economic Development

**Background and Current Law:** In 2014 Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older. Current statute prohibits the public consumption of marijuana.

**Bill Summary:** House Bill 2233 would have allowed the consumption and sale of marijuana items at temporary events and cannabis lounges, subject to Oregon Liquor Control Commission regulation and local government authorization.

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[House Bill 2334](#)

Effective Date: January 1, 2020

**Alcoholic Beverage Service Permit Violations**

**Chief Sponsors:** Reps. Stark, Williamson; Sen. Prozanski

**Committees:** House Economic Development, Senate Business and General Government

**Background and Current Law:** A service permit is a permit issued by the Oregon Liquor Control Commission (OLCC) to employees who serve alcohol in restaurants, taverns, nightclubs, bars, lounges, private clubs, and similar businesses. Current statute does not prescribe a punishment for violation of the server permit requirement; this allows OLCC to impose a civil penalty up to \$500, or to treat any violation for which no punishment is prescribed as a Class A misdemeanor, which is punishable by a fine up to \$6,250 and 364 days imprisonment.

**Bill Summary:** House Bill 2334 makes violations of the OLCC service permit requirements by a licensee or permittee a Class B violation, which has a maximum fine of \$1,000.

**Oregon Laws 2019:** Chapter 44

[House Bill 2382](#)

Not Enacted

**County Tax on Marijuana Production**

**Chief Sponsors:** Rep. DB Smith; Sens. Roblan, Heard

**Committees:** House Economic Development

**Background and Current Law:** In 2014 Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older. Measure 91 included a tax on marijuana at the grower level, which was replaced in 2015 by the Legislative Assembly with a 17 percent tax at the point of sale. Twenty percent of the tax revenue is distributed to cities and counties by formula. A city or county may also tax the sale of recreational marijuana items sold in its jurisdiction at three percent.

**Bill Summary:** House Bill 2382 would have allowed certain counties to adopt an ordinance to impose a tax on recreational and medical marijuana production sites.

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[House Bill 2672](#)

Not Enacted

**Reimbursement of State Agency Marijuana Expenses**

**Chief Sponsors:** Rep. Witt; Sen. Hansell

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** Taxes on cannabis and cannabis products received by the Department of Revenue are used to pay Department cannabis-related administrative and enforcement expenses before crediting the balance to the Oregon Marijuana Account. Moneys in the Oregon Marijuana Account are distributed to cities and counties (20 percent); the State School Fund (40 percent); mental health treatment or alcohol and drug abuse prevention, early intervention, and treatment (20 percent); State Police Account (15 percent); and alcohol and drug abuse prevention, early intervention, and treatment services (5 percent).

**Bill Summary:** House Bill 2672 would have authorized the Department of Revenue to reimburse the State Department of Agriculture, the State Department of Energy, and Water Resources Department for any expenses incurred in the administration and enforcement of activities related to cannabis.

[House Bill 2723](#)

Not Enacted

**Medical Marijuana Ordering and Delivery**

**Chief Sponsors:** Rep. Nosse

**Committees:** House Economic Development

**Background and Current Law:** Oregon voters approved Ballot Measure 67 in 1998, allowing the medical use of marijuana in Oregon. Registry identification cardholders may grow plants for themselves, designate a grower and grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments. Current law allows licensed recreational marijuana producers, processors, and wholesalers to deliver marijuana items to a cardholder or designated primary caregiver. Licensed marijuana retailers may also deliver to customers pursuant to an order placed at the retailer prior to delivery, but retailers are restricted to delivering marijuana items to locations within the same jurisdiction.

**Bill Summary:** House Bill 2723 would have directed the Oregon Liquor Control Commission to create an Internet-based system, in consultation with the Oregon Health Authority, for registry identification cardholders to order marijuana for medical use and have it delivered, regardless of cardholder location.

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[House Bill 2909](#)

Not Enacted

**Marijuana Delivery**

**Chief Sponsors:** Rep. Helm; Sen. Prozanski

**Committees:** House Economic Development

**Background and Current Law:** Current statute allows licensed marijuana retailers to deliver to customers pursuant to an order placed at the retailer prior to delivery. The Oregon Liquor Control Commission has established rules for the delivery of marijuana items by a licensed retailer, including limiting delivery times and locations and specifying delivery requirements.

**Bill Summary:** House Bill 2909 would have allowed a licensed marijuana retailer to deliver marijuana items to consumers, pursuant to bona fide orders received by the retailer in person or online, within the same city or unincorporated area of the county in which the retailer is located, or in an adjacent city or unincorporated area of a county if allowed by the adjacent city or county. The measure would also have established the conditions and requirements for delivery of marijuana items to consumers in statute.



### [House Bill 3096](#)

Not Enacted

#### Local Marijuana Taxation

**Chief Sponsors:** Rep. Findley

**Committees:** House Economic Development

**Background and Current Law:** In 2014 Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older. Measure 91 included a tax on marijuana at the grower level, which was replaced in 2015 by the Legislative Assembly with a 17 percent tax at the point of sale. Twenty percent of the retail tax revenue is distributed to cities and counties by formula. A city or county may also tax the sale of recreational marijuana items sold in its jurisdiction at three percent. The City of Ontario is located on the border with Idaho close to more than 700,000 people who do not have access to legal marijuana.

**Bill Summary:** House Bill 3096 would have authorized an exemption for certain cities to the three percent limit on the tax of recreational marijuana items sold in that jurisdiction and would have allowed the City of Ontario to impose a tax or fee of up to 18 percent on marijuana items produced, processed, or sold on or after January 1, 2020. The measure would have also required the transfer of two percent of the proceeds to the county for public safety purposes.

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### [House Bill 3113](#)

Effective Date: January 1, 2020

#### Winery License Premises

**At the request of:** Bill Cross

**Committees:** House Economic Development, Senate Business and General Government

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) licenses the manufacture, distribution, and sale of wine, cider, and malt beverages. A winery license allows the licensee to import wine or cider; bottle, produce, blend, store, transport, or export wines or cider; sell wines or cider to the OLCC or its licensees at wholesale; and sell wines, cider, or malt beverages at retail for consumption on or off the licensed premises. Licensees are currently limited to these activities at two or three premises.

**Bill Summary:** House Bill 3113 allows a winery licensee to import, process, store, and export wine or cider and sell malt beverages, wine, and cider at five or fewer premises.

**Oregon Laws 2019:** Chapter 167

### [House Bill 3169](#)

Not Enacted

#### Cannabis Financial Institutions

**Chief Sponsors:** Rep. Marsh

**Committees:** House Economic Development

**Background and Current Law:** All national or state-chartered banks are subject to federal law and violations may result in the loss of a bank's charter. State-chartered financial institutions must also address federal compliance requirements and criminal concerns to maintain federal depository insurance. Federal guidance in 2014 clarified expectations for institutions seeking to provide services to marijuana-related businesses, yet the cannabis industry still lacks access to banking and financial services.

**Bill Summary:** House Bill 3169 would have allowed persons applying to organize as a banking institution or credit union to apply to the Department of Consumer and Business Services Director to organize as a limited charter cannabis financial institution in compliance with federal and state law and federal guidance related to the cannabis industry. The measure would have restricted a limited charter cannabis financial institution to transacting business only with another limited charter cannabis financial institution; would have allowed a limited charter cannabis financial institution to issue special purpose checks to pay certain fees, taxes, or costs related to a cannabis business; and would have set limits on who may cash, deposit, or accept payment by special purpose checks.

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### [House Bill 3200](#)

**Effective Date: September 29, 2019**

#### Property Owner Consent for Marijuana Production

**Chief Sponsors:** Rep. Noble

**Committees:** House Economic Development, Senate Business and General Government

**Background and Current Law:** Oregon voters approved Ballot Measure 67 in 1998, allowing the medical use of marijuana in Oregon and mandating an Oregon Health Authority (OHA) registration system. In 2014, Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older in Oregon. The measure directed the Oregon Liquor Control Commission (OLCC) to administer and regulate the recreational system; it annually licenses recreational producers, processors, wholesalers, and retailers.

**Bill Summary:** House Bill 3200 requires an applicant for a marijuana production license or marijuana grow site registration that does not own the premises where marijuana will be produced or grown to submit the signed informed consent of the owner to Oregon Liquor Control Commission or Oregon Health Authority.

**Oregon Laws 2019:** Chapter 145

[House Bill 3211](#)

Not Enacted

**Cannabis Business Certification Program**

**Chief Sponsors:** Rep. Helm; Sen. Prozanski

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** The Oregon Liquor Control Commission rules for marijuana producer licensees require proof of legal access to water, an estimate of electricity and water usage with the initial application, and actual electricity and water usage at license renewal. The Oregon Department of Agriculture administers many programs that affect agricultural producers and processors, including cannabis, and regulates the growing and processing of industrial hemp in Oregon.

**Bill Summary:** House Bill 3211 would have directed the Oregon Department of Agriculture to design and implement a cannabis business certification program to promote market-based approaches that create incentives for cannabis business operations to use energy and water efficiently.

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[House Bill 3239](#)

Effective Date: August 9, 2019

**Distillery Licenses**

**Chief Sponsors:** Reps. Helt, DB Smith

**Committees:** House Economic Development, Senate Business and General Government, Senate Rules

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) manages and distributes distilled spirits, licenses and regulates businesses that sell and serve alcohol, and issues permits for alcohol servers. A distillery licensee may make and import distilled spirits with an alcohol content greater than 10 percent by volume into Oregon; export distilled spirits out of Oregon; sell distilled spirits to the OLCC; and sell distilled spirits in bulk to another Oregon distillery licensee. A full on-premises sales license holder may sell and serve distilled spirits, malt beverages, wine, and cider for consumption on the licensed premises. Under current law, a distillery licensee may have one full on-premises sales license at the licensed premises of the distillery and one at another location.

**Bill Summary:** House Bill 3239 allows a distillery licensee to hold an unlimited number of full on-premises sales licenses, make and import distilled spirit beverages with an alcohol content of less than 10 percent by volume, and verify a person's age through proof of participation in the U.S. Customs and Border Protection Secure Electronic Network for Travelers Rapid Inspection and NEXUS programs.

**Oregon Laws 2019:** Chapter 658

[House Bill 3362](#)

Not Enacted

**Title Insurance and Legal Cannabis Activities**

**Chief Sponsors:** Rep. DB Smith

**Committees:** House Economic Development

**Background and Current Law:** In 2014, Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older and directing the Oregon Liquor Control Commission (OLCC) to administer and regulate the recreational system and start giving licenses to marijuana producers (growers), processors, wholesalers, and retailers in January 2016. At the federal level, marijuana remains classified as a Schedule I substance under the Controlled Substances Act, which still prohibits the growing, processing, and selling of marijuana. Financial and insurance companies are caught in the conflict between federal and state cannabis laws, and companies have refused to issue title insurance where a property has been used for legal cannabis activities under state law.

**Bill Summary:** House Bill 3362 would have prohibited a person who transacts title insurance in Oregon from refusing to issue a title insurance policy or refusing to close or insure a real property transaction solely because the real property subject to the transaction had been used for the purpose of growing, producing, manufacturing, or selling cannabis, or conducting other cannabis activities in compliance with state medical and recreational marijuana laws.

[House Bill 3386-A](#)

Not Enacted

## Regulation of Alcohol Delivery

**Chief Sponsors:** Rep. Doherty

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) sells distilled spirits through 279 approved retail liquor store agents; it also licenses and regulates businesses that sell and serve alcohol. Legislation enacted in 2008 first allowed OLCC off-premises sales license holders to deliver wine or cider to Oregon residents after obtaining a direct shipper permit; malt beverages were added in 2015. OLCC administrative rules allow the shipment of distilled spirits purchased in-person at a retail liquor store.

**Bill Summary:** House Bill 3386-A would have allowed distilled liquor to be ordered by Internet or telephone under certain conditions and to be delivered to a final consumer at a residential address by a liquor store agent, alcohol delivery service permit holder, or noncommercial provider. The measure also would have allowed malt beverages, wine, or cider to be delivered to a final consumer at a residential address by an eligible license type holder, alcohol delivery service permit holder, common carrier permit holder, direct shipper permit holder, or noncommercial provider. Finally, the measure would have created an alcohol delivery service carrier permit, set requirements for permit holders and permit fees, and established sanctions and penalties for violations by a holder of an alcohol delivery service permit or common carrier permit.

### [House Bill 3395](#)

Not Enacted

#### Grower Transfers of Medical Marijuana

**Chief Sponsors:** Reps. Wilson, Wallan

**Committees:** House Economic Development

**Background and Current Law:** Oregon voters approved Ballot Measure 67 in 1998, allowing the production, sale, and use of medical marijuana in Oregon. Registry identification cardholders may grow plants for themselves or designate a grower and grow site. A designated grower may grow marijuana for up to eight cardholders, but only must report into the Cannabis Tracking System if they grow for more than two cardholders. Medical growers have little access to the recreational marijuana market and excess inventory may be a source of diversion.

**Bill Summary:** House Bill 3395 would have allowed a person responsible for a medical marijuana grow site, who is designated to produce marijuana by more than three registry identification cardholders, to transfer usable marijuana to additional cardholders under a written agreement.

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### [House Joint Memorial 8](#)

Filed with Secretary of State

#### Urging Federal Action on Wine Regulations

**Chief Sponsors:** Reps. Gomberg, Holvey, DB Smith, Noble; Sens. Girod, Prozanski, Riley, Roblan, Winters

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** The Alcohol and Tobacco Tax and Trade Bureau (TTB), housed within the U.S. Department of the Treasury, is responsible for collecting federal excise taxes and assuring compliance with federal tobacco and alcohol permitting, labeling, and marketing requirements to protect consumers. The TTB enforces the provisions of the Federal Alcohol Administration Act, which ensures that labeling and advertising of alcoholic beverages provide adequate information to the consumer concerning the identity and quality of the product; requires that alcoholic beverage bottlers and importers must have a certificate of label approval or an exemption certificate before the product may be sold in the United States; and prevents misleading labeling or advertising that may result in potential consumer deception regarding the product. The TTB published Notice No. 176, entitled "Modernization of the Labeling and Advertising Regulations for Wine, Distilled Spirits, and Malt Beverages," on November 26, 2018, with comments due by March 26, 2019.

**Bill Summary:** House Joint Memorial 8 urges Congress and the federal Alcohol and Tobacco Tax and Trade Bureau to adopt and enforce stringent regulations related to accuracy in wine labeling, packaging, and advertising specific to geographic designations, appellations of origin, and varietal content, and urges states to enter into mutual agreements for the reciprocal enforcement of wine labeling, packaging, and advertising laws.