

Opposition to Marijuana Grow in Rural Residential Clackamas County

WHEREAS the federal government considers marijuana a Schedule I substance or drug, and

WHEREAS the evidence shows that:

Foreign countries which have legalized marijuana have seen increase in crime and exposure of children to the drug, and

There is scientific evidence that marijuana use is unhealthy for mental health and in addition impacts people by hindering critical skills like attention, memory, and learning and young are at additional risk due to the development of the brain, and

Marijuana is extremely addictive to some people which has substantial societal impact, and

WHEREAS the impact from Pot Grows will impact our community in a negative fashion by:

Reducing the property values of neighbors, and

Creating a safety issue though security of the Pot Grow from those who may seek to steal the drug, and

Enticement of our youth to use the drug with the extensive growing of it in our community; therefore be it

RESOLVED that the Boring-Damascus Grange request that the Clackamas County Commission create strict rules prohibiting Pot Grows in unincorporated rural residential areas of Clackamas County; and be it further

RESOLVED that the County Commissioners put an OPT OUT referendum on the November 3, 2016 ballot which will enable rural residential voters the opportunity to OPT OUT of grow sites and processing sites within the rural areas of Clackamas County; and be it further

RESOLVED any Pot Grows in unincorporated Clackamas County be at least a thousand yards from any school, church, or community organization building.

Adopted by Clackamas County Pomona Grange on July 25, 2015

Master:



Secretary:

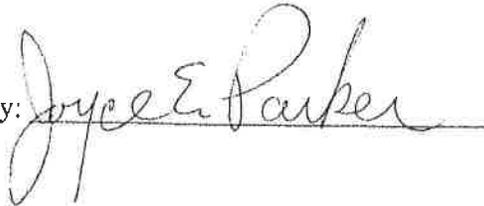


EXHIBIT 1
pg 1/2

Gilevich, Shari

From: Rogalin, Ellen
Sent: Tuesday, August 18, 2015 5:47 PM
To: Gilevich, Shari
Cc: Hughes, Jennifer
Subject: FW: Putting Marijuana Opt Out on November 2016 Ballot
Attachments: CCPG - Marijuana Opt-Out resolution.pdf

Our first input on something other than just opt-out!

Ellen Rogalin | Community Relations Specialist Clackamas County Dept. of
Transportation & Development
150 Beaver Creek Rd., Oregon City, OR 97045

503-742-4274 | ellenrog@clackamas.us

My office hours: 9am - 6pm, M-F

-----Original Message-----

From: BCCMail
Sent: Tuesday, August 18, 2015 2:49 PM
To: Rogalin, Ellen
Subject: FW: Putting Marijuana Opt Out on November 2016 Ballot

FYI - about the opt out, but also has recommendation for locations near schools....

Kimberlee

-----Original Message-----

From: John & Joyce [<mailto:jparker@colton.com>]
Sent: Monday, August 10, 2015 9:35 PM
Subject: Putting Marijuana Opt Out on November 2016 Ballot

Dear Commissioners,

The attached resolution was adopted by the Clackamas County Pomona Grange and requests that you put on the ballot an option of rural Clackamas County to Opt-out of having Pot Grows and processing sites in rural residential areas.

Thank you

Joyce E Parker
Secretary
Clackamas County Pomona Grange #1

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BEGIN-ANTISPAM-VOTING-LINKS

EXHIBIT 1
pg 2/2

Teach CanIt if this mail (ID 03P3gzclF) is spam:
Spam:

<https://mhub.clackamas.us/canit/b.php?i=03P3gzclF&m=e29ab06b08f4&t=20150810&c=s>

EXECUTIVE SUMMARY

Focused Topic: Medical marijuana and marijuana legalization, how they are impacting our communities.

Purpose Statement: To inform and educate on how to recognize the impacts of medical marijuana and marijuana legalization in our communities and provide factual information.

Introduction

- a. I consider the impacts of medical marijuana and marijuana legalization very important for many reasons. Most importantly its impact on public safety, quality of life, and our property values.
- b. I have lived in the Mt. Hood community in Oregon for the last forty three years. For twenty seven of those years I lived down the street from a suspected drug house that was illegally trafficking marijuana to the adult and youth population in our community. In 1995 my home was burglarized and in 1999 I found ten cats and two dogs starving to death on this property and took them all in. I contacted Clackamas County Sheriff's Office and asked for help. It was through this experience that I began realizing how marijuana was not only impacting my public safety, quality of life and property values, but many others throughout the United States.

Even though marijuana is still a schedule I federally illegal drug in the United States and is held in high regard by our federal government as being a highly abused drug with little evidence that it holds any medicinal values in smoked form, there is still a global attempt to legalize marijuana by a handful of billionaire's through state-wide ballot initiatives and if these efforts are allowed to continue, the impacts to our communities public safety, quality of life and property values will be devastating.

As a national advocate I work with citizens across the nation when dealing with the impacts of marijuana in their communities. This packet provides current cases studies in Oregon in which the current medical marijuana and marijuana legalization programs are having significant impacts to residents.



www.protectorsociety.org and unwantedpotgrows.com

LEFT SIDE OF PACKET

1. Introduction Letter-Shirley Morgan
2. Clackamas County Rural Precinct for M91
3. # of Medical Marijuana Grows in Clackamas County
4. # of Medical Marijuana Grows in Deschutes for comparison
5. Colorado Letter DA Mitch Morrissey-Denver
Colorado Letter Tom Gorman-Director HIDTA

RIGHT SIDE OF PACKET

- 6 Impactful Case Studies
1. Mt. Hood Equestrian Center RRF5-Boring documents
2. The Oregon Candy Farm RRF5-Sandy-documents
3. Alfalfa-Bend-Deschutes County-documents-EFU
4. Beavercreek-Clackamas-in process-EFU
5. Grants Pass-Josephine County-RR -5 Rural Residential
6. Tumalo-Deschutes County EFU

EXHIBIT 2
pg 1/47



THE IMPACTS OF MEDICAL MARIJUANA & MARIJUANA LEGALIZATION ON LAND USE

First I consider the impacts of medical marijuana and marijuana legalization very important for many reasons. Most importantly its impact on public safety, quality of life, and our property values, but for this discussion I will focus on the issues we feel most important related to land use issues.

Since HB3400 redefined marijuana as an agricultural crop it allows it to be grown in public view in all EFU areas and as well may be grown in all other rural residential areas also. This poses a number of public safety and quality of life risks to our rural residential communities.

NOTE: Marijuana should be treated differently because it brings a lot of additional risks to our community, because it is a federally illegal drug. Clackamas County Zoning should not allow commercial marijuana to be grown in any rural residential communities of any type for the below reasons. I also believe that there are zoning issues ahead for all EFU properties in Clackamas County.

PUBLIC SAFETY

1. Colorado does not allow any commercial marijuana grows to be grown in public view only in industrial areas.
 - In public view provides easy access by criminals and burglars seeking to steal from those open grows and because these businesses operate by cash and there are often large amounts of cash available on these properties making it an invitation for criminals.
 - Easy access by children who are stealing pot and then selling it to friends from growers.
2. There is limited law enforcement in our rural communities and therefore enforcement would be impossible and is impossible now with Oregon's medical marijuana program.
3. Not only does growing marijuana in your backyard, garage, apartment, basement or barn pose dangers for the users, but for those growing the marijuana and the neighborhood as well. Just before 10pm, on Friday, April 10th, 2015 in NE Portland,

EXHIBIT 2
pg 2/47

Oregon, a gunman from Texas who wanted to buy medical marijuana, entered the home of a large medical marijuana grower (who by the way had already had two prior robberies) and with single bullet shots to the head, shot Gary Pham, 33, Susie Chang, 41, and Andrew Pham, 35, all while a 13 week old baby slept in the next room.

Bernstein, Maxine. Suspected gunman in Portland double homicide was hounding victims for medical marijuana, lawyer says. 16, April 2015.

http://www.oregonlive.com/portland/index.ssf/2015/04/suspected_gunman_in_portland_d.html

4. Fire Safety issues are of great concern as there are numerous hash oil explosions and fires caused by high intensity grow lights, which puts our residential communities at risk as well as our industrial and commercial areas at risk.

Building licensed to grow medical marijuana destroyed by fire in Langley

<http://globalnews.ca/news/1167951/building-licensed-to-grow-medical-marijuana-destroyed-by-fire-in-langley/>

Hash oil explosions on the rise in Oregon

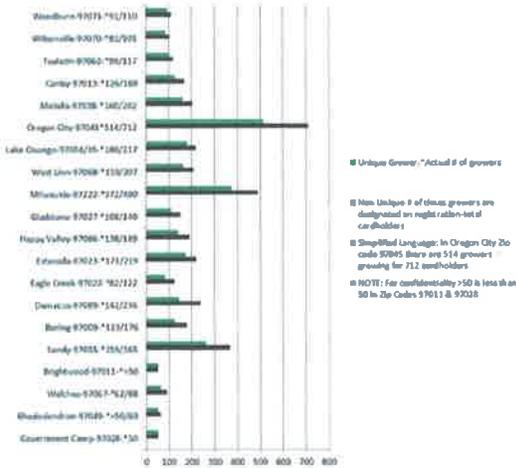
<http://www.kgw.com/story/news/investigations/2015/06/01/oregon-hash-oil-explosions/28312933/>

5. Currently there are over 47,530 medical marijuana growers in Oregon, of which there are 3,448 of those growers are in Clackamas County, these grows are in all of our residential communities in both city and rural areas. They are being grown in homes, in backyards, in pole barns, in houses, and in industrial and commercial areas, basically without any controls.

EXHIBIT 2
pg 3/47

CLACKAMAS COUNTY ZIP CODES

* Actual # of Marijuana Growers/Total cardholders



The bigger question is where can't you

grow marijuana in Oregon? It is everywhere! Thus the importance of keeping any additional commercial grows out of these zoning areas.

QUALITY OF LIFE

Issues that seem to surface the most around potential zoning no matter what zone they are in rural residential or EFU lands include:

1. Nuisances

- a. Single road accesses issues
- b. Road easement and maintenance issues
- c. Water usage
 - i. There are properties who are setting up potential recreational marijuana grow sites and there are no water rights or well permits that have been provided and they are trucking in the water to water their plants, the question is, where are they getting the water from?
- d. Invasive neighbor and camera security systems
- e. Smells and odors
- f. Clear cutting of trees to open up sun areas to plant large marijuana grows, very concerning for all zones including AG Forest and TBR zones
- g. Sounds-late night noise from large greenhouse fans
- h. Lighting invasion with high intensity led lighting that are being used in greenhouses 24 hours a day therefore affecting the night sky views of our rural areas where street lights and other lighting can be bothersome to many residents

EXHIBIT 2
 pg 4/47

- i. Electrical fences being installed posing threats to wildlife and other potential invaders
- j. 1000 gallon propane tanks being used for marijuana extraction processes, which poses dangers to surrounding neighbors should one blow up
- k. Site issues using large semi-truck storage containers to store farm products therefore making it unsightful for neighbors in the area
- l. No required neighbor notification, conditional use permits, or setback requirements
- m. HB3400 allows multiple licenses to be owned by one person therefor allowing production, processing, wholesaling and retailing. HB3400 does not stipulate in the language that one commercial marijuana grow site only can be located at a one site property, therefore commercial marijuana producers, processes, and wholesalers are targeting rural residential properties and EFU lands to set up multiple production and wholesaling sites at one location turning it into a manufacturing site rather than a rural residential and farming site. Zoning should incorporate language that only allows one process to be conducted at one site.

IRRELEVANT FACTS WHEN IT COMES TO ZDO ZONING ISSUES

Because I advocate on behalf of citizens that have been impacted by marijuana grows and distribution sites, I find that there are a lot of impactful non related ZDO issues that surface. Though they are irrelevant to the ZDO process, they are relevant in terms of understanding the impacts, so I list them here as a consideration.

1. We cannot ignore that marijuana cannot be treated like all other land use issues, because it is a federally illegal drug and brings a lot of public safety and quality of life risks to our communities.
2. Property Values
 - a. Would you buy a home next to a large commercial marijuana growing operation?
 - b. The only offers that have been provided to property owners that find themselves impacted are from the marijuana industry who wants to buy them out and expand.
 - c. Properties in all zones across the nation are being destroyed by those who are using homes and properties for the sole purpose of growing marijuana; we should not zone any additional commercial use in our rural residential areas.

EXHIBIT 2
pg 5/47

Side effects of legal marijuana

<http://themtnear.com/2015/05/side-effects-of-legal-marijuana/>

3. Bad Neighbors

- a. There is a consistent and arrogant attitude that we have seen in all of the locations that I am working with that is far from neighborly. Many marijuana dealers are not good neighbors, and they bring with them an attitude of its legal now there is nothing you can do about it and you are just going to have to live with it. I don't abide by the law and with that they bring in heavy traffic, unwanted visitors, suspicious vehicles, late night traffic, loud music and noise, install invasive neighbor security systems, and they prey on vulnerable areas in which they know there is little law enforcement so that they are free to abuse and ignore the law because they know there is not enough resources to enforce laws in many of our Oregon Counties leaving many innocent neighbors without any tools to deal with the nuisances of this industry.

4. A sense of security in your community is lost

- a. In some cases there is also vulnerable societies such as the disabled and single women and elderly who live in these areas that are frightened by this type of activity and they lose all sense of security because they know that there is nothing they can do if they had an in home invasion robbery or burglary of which happens in this industry on a consistent and regular basis. Just this year alone in Multnomah County there have 4 fatal shootings all related to medical marijuana grow sites that are nestled inside our communities. Colorado is also seeing large commercial industrial grow sites that are being robbed as well as many fatal shootings in medical marijuana dispensaries and recreational retail sites.

Bernstein, Maxine. Suspected gunman in Portland double homicide was hounding victims for medical marijuana, lawyer says. 16, April 2015.

http://www.oregonlive.com/portland/index.ssf/2015/04/suspected_gunman_in_portland_d.html

Works Cited

1. Oregon State Police. 2012 Out-of- State Diversion Statistics. E-mail to the author. 14, April, 2013.
2. Clackamas County Mental Health. Marijuana Addiction 18 and under 70.5% Data. E-mail to the author. 19, September, 2014.
3. Safe Streets Alliance. Colorado New Vision Hotel/Holiday Inn and O' Rielly's RICO lawsuit filed. 19, February, 2015. <http://blogs.findlaw.com/courtside/2015/02/anti-pot-group-files-rico-suit-over-colos-marijuana-law.html> <http://www.safestreetsalliance.org/assets/media/Reilly_Complaint.pdf>
4. Oregon Health Authority. Oregon Medical Marijuana Program Grower Data. Email to the author. 17, March, 2015.
5. Gartner, Monika. Testimony: Let me tell you what it's like to live in my house now - after an illegal pot grow center moved into the barn. Letter to the author. 23, April, 2015.

EXHIBIT 2
pg 6/47

Marijuana Grows in Full Public View in Oregon

www.unwantedpotgrows.com

2015



The above photo is a view of the back pasture of the former Mt. Hood Equestrian Center in Boring Oregon, 29450 SE Lariat Lane. This location is bordered by U.S. highway 26 on the front entrance, 7 rural residential homes on two other sides and flanked by a large church with a full-time school access road. The former center has been purchased by a Gresham businessman and is being leased to marijuana growers from Washington, Montana, California, and Colorado. With Oregon's new House Bill 3400 legislators redefined marijuana as an agricultural farm crop, meaning that it can be grown just like any other agricultural crop such as tomato without any regulations. The grow you see in the above photo is a 96 plant medical marijuana grow as Oregon's recreational commercial grows will not be licensed by the Oregon Liquor License Commission until January of 2016. This grow is in full public view, easily accessed by a well-travelled church access road which is utilized by families and neighbors who walk their children and pets in this area, and it is within walking distance of the church school grounds. This is not the place for a federally illegal drug to be grown as this will normalize, advertise, and condone marijuana use particularly for youth. Marijuana is a high price "crop" and though there may be cameras and security lights set up on this grow it will pose significant security problems and it is harder to control and regulate when grown in full view. This grow will also pose environmental impacts to the surrounding neighbors with pesticide use and water usage, this full view operation is also located within feet of a natural water pond.

CITIZENS

for  Public Safety  Quality of Life  Property Values SM
Building Collaborative Partnerships & Bridges
on Behalf of Safe Drug Policy
Focus-Marijuana
www.protectorsociety.org



EXHIBIT 2
pg 7/47

The Oregon Legislature created House Bill 3400 in July of 2015 and with it they redefined marijuana as an agricultural farm crop, which means that counties and cities have no authority to regulate marijuana in exclusive farm use areas such as are required on other uses such as conditional use permits, required setbacks, or odor and nuisance controls. Marijuana can also be grown in full public view as a farm crop, leading to potential thefts and other dangerous crimes.

CASE STUDY: Former Mt. Hood Equestrian Center-Sandy, Oregon. Below is just one of hundreds of cases throughout the Country and in Oregon in which large marijuana grows are being allowed to be grown in both city and rural residential areas.

Property owners, who have lived the last 33 years next to the former Mt. Hood Equestrian Center, reveal what it is like living next to marijuana grow site.



During the summer of 2014 the equestrian center was purchased and the new owner at a local community meeting indicated that he was allowing medical marijuana to be grown in the center by growers from Washington State. The equestrian center sits on an 8 acre parcel on Hwy 26 and is zoned RRF5-rural residential forest farm and is surrounded by rural residential homes where families live, and is also located just 600' away from a large Church and church owned buildings who have a full-time registered educational school where there are many children.



It has gone from this to this:





Bordering on the back side of the equestrian center growers have planted a 96 outdoor medical marijuana grow which is not fenced, has easy open access for robbers and burglars, easy access by kids, is within 600 feet from a large church with a full time school, and is in full public view of those traveling on the church access road located within 100 feet of this marijuana grow.



It is significant to point out that there is a one single lane road that provides public access entrance to this facility in which the new owner of the equestrian center has put up a gate blocking the residents on the East side of this area from entering or exiting without a special key to enter or exit, also blocking fire and policing vehicles.

EXHIBIT 2
PG 9/47



Applicant:
DALE BURNHOLTER
P.O. BOX 300
CORVALLIS, OR
Phone: 503-763-3917

Owner:
SHERI SGA. TUCKER
PO BOX 1217
JANSHAW OR 97110

Project Description:
CHANGE OF USE/MT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATION
CHANGE OF USE/MT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATION

In Oregon's original medical marijuana program, medical marijuana grows were not allowed to be in public view as it tends to normalize, advertise, and condone marijuana use, and because marijuana is subject to theft since it is a high price "crop" it is susceptible to theft by youth for both use and sale, and it is harder to control and regulate and it poses a lot of environment impacts with water usage, pesticide use and other unknown impacts in our rural residential communities.

In Oregon's new HB3400 law it has redefined marijuana as an agricultural farm crop and means that counties and cities have no authority in regulating a farm crop item and it appears in reviewing the bill that there are no requirements that medical marijuana grows and recreational marijuana grows must be out of public view. This means that there is no neighbor notification, required setbacks, or odor and nuisance controls. The only requirements in HB3400, is that you cannot smoke marijuana in public view or in a public place.

- *Definitions Section 1 (p28) "Public place" means a place to which the general public has access and includes, but is not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting rooms or apartments designed for actual residence, and highways, streets, schools, places of amusement, parks, playgrounds and [premises] areas used in connection with public passenger transportation.*

EXHIBIT 2
pg 10/47

- *Section 55: (p28) a person may not produce, process or store homegrown marijuana or homemade marijuana products or concentrates if the homegrown marijuana or homemade products concentrates can be readily seen by normal unaided vision from a public plane.*
- *Regarding Marijuana Seeds:*
- *Section 88.f. (p60) for purposes of ORS 475.300 to 475.346, seeds of the plant cannabis family cannabaceae are a propagate of nursery stock as defined in ORS 571.005. The production and processing of seeds under ORS 475.346 is not subject to the labeling or other requirements of ORS 576.715 to 576.744 or 633.511 to 633.750.*
- **NOTE:** *Many of our local garden and nursery centers are indicating that they are going to put up a sign on their buildings indicating that NO, we DO NOT have any marijuana seeds, as people are showing up asking for marijuana seeds for their pot grows.*

So in this case, the former Mt. Hood Equestrian center is located on various tax lots, and will be allowed under Oregon's Medical Marijuana program to grow 48 up to 96 plants on one tax lot outside and can also grow another 48-96 plants on another tax lot on the inside in another available building (a total of 192 plants). They have also applied to Clackamas County planning and zoning for a change of use permit to use the equestrian center large arena for a recreational marijuana production and processing site and there is nothing noted in HB3400 that states that there can only be one recreational producer and processor at one site as is noted for medical marijuana grow sites. So the 97,000 sq. ft. equestrian center arena itself could be leased out to various recreational marijuana producers and processors if permitted by the County, as this is a RRF-5 rural residential forest farm area zone, but if it were an exclusive farm use area, only the production (plant, cultivate, grow, trim, harvest) of marijuana is currently allowed in HB3400.

Applicant:
DALE BURKHOLDER
P O BOX 305
CORBETT, OR,
Home Phone:5038308614

Project Description:
CHANGE OF USE MT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATIONAL
CHANGE OF USE MT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATIONAL

Owner:
SIVERTSON TODD
PO BOX 2517
GRESHAM OR 97030



EXHIBIT 2
pg 11/47



Photos 8-1-15

(The above photo is a back view of the Mt. Hood Equestrian Center, where you can see one of the 96 outdoor marijuana plant grows. It is in **full public view**, easily accessed by a well-travelled church easement road, within walking distance of the church school grounds, and is surrounded by seven smaller lot rural residential homes.)

PROPERTY VALUE IMPACT TESTIMONY: As an illustration to the impacts that this creates in our rural residential properties, below is a testimony that was given by a property owner located right next door to this wannabe mega marijuana production and processing factory.

Distinguished guest speakers, government officials, citizens and friends of Boring and Clackamas Fire Department and our moderator.

I have lived in Oregon and the Tri-County area for 48 years – 33 of those years in the country on acreage. My 3 girls grew up with farm animals and their ponies and horses. When I purchased this house on Lariat Lane – it was because of the Equestrian Center, even so it was right off Hwy. 26. My grand-children spent every week-end with us and their 3 pet goats and lamb. Huge trucks and trailers coming from as far as Montana and Idaho - loaded with horses, would rumble past the house and we'd watch the horses being unloaded and loaded and trained. 4-H group kids and their parents would show up to rope steers delivered to the back of the barn. There are a couple other people who also bought homes bordering the Equestrian property - because of the closeness to the horse barn. This was a rather "whole-some" experience, including the manure piles.

Let me tell you what it's like to live in my house now - after an illegal pot grow center moved into the barn:

Now - when we sit in our living room, which overlooks the barn, for our morning coffee - we now overlook a security fence, a security gate and several sets of security cameras.



One of these motion detection cameras, including a bright light - is posted next to their gate - adjacent to our property line and drive way entrance and is pointed toward our easement road and the total east side of our house, the garage door, our drive-way and out-building and part of the garden area. If you come to visit us - you will be filmed and you will be on tape and your license plate can be checked to see who you are. Big

EXHIBIT 2
19 12/47

brother has arrived in Boring. When I walk out of my garage for any reason – to walk my dog or carry my garbage down to the end of my driveway, or to work in my garden - I am being filmed. I consider that an intrusion/invasion of my privacy.

Since I was born and raised in a country where everyone was spied on by the Nazi regime – this is extremely un-nerving to me. Anyone not aware - that a security gate was erected next to our drive-way, with 2 signs reading: "Video Surveillance" – "Trespassers will be prosecuted", can't turn around, unless they utilize part of either one of our driveways. This easement now has become a dead-end road, since there is no gate return. If this federally illegal grow center is allowed to operate – in this location – our quality of life will continue to unravel, our property values will go down the drain and our safety with only two police officers covering this area and stretching all the way up to Mt. Hood will endanger our lives and that of our visitors. This is just the beginning of what's to come, if grow centers are allowed directly adjacent to residential homes.



I am not here to vilify the young men who are growing the pot – we have met them, they could be your children and/or grand-children and are polite young men, who are enabled by others by giving them the lease and therefore the space. I understand that measure 91 marijuana legalization was passed in Oregon – therefore, please, please distinguished guests speakers– GET IT RIGHT – before it goes into effect. (8)

Although many innocent voters have been misled by out-of-state highly funded ballot initiatives that push the so-called medical marijuana scheme and the tax and regulate marijuana scheme, many citizens like myself who have observed the impacts first hand are standing up nationwide to bring a strong awareness to these deceptive attempts to try and ignore the impacts to public safety, quality of life, and property values. Drugged driving, diversion to other States, destruction to the environment, diversion to minors, public consumption, robberies, burglaries, fatal shootings, odors, increased traffic, fires, hash oil explosions are just a few of the impacts that marijuana leaves behind. The scheme of medical marijuana and marijuana legalization leads to the degradation of our neighborhoods and it is important that we take this information and begin to inform our communities.

References: (7) Oregon Health Authority. Oregon Medical Marijuana Program Grower Data. Email to the author. 17, March, 2015. (8)Gartner, Monika. Testimony: Let me tell you what it's like to live in my house now - after an illegal pot grow center moved into the barn. Letter to the author. 23, April, 2015

EXHIBIT 2
pg 13/47



MIKE MCCALLISTER
PLANNING AND ZONING DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 21, 2015

Jason O'Hara
27821 SE Sunray Drive
Boring OR 97009

RE: Property Location: Map No. 1-4E-31A Tax Lots 1300 and 1301
Building Permit No. B01013-15

Dear Mr. O'Hara,

The Planning and Zoning Division has approved the above building permit for a tenant improvement to an existing building on the property. Based on the Statement of Use form submitted with the building permit, the building is intended to be used for a medical marijuana grow operation. No manufacturing or retail use is proposed or authorized in the building.

The Planning and Zoning Division has approved the building permit because the proposed use is consistent with the Clackamas County Zoning and Development Ordinance. However, this approval does not ensure that the building and / or location of the building complies with Federal or State regulations or other County regulations adopted in the future regarding marijuana facilities. Furthermore, new laws may be adopted by the State legislature, the Oregon Health Authority and the Oregon Liquor Control Commissioner (OLCC) that may restrict the location and operating characteristics of all marijuana facilities, including grow sites. If so, this location may or may not comply with those regulations. It is the owner's responsibility to ensure compliance with any other applicable law.

Please call me if you have any questions.

Sincerely,

Mike McCallister, Planning Director
Planning and Zoning Division

cc: Todd Sivertson, PO Box 2517, Gresham OR 97030
Richard Carlson, Building Codes Division
Dean Brown, Code Enforcement
Lori Phillips, SDC Coordinator

EXHIBIT 2
pg 14/47



STATEMENT OF USE

TRANSPORTATION SYSTEM DEVELOPMENT CHARGE (TSDC) & PARKS SYSTEM DEVELOPMENT CHARGE (PSDC)

THIS INFORMATION WILL BE USED TO DETERMINE THE APPROPRIATE TRANSPORTATION SYSTEM DEVELOPMENT CHARGE CATEGORY AND PARK SYSTEM DEVELOPMENT CHARGE CLASSIFICATION. PROVIDE A WRITTEN DESCRIPTION OF YOUR DEVELOPMENT OR PROJECT BELOW. IT IS IMPORTANT THAT YOU DESCRIBE IN FULL DETAIL HOW YOU WILL USE THIS STRUCTURE. (CATEGORIES USED ARE SHOWN ON THE BACK OF THIS SHEET.)

DATE	5-5-15'	REF. PARCEL NO.	T	S, R	E/W, Section	Tax Lot	1300-1301 on map
BUILDING PERMIT #	B0101315	BUSINESS NAME	Medical Co-op-MM.J.				
OWNER/APPLICANT NAME	ANDREW WEITZ						
PHONE NUMBER	406 228 4381	FAX NUMBER	NA-				
E-MAIL ADDRESS	aweitz@comcast.net						

PROPOSED BUSINESS USE:

PLEASE EXPLAIN WHAT TYPE OF BUSINESS ACTIVITIES WILL TAKE PLACE IN THIS BUILDING. ESTIMATE THE NUMBER OF EMPLOYEES AND CUSTOMERS COMING TO THE BUSINESS EACH DAY. (INCLUDE UNITS FROM CATEGORY ON BACK, FOR EXAMPLE: SCHOOL = # STUDENTS; HOTEL/MOTEL = # ROOMS; HOSPITAL = # BEDS)

- There will be one part time employee.
- ZERO visitors and/or customers will be visiting site.
- Use, growing medical marijuana.

TOTAL SQUARE FOOTAGE *INCLUDE ALL LEVELS: ~~currently approx 5000 sq ft~~ 6440 sqft Total

CHECK ONE OF THE FOLLOWING:

<input type="checkbox"/> EXISTING STRUCTURE, EXISTING TENANT (TI)	<input type="checkbox"/> NEW STRUCTURE
<input checked="" type="checkbox"/> EXISTING STRUCTURE, NEW TENANT (TI)	<input type="checkbox"/> NEW STRUCTURE, SHELL ONLY
<input type="checkbox"/> ADDITION TO EXISTING STRUCTURE	

EXISTING STRUCTURES ONLY:

YEAR BUILT	early 70s	IS THE BUILDING 100% VACANT?	Yes
PREVIOUS TENANT'S NAME	"NONE"	DATE PREVIOUS TENANT VACATED	(Month/Year)
TYPE OF USE	- Never previously leased. Was used strictly for hay & straw storage.		

ACKNOWLEDGEMENT AND SIGNATURE

By submitting this application, I affirm that the information set forth in it is true and complete.

SIGNATURE: *[Signature]*

RETURN COMPLETED FORM TO:
Engineering: Lori Phillips, Administrative Analyst (loriphi@co.clackamas.or.us) 303-742-4331 (P) 503-742-4272 (F)
Building Codes Division - Permit Counter 303-742-4739 (P) 303-742-4741 (F)



[Home](#) [Building](#) [Engineering](#) [Planning](#) [Soils](#) [Code Enforcement](#)

[Search Applications](#) | [Schedule an Inspection](#)

Record B0250415:
Building - Commercial New

[View Permit Documents](#)

▼ **Work Location**

29450 SE LARIAT LN
BORING 97009

▼ **Record Details**

Applicant:

DALE BURKHOLDER
P O BOX 305
CORBETT, OR,
Home Phone: 5038308614

Project Description:

CHANGE OF USEMT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATIONAL
CHANGE OF USEMT HOOD EQUESTRIAN CENTER TO
MEDICAL MARIJUANA AND FUTURE RECREATIONAL

Owner:

SIVERTSON TODD
PO BOX 2517
GRESHAM OR 97030

▼ **More Details**

Additional Information

Job Value(\$):
\$20,000.00

Application Information

GENERAL

Construction Type: New Commercial
Submittal Accepted: 06/22/2015
Jurisdiction: Clackamas County
Replaced Existing Footage: 0
Parks SDC: No
PSDC Total: 0
PSDC Assessment: 0
PSDC Notes: OUTSIDE NCPRD BOUNDARY
Bldg Fee: Yes
Plan Check: Yes
In Metro: No
Metro Tax: No
School District: Gresham/Barlow
School District Tax: Yes
Solar Prescripts: No

TRANS SDC

Use Code 1: 140-Manufacturing
Quantity 1: 97
Quantity 2: 0
Quantity 3: 0

EXHIBIT 2
pg 16/47

Notes:

CHANGE OF USE OF ENTIRE BLDG FOR MEDICAL MARIJUANA GROW AND LATER RECREATION GROW AND EXTRACTION. BLDG IS 97,000 SQ FT

TSDC Area: General
TSDC Total: 146082
TSDC Adjustment: 0
TSDC Assessment: 146082

Parcel Information

Parcel Number:
14E31A 01301

▼ Fees

Paid:

Date	Invoice Number	Amount
06/19/2015	1099257	\$141.63

Total paid fees: \$141.83

▼ Inspections

Upcoming

Schedule or Request an Inspection

You have not added any inspections.
Click the link above to schedule or request one.

Completed

There are no completed inspections on this record.

▼ Processing Status

- ✓ Application Submittal
 - Due on 06/19/2015, assigned to TBD
 - Marked as Complete on 06/19/2015 by LGS
 - Revisions
 - Utilities Review
 - WES Review
 - Building Review
- ✓ Planning Review
 - Due on 06/19/2015, assigned to TBD
 - ☐ Marked as Waiting Information on 06/19/2015 by RAM
- ✓ Soils Review
- ✓ Engineering Review
 - Due on 06/19/2015, assigned to TBD
 - ☐ Marked as Waiting Information on 06/22/2015 by JL
- ✓ SDC Review
- ✓ Submittal Review
 - Due on 06/19/2015, assigned to TBD
 - Marked as Approved on 06/22/2015 by RMC
 - Issue Permit
 - Occupancy
- ✓ Building CO Review
 - Building
 - Electrical
 - Plumbing
 - Plans Examiner
- Planning CO Review
- Utilities CO Review
- Engineering CO Review
- Sustainability CO Review

EXHIBIT 2
pg 17/47

Public Health CO Review
Fire District CO Review
Closed

▼ Attachments

The maximum file size allowed is 16 MB.
html;htm;mht;mhtml are disallowed file types to upload.

<u>Name</u>	<u>Record ID</u>	<u>Record Type</u>	<u>Entity Type</u>	<u>Type</u>	<u>Size</u>	<u>Latest Update</u>	<u>Acti</u>
No records found.							

▼ Related Records

◀ Back to Directly Related Records

No records found.

EXHIBIT 2
pg 18/47

Sierra Pacific Mortgage Company, Inc., NMLS# 1798 | Originator: Elliot John West, NMLS# 117444

FHA DISCLOSURES AMENDATORY CLAUSE / REAL ESTATE CERTIFICATION

Buyer(s) MICHAEL P HAYDEN

Date of Agreement 04/28/2015

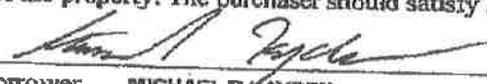
Seller(s) CHARLES A LAMARR

File No.: wc0206mh

Property Address : 2755 SE 166TH AVE, PORTLAND, OR 97236

FHA AMENDATORY CLAUSE

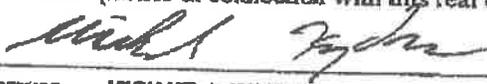
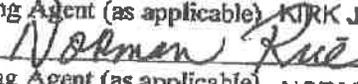
It is expressly agreed that notwithstanding any other provisions of this contract, the purchaser shall not be obligated to complete the purchase of the property described herein or to incur any penalty by forfeiture of earnest money deposits or otherwise unless the purchaser has been given in accordance with HUD/FHA or VA requirements a written statement by the Federal Housing Commissioner, Department of Veterans Affairs, or a Direct Endorsement lender setting forth the appraised value of the property of not less than \$ 216,000 . The purchaser shall have the privilege and option of proceeding with consummation of the contract without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development will insure. HUD does not warrant the value nor the condition of the property. The purchaser should satisfy himself/herself that the price and condition of the property are acceptable.

	<u>5-1-15</u>
Borrower MICHAEL P HAYDEN	Date
Borrower	Date
Seller CHARLES A LAMARR	Date
Seller	Date

Note: The dollar amount to be inserted in the amendatory clause is the sales price as stated in the contract. If the borrower and seller agree to adjust the sales price in response to an appraised value that is less than the sales price, a new amendatory clause is not required. However, the loan application package must include the original sales contract with the same price as shown on the amendatory clause, along with the revised or amended sales contract.

REAL ESTATE CERTIFICATION

We, the borrower, seller, and the selling real estate agent or broker involved in the sales transaction certify by our signatures below that the terms and conditions of the sales contract are true to the best of our knowledge and belief, and that any other agreement entered into by any of these parties in connection with this real estate transaction is part of, or attached to, the sales agreement.

	<u>5-1-15</u>
Borrower MICHAEL P HAYDEN	Date
Borrower	Date
	<u>5-21-15</u>
Seller CHARLES A LAMARR	Date
Seller	Date
Listing Agent (as applicable) KIRK JOBES	Date
	<u>5-21-15</u>
Selling Agent (as applicable) NORM RICE	Date

WARNING: Our signatures above indicate that we fully understand that it is a Federal Crime punishable by fine, imprisonment or both to knowingly make any false statements concerning any of the above facts as applicable under the provision of Title 18, United States Code, Section 1012 and 1014.

EXHIBIT 2
pg 19/47

Calyx Form - amccia.fm (05/02)

CASE STUDY: THE OREGON CANDY FARM 48620 E. Hwy 26, Sandy, Oregon

MARIJUANA GROWS DRIVE DOWN OUR PROPERTY VALUES-Guest Opinion

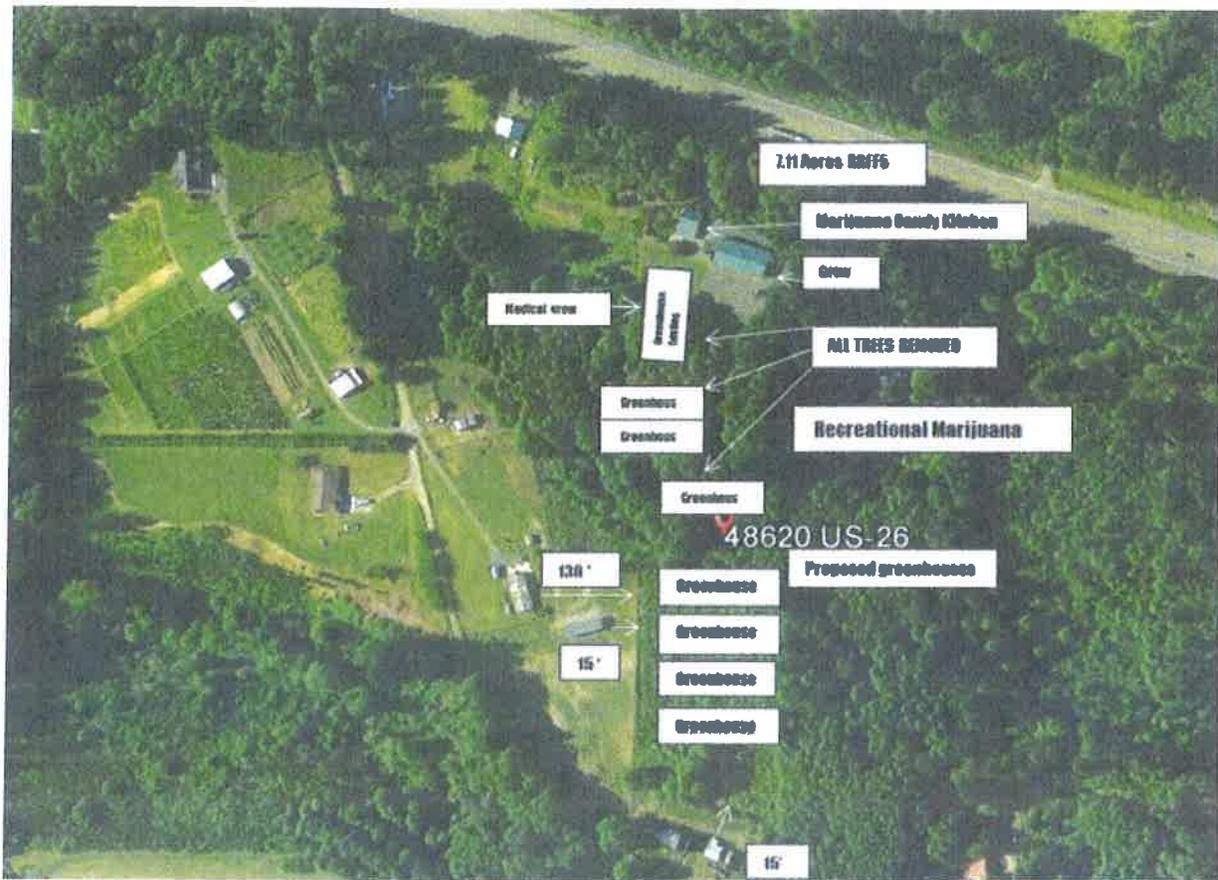
By: Laura Underwood, Jean Roberts, and Rocky Roberts

According to the Oregon Health Authority, there are over 46,570 medical marijuana grower's through-out the State of Oregon all of which are unregulated, unlicensed and untaxed. Over 3, 448 of those grows are located in Clackamas County. There are many risks living next to a pot grow that affects our public safety, quality of life, and property values, such as; fatal armed robberies, fatal shootings, butane hash oil explosions, they emit pungent foul odors, attract undesirable visitors, increase criminal activity, increase traffic and drive down property values.

In 2014 the once famous and historic Oregon Candy Farm located just outside Sandy, Oregon that made some of the best candy in the world was purchased in 2013 by owners from California according to public records. The resident currently living at this property is the owner of a federally illegal medical marijuana dispensary in a nearby city and is making candy and food infused with THC from marijuana. They have also installed a high fence, a gate, surveillance cameras, and cut down two truckloads of trees with the plan to install greenhouses on the entire property which closely borders neighbor's property lines.



EXHIBIT 2
PS 20/47



7.1 Acres surrounded by rural residential homes-Zoned rural residential farm forest



THC INFUSED

7.11 Acres surrounded by rural residential homes-Zoned rural residential farm forest

If you have never had the opportunity to live next to a marijuana candy THC infused processing site then I suppose it might be difficult to understand how offensive the skunk smell of marijuana is and how one now worries about their grandkids getting ahold of one of these candies that are now infused with high levels of THC that has caused a number of deaths in Colorado by those who have eaten them. "Daniel Juarez, an 18-year-old from Brighton, died September 26, 2012 after stabbing himself 20 times. In an autopsy report that had never been made public before, but was obtained by CBS4, his THC level – the active ingredient in marijuana – was measured at 38.2 nanograms nearly eight times the legal limit." (1)

These federally illegal unwanted marijuana grows should not be allowed in our city and rural residential farming communities!

Laura Underwood, Jean Roberts, and Rocky Roberts are volunteer citizens working to educate, raise awareness, and reduce the impacts of marijuana in our communities.

1. [CBS4. Marijuana Intoxication Blamed In More Deaths, Injuries.](http://denver.cbslocal.com/2015/05/18/marijuana-intoxication-blamed-in-more-deaths-injuries/) 18, May, 2015

Candy Farm Property Owners:

**Nicholas Louis Pavich Jr and Evette Marie Pavich Thousand Oaks, California
3514 Indian Ridge Circle, Thousand Oaks, CA 91362-4948**

**Alexander N. Pavich-Collective Awakenings Marijuana Dispensary operating at
the property: 2823 Ne Sandy Blvd, Portland, OR 97232 · (503) 206-7090**

<http://www.collectiveawakenings.com/>

CLACKAMAS COUNTY, OR				
Tax ID:	00697277	Latest Listing ID:	8108197	
Prop Addr:	48620 SE HIGHWAY 26	County:	Clackamas	
City/State/Zip:	SANDY OR 97055-8494	Carrier Rt:	R004	
OWNER INFORMATION				
Owner Name:	N & A INVESTMENTS LLC		Phone:	
Owner Addr:	3514 INDIAN RIDGE CIR		Carrier Rt:	C030
City/State/Zip:	THOUSAND OAKS CA 91362-4948			
LAND INFORMATION				
Lot SqFt:	309712	Acres:	7.11	
BUILDING INFORMATION				
Year Built:	1970	Bedrooms:	4	
Stories:	1	Bathrooms:	2	
# of Bldgs:	1	Living SF:	3764	
Bldg Code:	SINGLE FAMILY	Bldg SF Ind:	LIVING	
Fireplace:		Basmt SF:	1595	
Heat Method:	FORCED AIR OIL	Mobile Home:		
		Garage:		
		Parking SF:		
		Foundation:	CONCRETE	
		Floor Cover:		
		Roof Cover:	WOOD SHAKE/SHINGLE	
		Exterior Finish:	TONGUE & GROVE/CHANNEL	
SALES INFORMATION				
	Deed Type	Sale Date	Sale Price	Document No
Current:	DEED OF TRUST	8/29/2013	\$480,000	000002052780
Prior:				
Title Co:	WFG TITLE	Vest Type:		
Lender:	PATRICIA ARUTER	Loan Amt:	\$304,000	
Loan Type:	PRIVATE PARTY LENDER			
TAX INFORMATION				
Tax Period:	14-15	Market Land:	\$133,843	
Tax Year:	2014	Market Impv:	\$379,930	
Tax Amt:	\$5,433.09	Market Total:	\$513,773	
		Assessed Total:	\$389,040	
LEGAL INFORMATION				
Map Page:	692	Map Code:	2S-SE-26-SW	
Map Column:	A	Township:	02S	
Map Row:	7	Range:	05E	
		Section:	26	
Nbrhd Code:	16054	Qtr Section:	SW	
School Dist:	SCH SANDY U-2/SANDY ELEM	16th Section:		
Prop Class:	SINGLE FAMILY RESIDENCE / TOWNHOUSE			
Land Use:	SFR			
Subdivision:				
Legal Desc:	SECTION 26 TOWNSHIP 2S RANGE 5E QUARTER C TAX LOT 00801			

EXHIBIT 2
Pg 23/47

CASE STUDY: Below are two other cases located in central Oregon in a small rural farming town of Alfalfa in which many of these exclusive rural farm areas in Oregon are being targeted by out-of-state marijuana investors.



In this case, 40 acres has been purchased by a Florida investor for \$100,000 on Jan. 9, 2015 who registered as an Oregon LLC on Jan. 2, 2015, according to public records. On a portion of this land the new owner has constructed an estimated 300' x 700' compound surrounded by an 8-10' high non see through cyclone fence, topped in its entirety with three tiers of barbed wire. Clearly visible is also the construction of a large metal framed greenhouse structure. There is also being installed a security gate at the entrance to this property. This property is already set up and growing medical marijuana with the hopes of wanting to grow recreational and they want to turn the valley of Alfalfa into the Napa valley of pot like California. This property is already growing medical marijuana with the hopes of applying for a recreational marijuana license.



Property prior to purchase



Gated



The compound is so large that it was difficult to get a full photo of its size being est. 300' x 700'



After recording return to:
First American Title
395 SW Bluff Drive, Suite 100
Bend, OR 97702



After recording return to:
Elite Soil, LLC
6601 N, 14th St., Suite 3
Plantation, FL 33313

Until a change is requested all tax
statements shall be sent to the
following address:
Elite Soil, LLC
6601 N, 14th St., Suite 3
Plantation, FL 33313

File No.: 7061-2364452 (CS)
Date: December 19, 2014

6315

THIS SPACE RESERVED FOR RECORDER'S USE

Deschutes County Official Records **2015-001647**
D-D
Ser=3 JS **01/16/2016 01:37:42 PM**
\$15.00 \$11.00 \$10.00 \$8.00 \$21.00 **\$63.00**

I, Nancy Blankenship, County Clerk for Deschutes County, Oregon,
certify that the instrument identified herein was recorded in the Clerk
records
Nancy Blankenship - County Clerk

STATUTORY WARRANTY DEED

Nadine Waltman Harmon, Lucinda Beth Ann Harmon Remington, and Gwen Leigh Remington, not as tenants in common, but with rights of survivorship, Grantor, conveys and warrants to Elite Soil, LLC, an Oregon limited liability company, Grantee, the following described real property free of liens and encumbrances, except as specifically set forth herein:

LEGAL DESCRIPTION: Real property in the County of Deschutes, State of Oregon, described as follows:

THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (N1/2 SW1/4 SW1/4) OF SECTION TWENTY-THREE (23), TOWNSHIP SEVENTEEN (17) SOUTH, RANGE FOURTEEN (14), EAST OF THE WILLAMETTE MERIDIAN, IN DESCHUTES COUNTY, OREGON.

NOTE: This legal description was created prior to January 1, 2008.

Subject to:

1. Covenants, conditions, restrictions and/or easements, if any, affecting title, which may appear in the public record, including those shown on any recorded plat or survey.

The true consideration for this conveyance is **\$100,000.00**. (Here comply with requirements of ORS 93.030)

EXHIBIT 2
pg 26/47

1073757-92

1/27/68 \$ 100

ARTICLES OF ORGANIZATION
OF
ELITE SOIL LLC

FILED

JAN 03 2015

OREGON
SECRETARY OF STATE

ARTICLE 1
Name

The name of the limited liability company is Elite Soil LLC (the "Company").

ARTICLE 2
Management

The Company is a manager-managed limited liability company.

ARTICLE 3
Registered Office and Registered Agent

The address of the Company's initial registered office and the name of the Company's initial registered agent at that office is:

Emerge Law Group P.C.
111 SW Fifth Avenue, Suite 2080
Portland, OR 97204
Attn: Dave Kopilak

ARTICLE 4
Mailing Address for Notices

The mailing address to which notices may be mailed is:

111 SW Fifth Avenue, Suite 2080
Portland, OR 97204

ARTICLE 5
Organizer

The name and address of the organizer is:

Dave Kopilak
111 SW Fifth Avenue, Suite 2080
Portland, OR 97204

ELITE SOIL LLC



ARTICLES OF ORGANIZATION

1073757-92

ARTICLE 6
Existence

The existence of the Company is perpetual.

Dated January 2, 2015

Organizer:

D.K.
Dave Kopilak

Person to contact about this filing: Dave Kopilak
Daytime phone number: 503-227-4525

EXHIBIT 2
pg 27/47

CASE STUDY: Below is the second case in Alfalfa which is located directly across the road from the large compound facility.

In this case, 43.3 acres has been purchased by an Alabama LLC for \$260,000 on a note from the prior owner on May 4, 2015, according to public records. On a portion of this land the new owner is constructing two metal structured greenhouses in which they indicate they will be growing hemp and as most of us know in Oregon a hemp crop next to a large marijuana grow will not be allowed because hemp actually pollinates high level THC plants to a lower THC level. Oregon legislators are working now to create a bill that indicates that you cannot grow hemp within a certain distance of a marijuana grow, but until that bill becomes legal in Oregon I guess anything goes.



Hemp in Oregon: Legislators hitting pause button on industry while conflicts with pot growers resolved

http://www.oregonlive.com/mapes/index.ssf/2015/06/hemp_in_oregon_legislators_hit.html

Lawmakers said the pause would give the time for a committee to provide recommendations to the Department of Agriculture on how to prevent pollen from hemp farms from interfering with high-value marijuana crops, particularly in southern Oregon.



Sold on note from F.C. Brennan, 173 E. Fakkema, Oak Harbor, WA 98277 convey's and warrants to JAAW LLC.

Business Entity Names returned for:
 Name: JAAW LLC
 Using: Exact Words in Any Word Order
 For Active and Inactive businesses.

[New Search](#) [Printer Friendly](#) 06-24-2015 11:47

Record No	Entity Type	Entity Status	Registry Number	State	Name	Owner
1	DLLC	ACT	1094593-96	CUR	JAAW, LLC	

http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.do_name_srch?p_name=JAAW%20LLC%20&p_regist_nbr=&p_srch=PHASE1&p_print=FALSE&p_entity_status=ACTINA

Ted Wynn Giles, Jr.

2020 Cahaba Road

Birmingham, Alabama 35223

JAAW LLC

[New Search](#) [Printer Friendly](#) Business Entity Data 06-24-2015 11:48

Registry Nbr	Entity Type	Entity Status	Jurisdiction	Registry Date	Next Renewal Date	Renewal Due?
1094593-96	DLLC	ACT	OREGON	03-11-2015	03-11-2016	
Entity Name		JAAW, LLC				
Foreign Name						

[New Search](#) [Printer Friendly](#) Associated Names

Please click [here](#) for general information about registered agents and service of process.

Type	AGT REGISTERED AGENT	Start Date	03-11-2015	Resign Date	
Of Record	462580-83 NATIONAL REGISTERED AGENTS, INC.				
Addr 1	388 STATE ST STE 420				
Addr 2					
CSZ	SALEM	OR	97301	Country	UNITED STATES OF AMERICA
Type	MAL MAILING ADDRESS				
Addr 1	2020 CAHABA RD				
Addr 2					
CSZ	BIRMINGHAM	AL	35223	Country	UNITED STATES OF AMERICA

EXHIBIT 2
 pg 29/47

CASE STUDY: In Clackamas County Beaver Creek area 100 acres has been purchased and the owner plans to lease out the entire property to marijuana growers. (details in process)



CASE STUDY: Below is are two cases in Grants Pass, Oregon in which land located in an urban unincorporated rural residential area is being used for the sole purpose of growing marijuana as well as the only building on this land is a moveable guard trailer. These properties are located among families and elderly and are overtaking this community making the smell of marijuana overwhelming for surrounding neighbors



trees cut and grow site prepared for an estimated 100 plants

1st marijuana grow June of 2015,



2nd marijuana grow July 2014 est. 38 plants at the top of the

hill Below is a letter of complaint from a local citizen in the Grants Pass who is very concerned and alarmed about marijuana grows and the impacts that grows will continue to have on their public safety, quality of life, and property values.

Letter to the editor, the Daily Courier, Grants Pass, Oregon

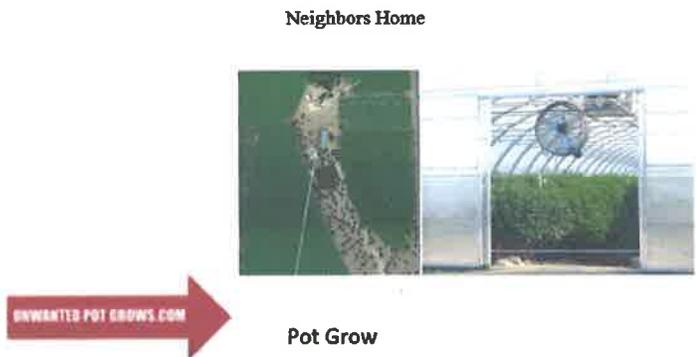
On May 15, 2015, Josephine County Commissioners declared a drought emergency. Local water experts say this could be the driest year in Josephine County in the last three decades and the lowest snow pack in the county's history, yet permits for marijuana grows are being handed out without discretion. You might think this grow frenzy won't affect you but consider this: a single marijuana plant requires 6 gallons of water a day for an average 150 day growing season. That amounts to 900 gallons of water per plant, multiply that by 45 plants in a legal grow and your neighbor has just sucked up 40,500 gallons of water. Have the county supervisors considered this? If not, then they're not paying attention. Will these growers that have bought vacant lots in residential areas be held accountable when their neighbor's wells run dry? More than likely they'll just cut and run leaving neighborhoods devastated. We need laws restricting grows in residential areas of the county where home owners will be threatened by the loss of their water supply not to mention contamination due to the uncontrolled use of fertilizers and pesticides. Melissa Bear, Grants Pass

EXHIBIT 2
pg 31/47

CASE STUDY 66065 Becker Rd-Tumalo-Bend-Oregon TUMALO-DESCHUTES COUNTY 20 ACRES OUT OF STATE INVESTORS FROM OHIO

As you can see in the photo the greenhouse which is full of pot plants is less than 100' away from the neighbor's home and the neighbors are furious that there are no regulations that provide neighbor notification, required setbacks, required conditional use permits, or odor and nuisance controls. You can see that the big fan blows through this greenhouse and neighbors say that the smell is so bad that it is difficult being in the area. The owners of the pot grow have little concern for the impacts to neighbors.

Oregon's House Bill 3400 has redefined marijuana as an agricultural farm crop even though it is a federally illegal drug, which means that it is just like a tomato or a potato and can be planted in exclusive use farm areas without regulations.



Account Information

Display Name: SCHULTZEN FAMILY TRUST ETL
 Map and Parcel: 18 (01000-01)
 Address: 17723
 State Address: 1803 BECKER RD, BEND, OR 97701
 Tax Status: Residential

Warning
 This document does not contain all the details, fees, and charges. Please refer to the deed for more information.

Ownership
 Title: Complete Ownership (F/T)
 Held by:
 SCHULTZEN FAMILY TRUST ETL
 803 BAY PULL DR
 ANDERSON, OH 46010

Sales History
 View more recently recorded transactions - Click on this link to Query

From To	Buyer	Seller	Buy Amount	Sell Price	Percent Difference
06/28/2015	SCHULTZEN FAMILY TRUST ETL	SCHULTZEN FAMILY TRUST ETL	\$5,200,000	\$5,200,000	0%

PUBLIC TESTIMONY MADE AT DESCHUTES COUNTY PUBLIC HEARING 8-12-15: My name is Jim Petsche, and my property is immediately adjacent to a Medical Marijuana Grow Facility. Several of the Commissioners and some of the planning staff have visited my property and are familiar with it and the issues related to it. I didn't choose to be next to this facility, construction on the greenhouse started well after I was under construction on my home and had the foundation and framing well under way. If I had known the ramifications of living this close to a facility of this type I might have made different choices but feel this structure was 'shoved in my face'.

It sits on a 40 acre site but for whatever reason they chose to put it at nearly the minimum distance allowed by code for a greenhouse (25' min - this is at 39') This is a fairly intense commercial greenhouse facility so I'll call the impacts the 3 S's SIGHT -SOUND-SMELL. There is the: **Visual Impact** 100 x 40 greenhouse almost 30' tall 10" electrified fence 1' from property line 1000 gallon propane tank 5' feet from property line 18 wheeler trailer for 'semi-permanent' storage 15' from property line **Auditory Impact** Car traffic, workers around and in the greenhouse listening to loud music during the day. **Olfactory Impact** Smell of the 'crop' during the late growing and harvest period which lasts 24/7 for several months. It is different from the smell of marijuana smoke and certainly different from the usually transitory farm smells. Liken the smell to a family of skunks mixed with the odor of turpentine and smelly gym socks.

Some of the commissioners may own rural property -or- have relatives or friends that do. How would you like to have one of these facilities move in next to your home? I wouldn't wish this on anyone. It's a stressful situation living there and it's made even worse by the fact that I don't know what they will do next. They could easily add several more greenhouse right along my fence line at any point and they could be 25 feet away under current regulation. The state took NO action to develop rules for new setback requirement for marijuana facilities. Right now OLCC is taking NO action to develop any new rules for setbacks. The county has talked about it but I believe is a long way (months) from developing any new rules for setbacks.

So UNLESS the commission acts to OPT OUT of marijuana facilities and put the issue to a vote in Deschutes County this kind of adjacency WILL happen to others in the county and soon. It could happen to YOU! I URGE the county commissioners to take a Considered Approach to this and allow the "Gold Rush Frenzy" attitude to just cool down over the next year or so in order to develop some reasonable rules for these facilities to prevent CONFLICTs like you see in my situation.

Thank you. Jim Petsche

EXHIBIT 2
 pg 32 / 47

Account Information

Mailing Name: SCHUTT/TUTEN FAMILY TRUST ETAL
Map and Taxlot: 1612070001401
Account: 177083
Situs Address: 66065 BECKER RD. BEND, OR 97701
Tax Status: Assessable

Warning

This account may have potential additional tax liabilities, taxes due, or other special development conditions.

[View Details](#)

Ownership

[View Complete Ownership Report \(PDF\)](#)

Mailing To:

SCHUTT/TUTEN FAMILY TRUST ETAL
543 BAY HILL DR
AVON LAKE, OH 44012-4106

Sales History

[View more recently recorded transactions - Clerks Office Web Query](#)

Sale Date	Seller	Buyer	Sale Amount	Sale Type	Recording Instrument
04/27/1995	SCHUTT,PAUL	SCHUTT,PAUL E TRUSTEE OF SCHUTT/TUTEN FA	\$0	08- GRANTEE/GRANTOR ARE THE SAME	1995-3750534

EXHIBIT 2
pg 33/47

OMMP Grower Counts by Specific Zips

(03/17/2015)

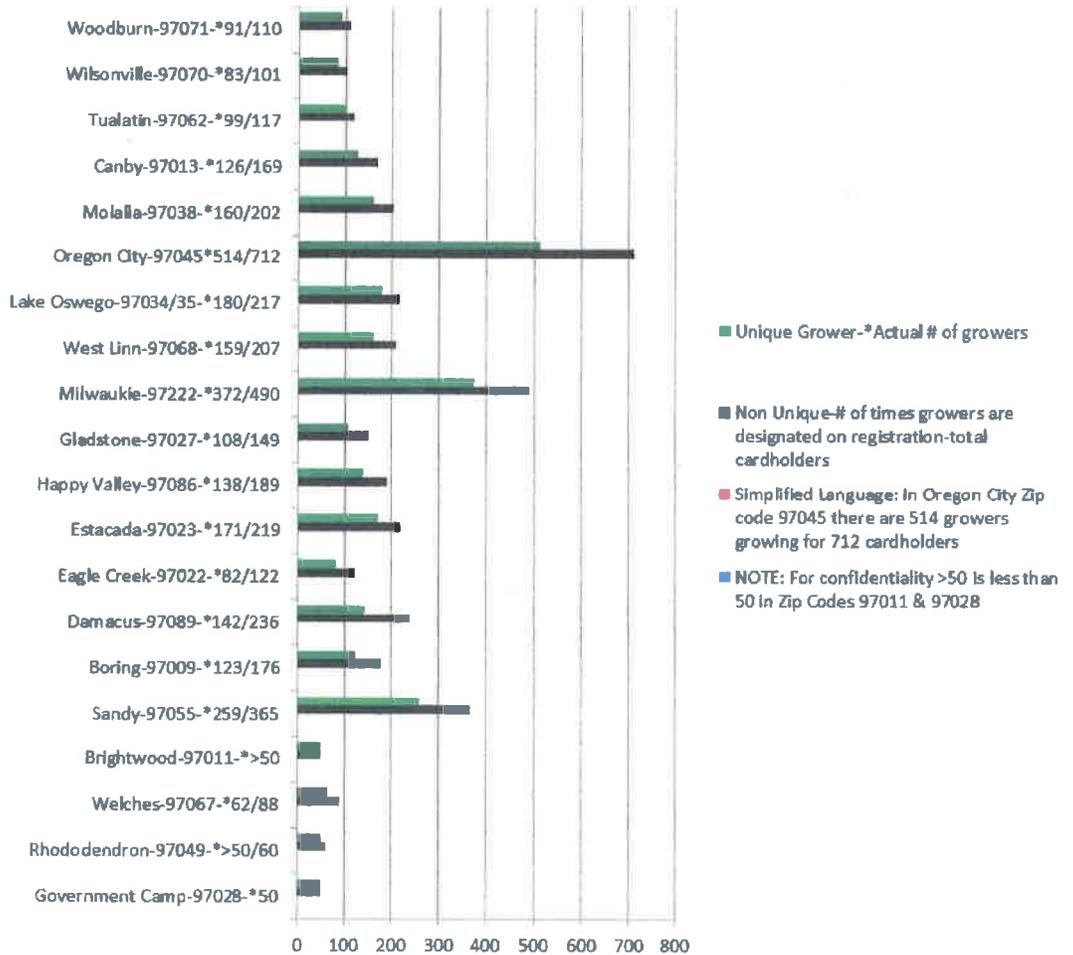
There are over **46,570** Medical Marijuana Growers under Oregon's Medical Marijuana program growing marijuana for over 70,000 cardholders. **3,448** of those marijuana growers are in Clackamas County.

CLACKAMAS COUNTY ZIP CODES

* Actual # of Marijuana Growers/Total cardholders

District Precinct Votes Measure 91

NO	YES
63.23%	
54.38%	
52.44%	
63 %	
54.77%	64%
	54.81%
	63.41%
	54.59%
57.34%	
	54.38%
56.49%	
56.66%	
50.81%	50.67%
	62.53%



Source: Oregon Health Authority



FOR PUBLIC SAFETY ● QUALITY OF LIFE ● PROPERTY VALUES

P. O. Box 1351 WELCHES, OREGON

EXHIBIT 2
pg 34/47

UNWANTED POT GROWS - THIS ISN'T WHAT WE VOTED FOR!

CLACKAMAS COUNTY VOTERS WANT A REFERRAL TO THE VOTERS TO OPT OUT!

On July 21, 2015 in a BCC policy meeting, Clackamas County Commissioners indicated that the voters have said yes to marijuana legalization so they are going to take the Land Use Option rather than a referral to the voters option to decide whether they want large commercial marijuana grows, processing sites, and wholesaling sites next to their exclusive use farm properties without any regulations. Marijuana was redefined as an agricultural farm crop, which means there is no jurisdictional power to provide neighbor notification, conditional use permits, setbacks, odor and nuisance controls, and no requirements that fields of pot must be out of public view. They may also be allowed in rural residential forest farming and rural residential areas and there is discussion regarding allowing pot in the timber districts and the agricultural forest farm areas. http://www.clackamas.us/planning/documents/0.1%20ZoningFull_042814.pdf

PERSPECTIVE: There are 229,859 registered voters in Clackamas County, 161,652 voted, that means that only 70.3% voted in the Nov. 2014 election. 83,159 said YES or 52.1% by 6,660 votes 76,399 said NO 47.9% It was the urban majority who voted yes, yet it will be the rural residents who will be most impacted!

Voters were misled through a \$5.3 million dollar out-of-state campaign that touted tax and regulate, but it did not tell the voters that large commercial marijuana grows could be grown in all exclusive use farming areas without any regulations through a new legislative House Bill 3400 that attempts to regulate pot, both medical and recreational. www.unwantedpotgrows.com

 **Just like a tomato! CLACKAMAS COUNTY MEASURE 91 PRECINCT VOTES** The below chart shows the precinct votes & city votes for Measure 91 and reveals # of existing medical marijuana grows in Clackamas County.

NUMBER	NAME	NO	YES	EFU	RRFF5	CITIES	NO	YES	Medical Grows
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372	Dover	47.10%	52.90%			Oregon City OPT	63%		514
400, 401, 402	Damascus	56.49%		43.51% EFU AGF TBR	RRFF5	Lake Oswego		64%	180
403	Boring	56.75%		43.05% EFU	RRFF5	West Linn		54.81%	159
404	Kelso/Cotrell	58.04%		41.96% EFU	RRFF5	Milwaukie		63.41%	372
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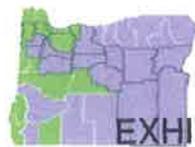


EXHIBIT 2
 35/47

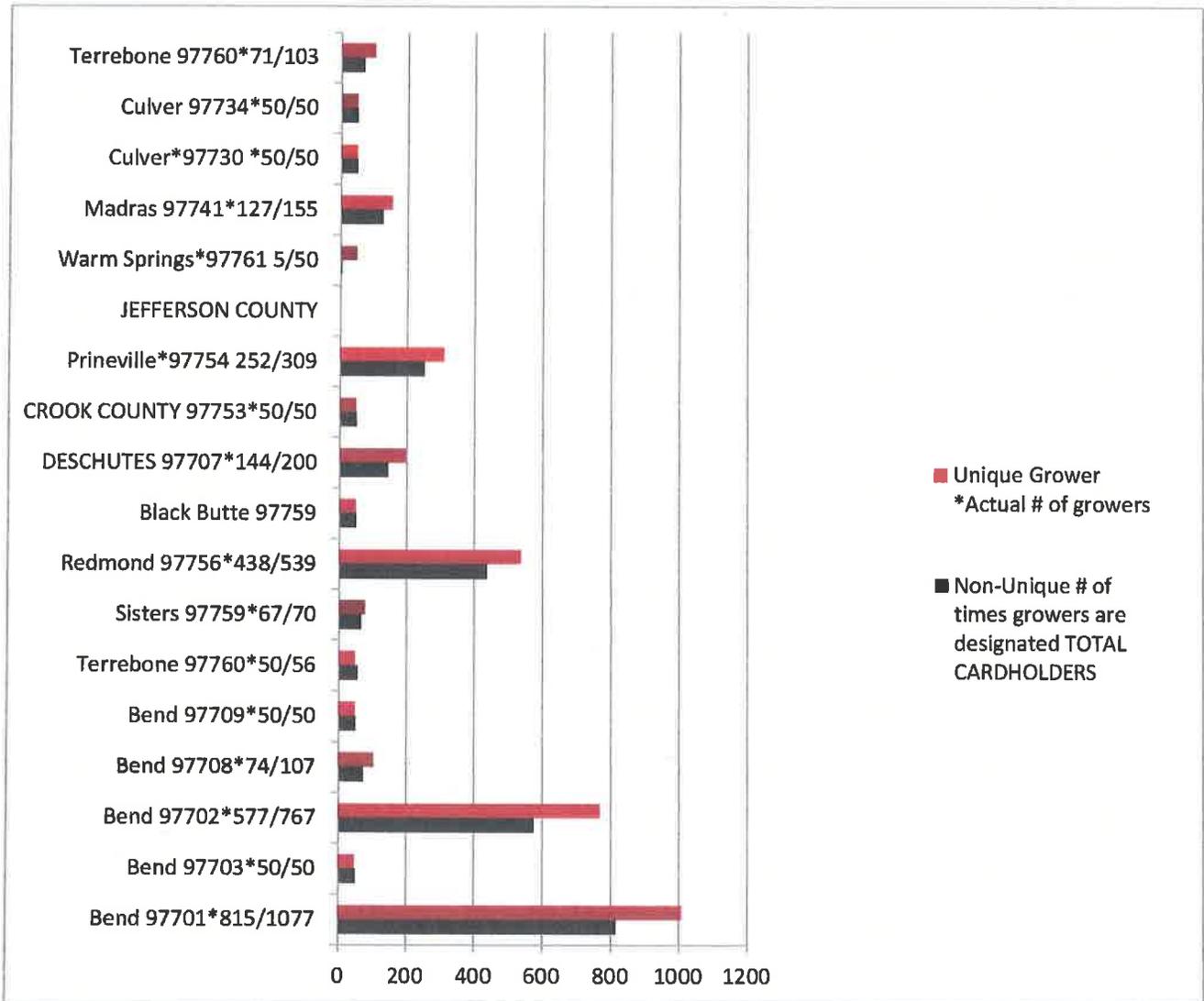
OMMP Grower County by Specific Zips

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860 new medical marijuana growers since 3-17-15

There are over 47,430 Medical Marijuana Growers under Oregon's Medical Marijuana program growing marijuana for over 75,693 cardholders, **2,431** of those marijuana growers are in Deschutes County, 238 in Jefferson County, 252 Crook County.

DESCHUTES, JEFFERSON, CROOK COUNTY ZIP CODES

*Actual # of Marijuana Growers/Total # of Cardholders



SIMPLIFIED LANGUAGE: In Bend 97701 Zip Code there are 514 growers growing for 1077 cardholders. **NOTE:** For confidentiality >50 is less than 50 in Zip Codes 97703, 97709, 97730, 97734.



By Shirley Morgan

THE IMPACTS OF MEDICAL MARIJUANA & MARIJUANA LEGALIZATION

Focused Topic: Medical marijuana and marijuana legalization, how they are impacting our communities.

Purpose Statement: To inform and educate on how to recognize the impacts of medical marijuana and marijuana legalization in our communities and provide factual information that can be used to help educate their community.

I. Introduction

- a. I consider the impacts of medical marijuana and marijuana legalization very important for many reasons. Most importantly its impact on public safety, quality of life, and our property values.
- b. I have lived in the Mt. Hood community in Oregon for the last forty years. For twenty seven of those years I lived down the street from a suspected drug house that was illegally trafficking marijuana to the adult and youth population in our community. In 1995 my home was burglarized and in 1999 I found ten cats and two dogs starving to death on this property and took them all in. I contacted Clackamas County Sheriff's Office and asked for help. It was through this experience that I began realizing how marijuana was not only impacting my public safety, quality of life and property values, but many others throughout the United States.
- c. Even though marijuana is still a schedule I federally illegal drug in the United States and is held in high regard by our federal government as being a highly abused drug with little evidence that it holds any medicinal values in smoked form, there is still a global attempt to legalize marijuana by a handful of billionaire's through state-wide ballot initiatives and if these efforts are allowed to continue, the impacts to our communities public safety, quality of life and property values will be devastating.

II. Body

A. The public health and safety of this nation is at risk, when it comes to allowing marijuana to be hidden under the unregulated umbrella of so-called medicine and marijuana legalization.

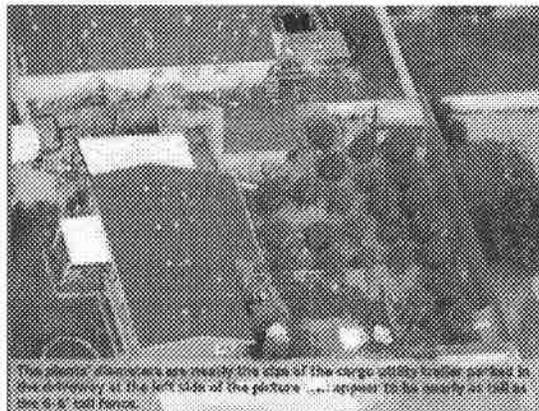
1. Marijuana has never been approved by the FDA as medicine and who in their right mind would call the local unregulated drug dealer growing marijuana in their backyard with untested, no dosed so-called medicine as their pharmacist? If marijuana were truly a medicine, it would have been approved by the FDA a long time ago and it would be dispensed by legitimate pharmacists and picked up at legitimate pharmacies rather than in someone's backyard at 12 midnight.
2. Not only does growing marijuana in your backyard, garage, apartment, basement or barn pose dangers for the users, but for those growing the marijuana and the neighborhood as well. Just before 10pm, on Friday, April 10th, 2015 in NE Portland, Oregon, a gunman from Texas who wanted to buy medical marijuana, entered the home of a large medical marijuana grower (who by the way had already had two prior robberies) and with single bullet shots to the head, shot Gary Pham, 33, Susie Chang, 41, and Andrew Pham, 35, all while a 13 week old baby slept in the next room.

EXHIBIT 2
pg 37/47

B. I often hear from advocates of medical marijuana and marijuana legalization that they should have the right to do what they want with their own body, it is a harmless drug, but I can tell you that the Quality of Life of those around them are greatly impacted. Such as:

1. Medical marijuana and marijuana legalization advocates always like to put forth that if you tax and regulate marijuana the black market will go away, but in reality, they are the black market simply trying to masquerade in a neighborhood store front. According to Oregon State Police, over 1,008 pounds of marijuana was trafficked to the underage and out-of-state black market in 2012, which validates that you cannot regulate a federally illegal drug. This unregulated access is getting into the hands of our children. According to Clackamas County Mental Health of the 242 kids 18 and under who went into County treatment facilities in 2013, over 70.5% were there for marijuana addiction and I suspect that their quality of life has been greatly impacted.
2. In Colorado a family named the O’Rielly’s have filed a federal RICO- Racketeer Influenced and Corrupt Organizations lawsuit against the Governor of Colorado, the Executive Director of the Colorado Department of Revenue, Director of the Colorado Marijuana Enforcement Division, the Pueblo County Commission and the Pueblo County Liquor and Marijuana Licensing Board. The lawsuit involves the owner’s property in Pueblo, Colorado –approximately 105 acres known as the Meadows at Legacy Ranch. A very large marijuana manufacturing business was issued a license to grow large sums of marijuana by the State of Colorado and these grows were planted next to Meadows at Legacy Ranch. The owners of Legacy Ranch allege numerous injuries to their property including the strong skunk odor smell of marijuana that invades the air which makes horse riding in the area almost impossible to enjoy and destroys their quality of life.

C. One might ask how someone else’s growing and using marijuana affects your property values? According to the Oregon Health Authority, there are over 47, 430 (*Oregon Health Authority 6-4-15*) medical marijuana growers in the State of Oregon growing marijuana for over 75,000 cardholders, 3, 448 of those unregulated, unlicensed, and untaxed grows are in Clackamas County where I live and the graph below reveals how many are located in each City. This means that marijuana grows can be grown just about anywhere, in your neighbor’s house, barn, garage, basement, and yard.

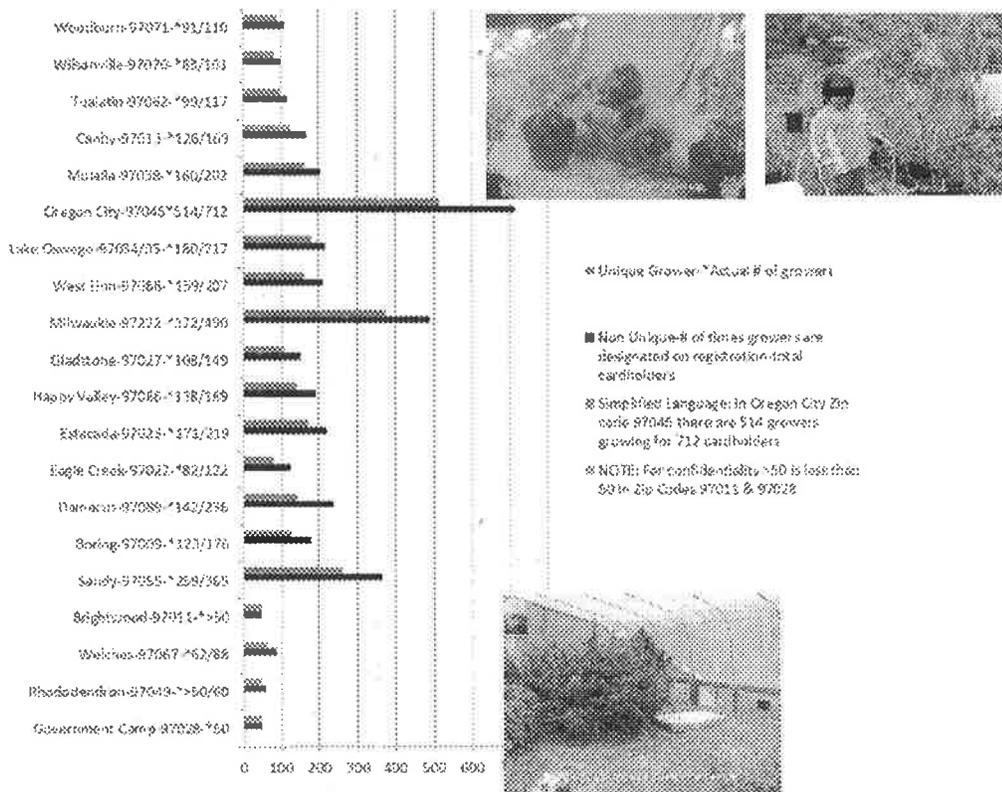


The plastic containers are nearly the size of the cargo utility trailer parked in the driveway at the left side of the picture ... appear to be nearly as tall as the 6' tall fence.

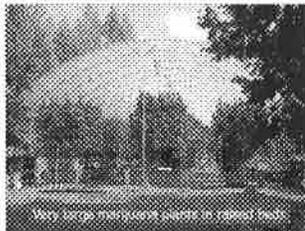
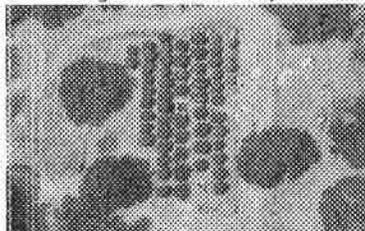
EXHIBIT 2
pg 38/47

CLACKAMAS COUNTY ZIP CODES

* Actual # of Marijuana Growers/Total cardholders



Source Oregon Health Authority



Where is all this Marijuana Going

- 01-14-12 25 lbs MJ seized in Kansas
- 01-01-12 20 lbs MJ seized in Nebraska
- 01-01-12 18 lbs MJ seized in Iowa
- 03-10-12 13 lbs MJ seized in Florida
- 01-19-12 52 lbs MJ seized in Kansas
- 01-18-12 7 lbs MJ seized in Illinois
- 01-14-12 6 lbs MJ seized in Idaho
- 01-20-12 63 lbs MJ seized in Kansas
- 01-20-12 45 lbs MJ seized in North Dakota

Where is the MJ Going Continued

- 01-27-12 163 lbs MJ seized in Nebraska
- 02-09-12 14 lbs of MJ seized in Minnesota
- 02-09-12 47 lbs seized in South Dakota
- 02-09-12 251 lbs of MJ seized in Idaho
- 02-09-12 2204 lbs seized in South Dakota
- 02-11-12 12 lbs of MJ seized in Missouri
- 02-20-12 29 lbs of MJ seized in Mississippi
- 02-20-12 2 lbs of MJ seized in Illinois
- 02-22-12 63 lbs of MJ seized in Texas
- 02-22-12 12 lbs of MJ seized in Texas

Where is the MJ Going Continued

- 02-29-12 43 lbs of MJ seized in Illinois
- 02-03-12 40 lbs of MJ seized in Nebraska
- 02-07-12 6021 lbs seized in South Dakota
- 02-15-12 417 lbs seized in Minnesota
- 02-14-12 13 lbs of MJ seized in Nebraska
- 03-15-12 75 lbs of MJ seized in Wyoming
- 02-10-12 41 lbs of MJ seized in Arkansas
- 02-20-12 12 lbs of MJ seized in Nebraska
- 03-20-12 241 lbs of MJ seized in Arkansas

Photos provided by Oregon

State Police

There have been numerous butane hash oil explosions throughout Oregon and the United States, putting our communities at risk. This is the dangerous process of extracting THC oil from the marijuana plant with ignitable butane.



The explosion and fire destroyed the residence

Photo by Central Valley High Intelligence Drug Trafficking Area-California

EXHIBIT 2
 pg 39/47

I am a national advocate on behalf of Public Safety, Quality of Life and protection of Property Values, particularly when it comes to dealing with a federally illegal drug such as marijuana. I am often contacted by citizens who are being impacted in these areas and they contact me for assistance. As an example:

1. Recently I received a request for assistance from property owners who have lived the last 33 years next to the Mt. Hood Equestrian Center, located at 29450 SE Lariat Ln, Boring, OR 97009 between Gresham and Sandy on Hwy 26. During the summer of 2014 the center was purchased and the new owner has decided to lease it out not as an equestrian center, but rather to marijuana growers. The center sits on a 15 acre parcel on Hwy 26 and is surrounded by rural residential homes where families live, and is located just 500' away from a large Church who has a full time registered school where there are many children.



As an illustration to the impact that this has had on one of the neighbors, I would like to share with you with their permission a copy of a testimony that they provided most recently at a community forum before one of our Clackamas County Commissioners:

- a. Distinguished guest speakers, government officials, citizens and friends of Boring and Clackamas Fire Department and our moderator.

I have lived in Oregon and the Tri-County area for 48 years – 33 of those years in the country on acreage. My 3 girls grew up with farm animals and their ponies and horses. When I purchased this house on Lariat Lane – it was because of the Equestrian Center, even so it was right off Hwy. 26. My grand-children spent every week-end with us and their 3 pet goats and lamb. Huge trucks and trailers coming from as far as Montana and Idaho - loaded with horses, would rumble past the house and we'd watch the horses being unloaded and loaded and trained. 4-H group kids and their parents would show up to rope steers delivered to the back of the barn. There are a couple other people who also bought homes bordering the Equestrian property - because of the closeness to the horse barn. This was a rather "whole-some" experience, including the manure piles.

Let me tell you what it's like to live in my house now - after an illegal pot grow center moved into the barn:

Now - when we sit in our living room, which overlooks the barn, for our morning coffee - we now overlook a security fence, a security gate and several sets of security cameras. One of these motion detection cameras, including a bright light - is posted next to their gate - adjacent to our property line and drive way entrance and is pointed toward our easement road and the total east side of our house, the garage door, our drive-way and out-building and part of the garden area. If you come to visit us - you will be filmed and you will be on tape and your license plate can be checked to see who you are. Big brother has arrived in Boring. When I walk out of my garage for any reason – to walk my dog or carry my garbage down to the end of my driveway, or to work in my garden - I am being filmed. I consider that an intrusion/invasion of my privacy.

EXHIBIT 2
pg 40/47

Since I was born and raised in a country where everyone was spied on by the Nazi regime – this is extremely un-nerving to me. Anyone not aware - that a security gate was erected next to our drive-way, with 2 signs reading: “Video Surveillance” – “Trespassers will be prosecuted”, can’t turn around, unless they utilize part of either one of our driveways. This easement now has become a dead-end road, since there is no gate return. If this federally illegal grow center is allowed to operate – in this location – our quality of life will continue to unravel, our property values will go down the drain and our safety with only two police officers covering this area and stretching all the way up to Mt. Hood will endanger our lives and that of our visitors. This is just the beginning of what’s to come, if grow centers are allowed directly adjacent to residential homes.

I am not here to vilify the young men who are growing the pot – we have met them, they could be your children and/or grand-children and are polite young men, who are enabled by others by giving them the lease and therefore the space. I understand that measure 91 was passed in Oregon – therefore, PLEASE, please distinguished guests speakers– GET IT RIGHT – before it goes into effect.

III. Conclusion

Although many innocent voters have been misled by out-of-state highly funded ballot initiatives that push the so-called medical marijuana scheme and the tax and regulate marijuana scheme, many citizens like myself who have observed the impacts first hand are standing up nationwide to bring a strong awareness to these deceptive attempts to try and ignore the impacts to public safety, quality of life, and property values. Drugged driving, diversion to other States, destruction to the environment, diversion to minors, public consumption, robberies, burglaries, fatal shootings, odors, increased traffic, fires, hash oil explosions are just a few of the impacts that marijuana leaves behind. The scheme of medical marijuana and marijuana legalization leads to the degradation of our neighborhoods and it is important that we take this information and begin to inform our communities.

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<http://www.safestreetsalliance.org/assets/media/Reilly_Complaint.pdf>
5. Oregon Health Authority. Oregon Medical Marijuana Program Grower Data. Email to the author. 17, March, 2015.
6. Gartner, Monika. Testimony: Let me tell you what it’s like to live in my house now - after an illegal pot grow center moved into the barn. Letter to the author. 23, April, 2015.

EXHIBIT 2
Pg 41 / 47

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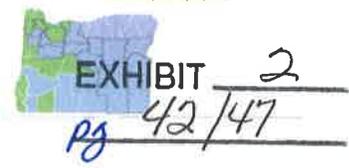
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Just like a tomato! CLACKAMAS COUNTY MEASURE 91 PRECINCT & CITY VOTES reveals # of existing medical marijuana grows in Clackamas County. Source: Oregon Healthy Authority 3-17-15 & Clackamas County Precinct data.

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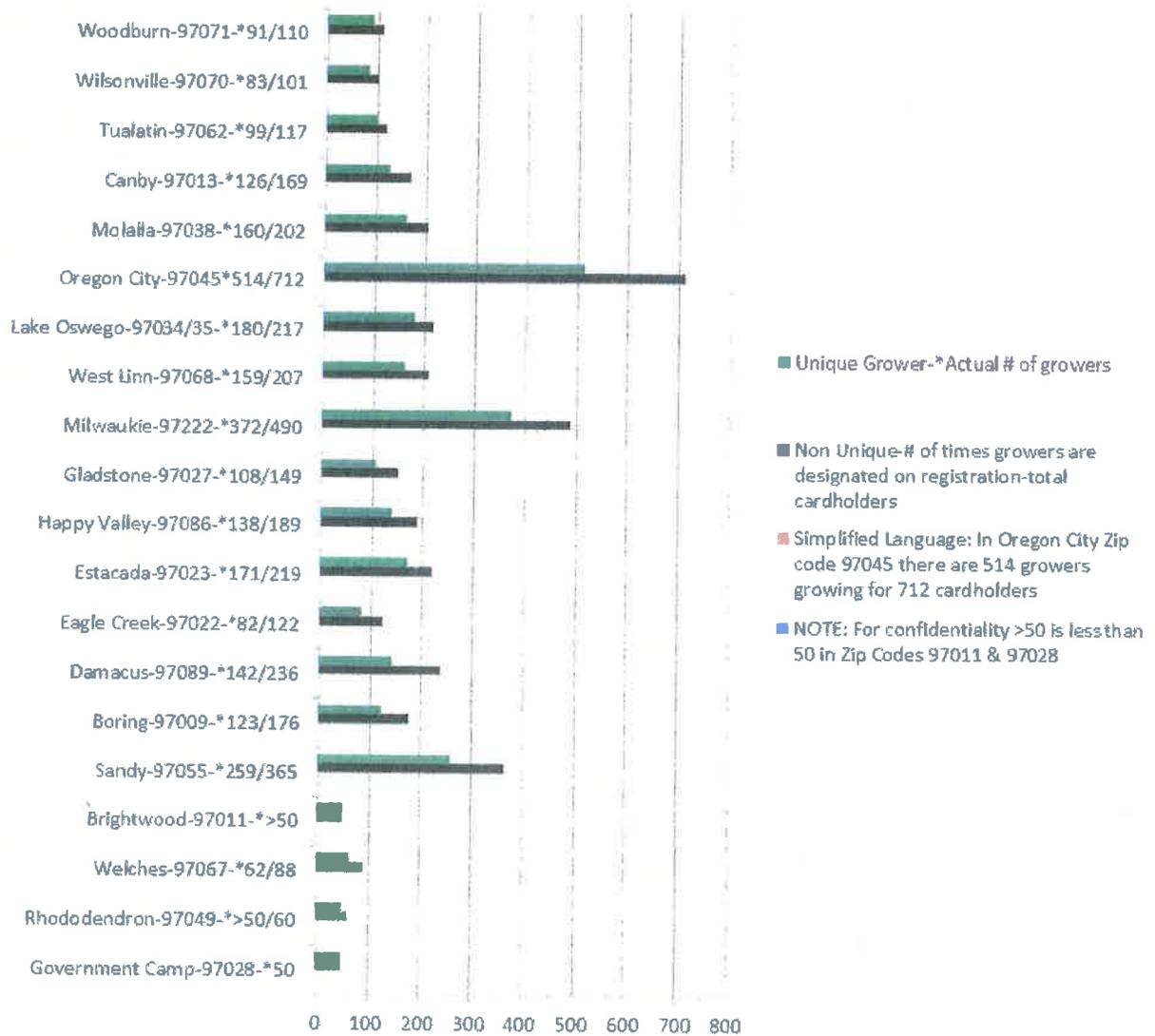
OMMP Grower Counts by Specific Zips

(03/17/2015)

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CLACKAMAS COUNTY ZIP CODES

* Actual # of Marijuana Growers/Total cardholders



Source: Oregon Health Authority

CITIZENS



FOR PUBLIC SAFETY ● QUALITY OF LIFE ● PROPERTY VALUES

P. O. Box 1351 WELCHES, OREGON

EXHIBIT 2
pg 43/47

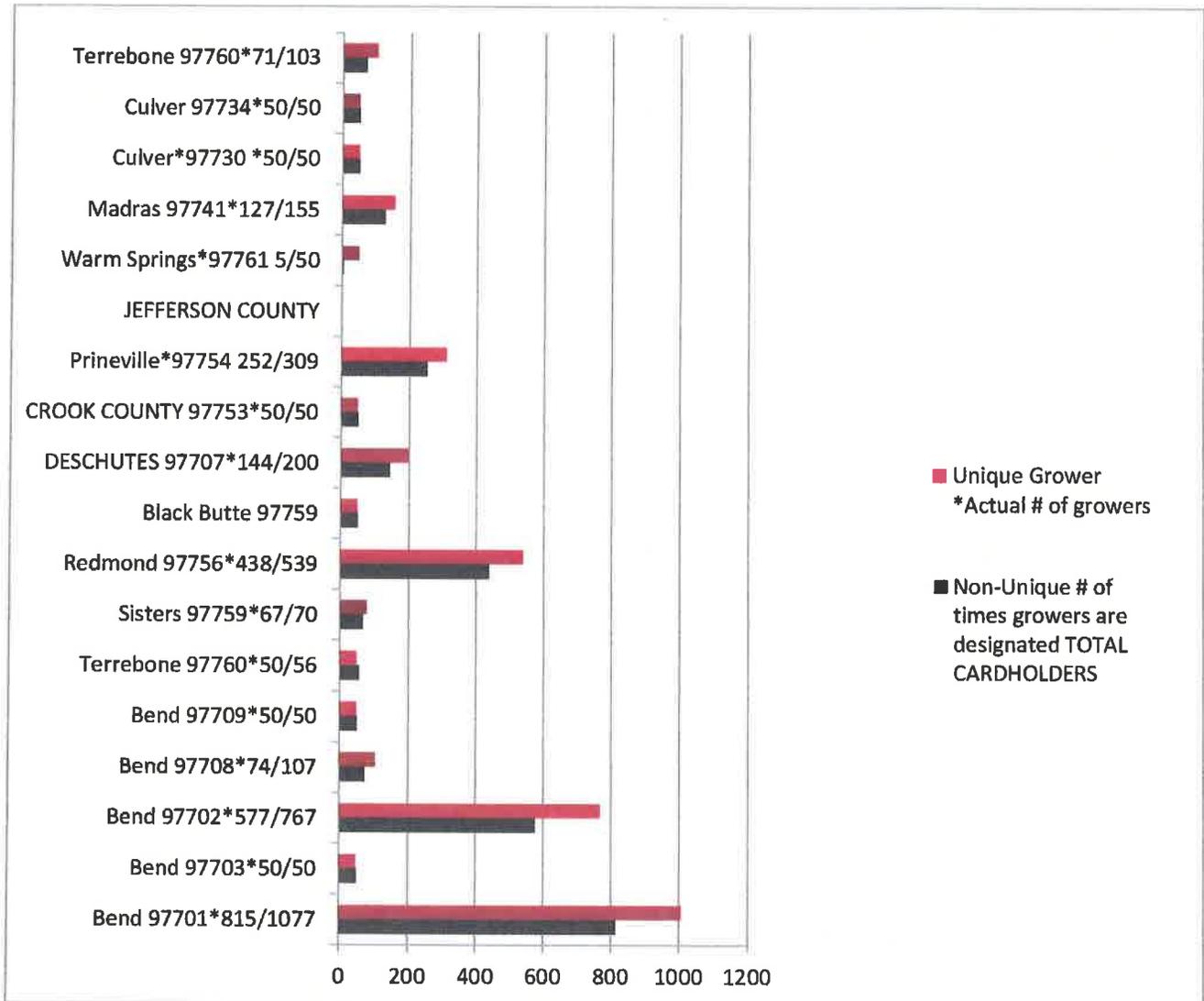
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Denver DA

Mitchell R. Morrissey, District Attorney - Second Judicial District
201 W. Colfax Avenue, Dept. 801, Denver, CO 80202

Bus. Phone: 720-913-9000
Fax: 720-913-9005

July 27, 2015

Clackamas County
Commissioner Chair Ludlow
Commissioner Bernard
Commissioner Smith
Commissioner Schrader
Commissioner Savas
2051 Kaen Road Road
Oregon City, Oregon 97045

Dear Commissioners,

As you know, Colorado legalized small amounts of marijuana for medical use several years ago and then approved a measure allowing retail marijuana for personal use in January 2014, just about seven months ago. While the full impact may not be known for some time, we already are seeing some of the effects. This includes seeing retail marijuana explode into a multi-million dollar industry that exists simultaneously with a continuing black market. Recent findings from the Rocky Mountain High Intensity Drug Trafficking Area give us a snapshot of what is happening, and it is concerning.

We now have nearly 500 medical marijuana dispensaries in Colorado, and 212 retail stores. Most are in Denver (215 medical marijuana dispensaries and 77 retail stores). There are also hundreds of cultivation facilities and dozens of infused marijuana product businesses.

While pro-marijuana groups are touting selected statistics to the media suggesting that crime is down since the legalization of marijuana, we are beginning to see the effects in our emergency rooms, junior and senior high schools, on our roadways and in our homes.

Since 2007, there have been 15 violent deaths related to medical marijuana in Colorado. In each of these deaths, the victim was a medical marijuana caregiver, was killed in the presence of a caregiver or was trying to rob a caregiver. Dispensaries and stores are lucrative targets for burglaries and robberies. The large sums of cash at these sites have led to execution-style murders and shootouts in residential neighborhoods. There have also been more than 300 burglaries and 7 armed robberies in Denver in the last two years; I do not expect the figures this year to improve.

From 2011 to 2013, there was a 57-percent increase in emergency room visits related to marijuana, and ER doctors noted they treated more small children for accidental overdoses of marijuana. Children are also being exposed when mothers use pot during pregnancy or breastfeeding, as an increasing number of women now report they are trying marijuana for morning sickness or other uses while pregnant. There has also been an increase in calls to our local poison control center involving marijuana and children.

EXHIBIT 2
pg 45/47

July 27, 2015

The National Institute on Drug Abuse reports marijuana use among high school seniors is increasing and may soon become more common than cigarette smoking. This may be connected to the increase we are seeing in the number of adults who encourage marijuana use among young people and adults who are actually using marijuana with a minor. There was a 26-percent increase in monthly marijuana use in Colorado among young people, ages 12-17, in the three years after medical marijuana was commercialized (2009) compared to the three years prior to commercialization.

There was a 32-percent increase in drug-related suspensions and expulsions in Colorado for academic school years 2008/2009 to 2012/2013. A June 2014 Rocky Mountain HIDTA survey of 100 Colorado school resources officers revealed 89-percent have seen an increase in student marijuana-related incidents since retail marijuana was legalized. And, it appears there is a greater likelihood of young people trying marijuana. A study found that 10-percent of high school students who would otherwise be at low risk for habitual pot smoking now say that they *would* use marijuana if it were legal. It is not my intent in this letter to discuss the health impacts of marijuana on young adults, such as lowered IQ and memory impairment, but there is clearly cause for concern.

We have seen a sharp increase in dangerous hash oil explosions. In the first six months of 2014 there have been 26 confirmed explosions and 27 reported injuries. The number of confirmed explosions directly related to the illegal processing and extraction of hash oil in just six months is more than double the total reported in all of last year.

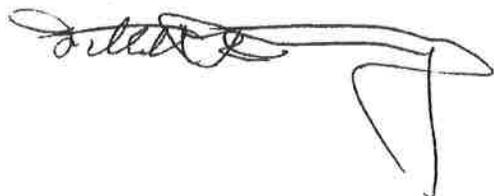
And we have seen an impact on our roads. One in nine drivers in fatal crashes now test positive for marijuana. While the overall number of car crash fatalities were down in Colorado between 2007 and 2012 (down by 14%), fatalities involving drivers who test positive for marijuana are up 100%.

The Colorado State Patrol DUID program (Driving Under the Influence of Drugs), initiated in 2014, show in the first six months of 2014 that 77% of the 454 DUIDs involved marijuana and 42% of the 454 DUIDs involved marijuana only. I do not expect this to improve as another study from 2013 shows marijuana causes more car accidents than any other illicit drug.

The advent of medical marijuana and retail marijuana has not, unfortunately, eliminated the illegal cultivation, possession and sale of marijuana. There remains a robust black market that carries all the risk of illegal drug dealing and continues to require significant public safety resources. Our Crime Lab has requested an additional forensic scientist just to test the volume of marijuana seized over the legal limit.

I believe when the majority of people in Colorado voted to approve Amendment 64, their intention was to de-criminalize the private, personal use of marijuana by adults and that they had no idea marijuana would become the latest multi-million dollar industry in our state. I also believe they did not anticipate the impacts I've outlined in this letter. We will see what the rest of the year holds and what other unintended consequences we discover.

Sincerely,



Mitch Morrissey
Denver District Attorney

EXHIBIT 2
pg 46 / 47

TOM GORMAN DIRECTOR COLORADO HIDTA

From: Tom Gorman [mailto:tgorman@rmhidta.org]
Sent: Thursday, July 23, 2015 1:59 PM
To: Shirley Morgan
Subject: RE: Tom Gorman Director Colorado Rocky Mountain HIDTA

Shirley:

- You don't want cultivation open to the public view, particularly youth. Tends to normalize, advertise and condone marijuana use.
- Security problem: More subject to theft since high price "crop", as well as theft by youth for both use and sale.
- Harder to control and regulate.
- Some concern with environmental impact; i.e., water usage.

Thomas J. Gorman
Director, Rocky Mountain HIDTA
303-671-2180, ext. 223
303-618-5496 (cell)
tgorman@rmhidta.org
www.rmhidta.org

From: Shirley Morgan
Sent: Wednesday, July 22, 2015 7:54 AM
To: 'Tom Gorman' (tgorman@rmhidta.org)
Subject: Tom Gorman Director Colorado Rocky Mountain HIDTA
Importance: High



Mr. Tom Gorman-Director
Colorado Rocky Mountain High Intensity Drug Trafficking Area
303-671-2180 ext 221

Dear Mr. Gorman,

In researching the various medical marijuana and recreational marijuana programs in Colorado and Washington, I noticed that Colorado does not allow any recreational marijuana outdoor grows. I am wondering if you can provide some insight as to why?

Thank you,
Shirley Morgan
Citizens for Public Safety, Quality of Life, Property Values
P. O. Box 1351
Welches, Oregon 97067

EXHIBIT 2
129 47 / 47

You replied on 09/30/2015 1:56 PM.

From: Dave Morgan [dave18134@gmail.com]
To: Gilevich, Shari
Cc: David Morgan; Susan Tate
Subject: Fwd: Comments on proposed marijuana land use rules

From: Dave Morgan <dave18134@gmail.com>
Date: September 24, 2015 at 4:59:07 PM PDT
To: "sharig@clackamas.us.or" <sharig@clackamas.us.or>
Cc: Dave Morgan <dave18134@gmail.com>, Susan Tate <sue18134@gmail.com>
Subject: Comments on proposed marijuana land use rules

To whom it may concern,

We have a small farm in Clackamas County. We welcome anyone who wants to try and make a living by farming in in this wonderful place. All we ask is that they be good neighbors. This means not diminishing our enjoyment of our property with excessive noise, lights, traffic, or odors.

We place our trust in the planning process to insure that our neighbors will always be good neighbors. To that end we strongly encourage the Board to not allow unrestricted production and processing of marijuana on Ag/Forest lands under ten acres. The reason is that there are many small (less than 10 acre) parcels in the county that are zoned Ag/F. For example, our ten acres is abutted by three parcels that are all ten acres or less, and are all zoned Ag/F. The impacts of noise, lights, odor, and water use would be impossible to mitigate if these properties were developed for production or processing of marijuana in such close proximity to our home. We know this because we already hear the ventilation fans at medical production facility reverberating across our valley at night--and they are located over 1/4 mile away!

The draft ZDO-254 correctly suggests prohibiting or making conditional, the production or processing of marijuana on RRFF5 and FF10 lands. This is because the planners recognize the difficulties in mitigating impacts in higher density rural residential areas. We ask that this same consideration be given to small parcels in Ag/F zones.

Sincerely,

Dave Morgan and Susan Tate
Froggy Bottom Farm
18134 S Red Hereford Lane
Beavercreek, Oregon

EXHIBIT 3
pg 1/1

Gilevich, Shari

From: jwnice [jwnice@frontier.com]
Sent: Thursday, October 01, 2015 11:36 AM
To: Gilevich, Shari
Subject: Marijuana draft regulations

I support the current regulations as drafted and would like to recommend one more addition.

"No marijuana grow, production, processing, etc., within 1 mile (1/2 mile as a minimum) of Highway 26 through Clackamas County."

This highway is part of the Mt. Hood Scenic Loop and attracts a great number of visitors to the area for the "Scenic Beauty" that we all enjoy. We need to keep this area in its scenic and pristine environment.

I also support the "opt-out" option that has been proposed. I know Clackamas County approved measure 91, but by a very narrow margin of only 4.2%. I think if you analyzed those votes, that you will find that the "rural" area defeated the measure.

Respectfully,

James Nice

Sent from Samsung tablet

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EXHIBIT 4
pg 1/1

Gilevich, Shari

From: Peter Sansone [PeterSansone@bctonline.com]
Sent: Monday, September 21, 2015 1:27 PM
To: BCCMail
Cc: Gilevich, Shari; ZoningInfo; McCallister, Mike
Subject: OLCC Processor DRAFT document
Attachments: Draft_Processors_RAC_09-2015.pdf

RE: OLCC Rules and Advisory Committee PROCESSOR - DRAFT

Dear Clackamas County Commissioners and Planning/Zoning Department:
When considering the topic of cannabis (marijuana) processing legislation please consider the attached **draft** copy from the Oregon Liquor Control Commission.
The main point being that one level uses compressed gas and potentially hazardous industrial solvents while the other uses basic cooking oils (coconut, olive, grape) and dairy butter.
Perhaps the siting of the detailed OLCC categories should be separated into the Section 600 Industrial zone and the Department of Agriculture certified food preparation facilities?

This seems to be a logical approach to a situation that needs to be addressed correctly and is not going away.

Sincerely,
Peter Sansone
Beavercreek, Oregon

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EXHIBIT 5
pg 1/9

Gilevich, Shari

From: Peter Sansone [PeterSansone@bctonline.com]
Sent: Monday, September 21, 2015 1:40 PM
To: McCallister, Mike
Cc: Gilevich, Shari
Subject: OLCC RAC Processor DRAFT
Attachments: Draft_Processors_RAC_09-2015.pdf

Mr. McCallister and Ms. Shari Gilevich:

Please review the attached Processor Draft Rule from the OLCC Rules and Advisory Committee. Perhaps this data could assist you when advising the Board of Commissioners in regards to the depth of this topic? Some categories may need Section 600 Industrial siting while others simply need DOA food preparation certification.

Thank you for your consideration.

Sincerely,
Peter Sansone
Beavercreek, Oregon

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Spam

Not spam

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EXHIBIT 5
pg 2/9

Gilevich, Shari

From: Peter Sansone [PeterSansone@bctonline.com]
Sent: Monday, September 21, 2015 2:57 PM
To: BCCMail
Cc: Gilevich, Shari; McCallister, Mike
Subject: UPDATED OLCC DRAFT / PROCESSORS 09 21 2015
Attachments: Draft_Processors_RAC_09-2015 UPDATE 09 21 2015.pdf

Please update your records:
UPDATED DRAFT / PROCESSORS as of September 9, 2015.

[Spam](#)

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EXHIBIT 5
pg 3/9

RETAIL MARIJUANA PROCESSORS

845-025-XXXX

Definitions

For purposes of OAR 845-025-XXXX to 845-025-XXXX:

- (1) “Cannabinoid topical” means a cannabinoid product intended to be applied to skin or hair.
- (2) *“Cannabinoid edible processor” includes a processor that is making a cannabinoid product intended to be put in the mouth and ingested or consumed.*

Stat. Auth.:

Stats. Implemented:

845-025-XXXX

Endorsements

- (1) A marijuana processor may only process and sell cannabinoid products, concentrates or extracts if the processor has received an endorsement from the Commission for that type of processing activity. Endorsements types are:
 - (a) Cannabinoid edible processor;
 - (b) Cannabinoid topical processor;
 - (c) Cannabinoid concentrate processor; and
 - (d) Cannabinoid extract processor.
- (2) An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time following licensure.
- (3) In order to apply for an endorsement an applicant or processor licensee must submit a form prescribed by the Commission that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
- (4) Only one application and license fee is required regardless of how many endorsements an applicant or licensee requests or at what time the request is made.
- (5) An individual processor licensee may hold multiple endorsements.
- (6) For the purposes of endorsements any cannabinoid product that is intended to be consumed orally is considered a cannabinoid edible.
- (7) If a processor is no longer going to process the product for which the processor is endorsed the processor must notify the Commission in writing and provide the date on which the processing of that product will cease.

Stat. Auth.:

Stats. Implemented:

845-025-XXXX

General Processor Requirements

- (1) A processor must:

Draft – Processor Rule
RAC Meeting 09/2015
Draft Only

- (a) Use equipment, counters and surfaces for processing that are food-grade and do not react adversely with any solvent being used.
 - (b) Have counters and surface areas that are constructed in a manner that reduce the potential for development of microbials, molds and fungi and that can be easily cleaned.
 - (c) Maintain the licensed premises in a manner that is free from conditions which may result in contamination and that is suitable to facilitate safe and sanitary operations for product preparation purposes.
 - (d) Store all marijuana items not in use in a locked area, including products that require refrigeration in accordance with OAR 845-025-XXXX [general security requirements].
 - (e) Assign every process lot a unique identification number and enter this information into the Commission's seed to sale system.
- (2) A processor may provide a sample of a cannabinoid product, concentrate or extract to a marijuana wholesaler or retailer for the purpose of the wholesaler or retailer licensee determining whether to purchase the product but the product may not be consumed on a licensed premises. Any sample provided to another licensee must be recorded in the seed to sale tracking system.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX
Processor Policies and Procedures

A processor must create and maintain written, detailed standard policies and procedures that include but are not limited to:

- (1) Instructions for making each cannabinoid concentrate, extract or product.
- (2) The ingredients and the amount of each ingredient for each process lot;
- (3) The process for making each product;
- (4) The number of servings in a process lot;
- (5) The intended amount of THC per serving of the product.
- (6) The process for making each process lot homogenous.
- (7) If processing a cannabinoid concentrate or extract:
 - (a) Conducting necessary safety checks prior to commencing processing;
 - (b) Purging any solvent or other unwanted components from a cannabinoid concentrate or extract;
- (8) Procedures for cleaning all equipment, counters and surfaces thoroughly.
- (9) Proper handling and storage of any solvent, gas or other chemical used in processing or on the licensed premises in accordance with material safety data sheets and any other applicable laws.
- (10) Proper disposal of any waste produced during processing in accordance with all applicable local, state and federal laws, rules and regulations.
- (11) Quality control procedures designed to maximize safety and minimize potential product contamination.
- (12) Appropriate use of any necessary safety or sanitary equipment.
- (13) Emergency procedures to be followed in case of a fire, chemical spill or other emergency.

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845-025-XXXX

Processor Training Requirements

- (1) A processor must have a comprehensive training program that includes, at a minimum, the following topics:
 - (a) The standard operating policies and procedures.
 - (b) The hazards presented by all solvents or other chemicals used in processing and on the licensed premises as described in the material safety data sheet for each solvent or chemical.
 - (c) Applicable Commission statutes and rules.
- (2) At the time of hire and prior to engaging in any processing, and once yearly thereafter, each employee involved in the processing of a cannabinoid concentrate, extract or product must be trained in accordance with the processor’s training program.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX

Cannabinoid Edible Processor Requirements

- (1) A cannabinoid edible processor *may only process in a food service establishment licensed* by the Oregon Department of Agriculture (ODA) *and must comply with* OAR 603, Division 25, with the exception of OAR 603-025-0020(17).
- (2) A cannabinoid edible processor may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624 and may not share a *food service establishment with a person not licensed and endorsed by the Commission as a cannabinoid edible processor.*
- (3) *A cannabinoid edible processor may share a food service establishment with another cannabinoid edible processor if:*
 - (a) *The schedule, with specific hours and days that each processor will use the food service establishment, is prominently posted at the entrance to the food service establishment and has been approved by the Commission:*
 - (A) *The schedule must be submitted to the Commission in writing and will be approved if it demonstrates that use of a shared food service establishment by multiple cannabinoid edible processors does not create an increased compliance risk.*
 - (B) *A processor licensee may only change the schedule with prior written approval from the Commission.*
 - (b) *Each licensee designates a separate area to secure, in accordance with OAR 845-025-XXXX [cross reference security rules] any marijuana, cannabinoid products, concentrates or extracts that a licensee stores at the food service establishment. If a cannabinoid edible processor does not store marijuana, cannabinoid products, concentrates or extracts at the food service establishment those items must be stored on a licensed premises.*

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RAC Meeting 09/2015
Draft Only

(4) A food service establishment used by a cannabinoid edible processor is considered a licensed premises and must meet the security and other licensed premises requirements in these rules.

(5) A cannabinoid edible processor is strictly liable for any violation found at a shared food service establishment during that processor's scheduled time or within that processor's designated area in the food service establishment.

Stat. Auth.:
Stats. Implemented:

845-025-XXXX

Cannabinoid Concentrate and Extract Processor Requirements

(1) **Cannabinoid Concentrates or Extracts.** A processor with a cannabinoid concentrate or extract endorsement:

(a) May not use Class I solvents as those are *classified in the Federal Drug Administration Guidance, Table I, published in the Federal Register on December 24, 1997 (62 FR 67377).*

(b) Must:

(A) *Only use a hydrocarbon-based solvent that is at least 99 percent purity.*

(B) *Only use a non-hydrocarbon-based solvent that is food-grade.*

(C) Work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(D) Use only potable water and ice made from potable water in processing.

(2) **Cannabinoid Extracts.** A processor with an endorsement to make cannabinoid extracts:

(a) May not use pressurized canned butane.

(b) Must:

(A) Process in a:

(i) Fully enclosed room clearly designated on the current diagram of the licensed premises.

(ii) Spark proof room equipped with evacuation fans and lower explosive limit (LEL) detectors.

(B) Use a commercially manufactured professional grade closed loop extraction system designed to recover the solvents and built to codes of recognized and generally accepted good engineering practices, such as:

(i) The American Society of Mechanical Engineers (ASME);

(ii) American National Standards Institute (ANSI);

(iii) Underwriters Laboratories (UL); or

(iv) The American Society for Testing and Materials (ASTM).

(C) If using CO2 in processing, use a professional grade closed loop CO2 gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch.

(D) Have equipment and facilities used in processing approved for use by the local fire code official;

(E) Meet any required fire, safety, and building code requirements specified in:

(i) [Oregon statutory reference]

(ii) National Fire Protection Association (NFPA) standards;

(iii) International Building Code (IBC);

(iv) International Fire Code (IFC); and
(F) Have an emergency eye-wash station in any room in which cannabinoid extract is being processed.

(G) Have all applicable material safety data sheets readily available to personnel working for the processor;

(3) **Cannabinoid Concentrates.** A processor with an endorsement to make cannabinoid concentrates:

(a) May not:

(A) Use denatured alcohol.

(B) If using carbon dioxide, apply high heat or pressure.

(b) Must only use or store dry ice in a well ventilated room to prevent against the accumulation of dangerous levels of CO2.

(c) May use:

(A) *A mechanical extraction process;*

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

(B) *A chemical extraction process using the hydrocarbon-based solvent carbon dioxide, provided that the process does not involve the use heat over 180 degrees or pressure.*

Stat. Auth.:

Stats. Implemented:

845-025-XXXX

Cannabinoid Topical Processor

A processor with a cannabinoid topical endorsement may not engage in processing in a location that is operating as a restaurant, seasonal temporary restaurant, intermittent temporary restaurant, limited service restaurant or single-event temporary restaurant licensed under ORS 624.

Stat. Auth.:

Stats. Implemented:

845-025-XXXX

Recordkeeping

(1) A processors must keep records documenting the following:

(a) How much marijuana is in each process lot;

(b) If a product is returned by a licensee, how much product is returned and why;

(c) If a defective product was reprocessed, how the defective product was reprocessed

(d) Each training provided in accordance with OAR 845-025-XXXX, the names of employees who participated in the training, and a summary of the information provided in the training.

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RAC Meeting 09/2015
Draft Only

(2) A processor must obtain a material safety data sheet for each solvent used or stored on the licensed premises and maintain a current copy of the material safety data sheet and a receipt of purchase for all solvents used or to be used in an extraction process on the licensed premises.

(3) If the Commission requires a processor to submit or produce documents to the Commission that the processor believes falls within the definition of a trade secret as defined in ORS 192.501, the processor must mark each document “confidential” or “trade secret”.

Stat. Auth.:

Stats. Implemented:

DRAFT

Gilevich, Shari

From: Thomas Boyd [thomasrboyd@gmail.com]
Sent: Sunday, October 04, 2015 7:41 PM
To: Gilevich, Shari
Cc: BCCMail
Subject: positive input on amending the ZDO to add land use regulations for marijuana businesses.

I live in Urban Low Density Residential (R10) in unincorporated Clackamas County adjacent to a medical marijuana business operating out of a rental property in the Scott Mountain neighborhood.

I enthusiastically endorse the proposal amending the ZDO to add land use regulations for marijuana businesses.

By my layperson reading of the changes, I see that the changes will curtail medical marijuana businesses from processing large amounts of cannabinoid products.

This is an important distinction since, from my experience, the process of making cannabis oil produces intolerable odors. Limiting the number of plants will cut down odors as well.

As I've stated in prior communications with your office, I don't have a problem with a neighbor doing these things, I just don't want to smell it or see it or experience the inherent traffic. I don't make smells for my neighbors and I don't think they should make smells for me. It's common courtesy.

I also like that Clackamas County will have some jurisdiction over these issues in terms of code enforcement. In my experience, the OLCC and OHA are not equipped, either with resources or force of will, to deal with complaints of homeowners.

I would also propose adding language that forces these businesses to comply with existing rules pertaining to ALL home-based businesses.

Thomas Boyd
10355 SE 97th Ct.
Happy Valley, OR

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BEGIN-ANTISPAM-VOTING-LINKS

Teach CanIt if this mail (ID 03PpeFhUI) is spam:

EXHIBIT 6
pg 1/1

Gilevich, Shari

From: Dyann Peterson [dyann.peterson@gmail.com]
Sent: Sunday, October 04, 2015 9:52 AM
To: Gilevich, Shari
Subject: Marijuana Planning Issues in Clackamas

Hello Shari,

As a resident of Clackamas, residing on Brooks Road in Boring, I Do Not wish to have our neighborhood used as a pot growing area. Our neighborhood will petition against this if needed. You can contact me on this subject if you like.

Sincerely,

Dyann Peterson

dyann.peterson@gmail.com

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BEGIN-ANTISPAM-VOTING-LINKS

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Teach CanIt if this mail (ID 03Pp4Qbj6) is spam: Spam:

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<https://mhub.clackamas.us/canit/b.php?i=03Pp4Qbj6&m=91bf015aa08a&t=20151004&c=n> Forget

vote: <https://mhub.clackamas.us/canit/b.php?i=03Pp4Qbj6&m=91bf015aa08a&t=20151004&c=f>

END-ANTISPAM-VOTING-LINKS

EXHIBIT 7
pg 1/1

Gilevich, Shari

From: Steve Hilde [sajhilde@gmail.com]
Sent: Monday, October 05, 2015 7:34 PM
To: Gilevich, Shari
Subject: Marijuana

We at 42245 SE Coalman Rd. ,Sandy, OR 97055 **DO NOT** ,want people growing marijuana in our area.
Steve & Jeri Hilde Family

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[Spam](#)

[Not spam](#)

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EXHIBIT 8
pg 1/1

From: Tinker, Kim
Sent: Tuesday, October 06, 2015 8:24 AM
To: Gilevich, Shari
Subject: marijuana-related land uses

I would just like to voice my concern over the proposed changed in land use regulation. I received a notice so am assuming my property at 22041 SE 442nd ave Sandy, Ore is affected. After reading some of the information you have on line I don't feel the growing and processing of marijuana should be in a rural area. It sounds more like a industrial operation and should be in a industrial zone. These are my concerns.

1. Loss of quality of life and devalue of property due to a growing operation
2. Security issues with the type of individuals this will draw to the area. It would almost be impossible to keep an outdoor growing operation secure against poachers
3. A large operation would have to tap into a ground water source. We have experienced several years now with low rain fall and water tables are dropping. My well is only 80 ft deep and it would not take much draw down from a large operation to affect my water source. I should have some ground water rights.
4. Grow operations often use pesticides and herbicides in their operations. I have honey bees who have a 3 miles flight radius. What affect is this potential exposure going to have on them. I believe by state rights the bees are protected and people who use chemicals that kill the bees are liable for damages. There is NO safe pesticide or herbicide.

Let's keep the quality or rural Clackamas County wholesome and a place where people can raise a family without the influence of a drug operation in their back yard. Despite the legalization of marijuana this drug is not healthy for people , especially for the developing adolescent brain.

Kim Tinker, FNP
School Based Health Center Sandy High
37400 SE Bell
Sandy, Oregon 97055
503-668-3483



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Please consider the environment before printing this email

EXHIBIT 9
pg 1/1

Hughes, Jennifer

From: Ed Mura [mura19501@hotmail.com]
Sent: Thursday, October 01, 2015 11:33 AM
To: Brian.Pasko@gmail.com; Chandler, Daniel; Hughes, Jennifer; Davis, Jeff; Norman Andreen; Gail Holmes; John Drentlaw; John Gray; Mark Fitz; meekmark@worldstar.com; Michael Wagner; tompet234@frontier.com; Ludlow, John; Bernard, Jim; Smith, Tootie; Savas, Paul; Schrader, Martha; Boderman, Nathan; Jennifer; Ludlow, John; Savas, Paul; Schrader, Martha; janelle@oregonimpact.org
Subject: Marijuana Grows

Good Morning,

My name is Ed Mura, I am writing you as a self appointed representative of my area of South County which is primarily S. Elwood Rd. and Hwy 211. I am a junior in this area having lived here for twenty years with many of my neighbors having lived in this quiet corner of Clackamas County for many more years.

Last year the property at 25251 S. Elwood Rd., located approx. 300 feet from my residence was sold and resettled. This past spring large amounts of dirt were excavated and two large greenhouses were built within sight of the road. My neighbors and I learned this was going to be a large, industrial marijuana grow and that has come to pass.

The greenhouses are approximately 120 feet in length and are at least 40 feet in width and probably about twenty feet in height, if not more. Each one of them has a large, ground level exhaust fan that drones twenty four, seven, three sixty five. There is another, smaller greenhouse behind the residence and not visible from the road. I can easily hear the sound of these fans from my front porch and I am the lucky one.

I have neighbors whose property borders the grow, the fans are much louder on their properties.....in fact the fans point directly towards one of my neighbors houses. He cannot open his windows because of the noise.

In addition to all of this is the sometimes overpowering smell that emanates from the grows. I only smell it occasionally, but I have toured my neighbors property and they are inundated with it all of the time.

I worked for the citizens of Clackamas County for nearly thirty years as a Deputy Sheriff in several different assignments. One of those was as the supervisor of the Major Crimes Team for several years. During that time I assisted or supervised investigations of homicides and having investigated deaths related to marijuana grows I am concerned for my safety and my neighbors.

This grow is not secured with the exception of a few signs, a closed gate and black plastic...which announce its presence rather than conceals it. In addition there are several employees who commute to and from every day so it is difficult to gauge who belongs in the area and who does not.

The Chair of the BCC likes to talk about how he wants Clackamas County to be a safe place to live, work and play. I can tell this planning commission that in my little corner of the world it is not any of these.

Talking with engineers I know the smell and the sound can be mitigated by the operators of these grows if they want to be good neighbors.

I do not ask you to get rid of legal marijuana, that is the subject for another time and place....I simply ask when considering the land use rules, you require these enterprises be good neighbors.

Require that the sound of the fans on an indoor grow be mitigated, require the smell be washed out, require them to have the appropriate permits, (my grow does not have any), require them to have the necessary security and setbacks, require them to report to the fire department about any large amount of chemicals they may have on their site.

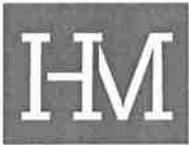
If anyone of you is interested in taking a tour of this area I would be happy to be your guide. You now have my e-mail address or you can call me at 971-645-7845.

Ed Mura

Spam

Not spam

Forget previous vote



September 28, 2015

Chair John Ludlow - jludlow@clackamas.us
Jim Bernard - jbernard@clackamas.us
Paul Savas - psavas@clackamas.us
Marth Schrader - mschrader@clackamas.us
Tootie Smith - tsmith@clackamas.us

Clackamas County Commissioners
Public Services Building
2051 Kaen Road
Oregon City, OR 97045

Via Email and First Class Mail

RE: Proposed County Land Use and Zoning Regulations for Marijuana

Dear Commissioners,

Thank you for taking the time to hear public testimony at the Board Meeting on Thursday, September 24. Your questions and comments throughout demonstrate the commission's thoughtful approach to issues surrounding marijuana cultivation and processing in unincorporated Clackamas County.

At the meeting, I spoke on behalf of industry participants, including long-time medical marijuana grower Andrew Weitz, who rents the property at 29450 Lariat Lane in Boring. Mr. Weitz proposes to grow marijuana at that location under Oregon's recreational marijuana program. Like many of Clackamas County's registered 3,448 medical marijuana growers, Mr. Weitz is accustomed to administrative oversight and working with local government, and he anticipates a good relationship with county government and neighbors. Mr. Weitz is also a family man with four children who is active in his church and local Boy Scout Troop.

At the meeting, I expressed concern about certain aspects of the proposed regulations drafted by staff and set forth at draft ZDO 254. Specifically, the maximum building space of 5,000 square feet for growing and 3,000 square feet for processing are overly restrictive. (See 841.03 (H)(3)). The 100 foot setback requirement at 841.03(A) is also problematic, and the requirement that "an owner of the subject property shall reside in a dwelling unit on the subject property" is unnecessary (See 841.03 (H)(1)).

As you know, the county has authority to make reasonable regulations pursuant to Oregon HB 3400. The proposed square footage limits for RRFF-5 and FF-10 Districts,

however, do not appear reasonable.¹ These limits are significantly lower than what has been allowed under all three categories of Colorado cultivation licenses² and are lower than both Washington Tier II and Tier III licenses.³ They are also significantly lower than anything proposed in rulemaking documents circulated by the OLCC.

Several individuals at the meeting noted that they had leased and purchased property in the expectation of running a licensed business on RRFF-5 land greater than 5,000 square feet. Mr. Weitz is one such individual. This spring, Mr. Weitz leased a 10,000 square foot barn on a tax lot adjacent to the now infamous 96,000 square foot Mt. Hood Equestrian Center. Unlike the Equestrian Center lessee, Mr. Weitz disclosed his proposed use of the property from the outset and was granted a building permit for that property on May 21, 2015 (see enclosure).⁴

Commissioner Smith's point that "[i]t's not our responsibility to protect investments that were made prior to when the rules were set" (2:27:00) is well taken. It is also true that the permit approval letter sent to Mr. Weitz advises that the approval "does not ensure that the building complies with ... other County regulations in the future regarding marijuana facilities." (See attached). However, after the passage of Measure 91, those who wished to participate in Oregon's newest industry were left with the very difficult choice of waiting for the OLCC and counties to adopt rules (which is *still* ongoing at this late hour) or securing a property likely to be serviceable, before all of them were taken. It would be a harsh result indeed for these entrepreneurs to be done in by unduly restrictive local zoning rules.

Regarding the 100 foot setback requirement, Commissioner Bernard noted his concern that "the RRFF-5 setbacks are too big. Even a hog farm could come in five feet from a property line." (Hearing, 2:18:30). From a legal perspective, it must be noted that marijuana is codified as a "crop" under HB 3400 and is therefore protected by the state's "right-to-farm" law (ORS 30.930). That law prohibits local ordinances and lawsuits that target common farming practices, now including marijuana practices, as incidents of nuisance (sound or smell) or trespass. In addition, the 100 foot setback could very well

¹ This letter will not assess the proposed ban on cultivation and processing in industrial zones, which appears nonsensical economically and also "prejudicial" as stated by Commissioner Smith." (2:25:50)

² Type I Colorado stores may grow up to 3,600 plants; Type II stores may grow up to 6,000 plants; and Type III stores may grow up to 10,200 plants.

³ Tier II Washington licensees may grow up to 10,000 square feet of dedicated plant canopy and Tier III Washington licensees may grow up to 30,000 square feet of dedicated plant canopy.

⁴ The Mt. Hood Equestrian Center property was eventually granted a change of use on June 22.

constitute an actionable taking of private property and I am almost certain the County would end up in litigation on multiple fronts on that issue.

Finally, the requirement that “an owner of the subject property shall reside in a dwelling unit on the subject property” does not appear to serve any legitimate purpose. The OLCC is currently drafting robust regulations as to security system requirements and grow site protocols. Requiring the actual property owner to reside on the subject property forecloses the ability of Clackamas County individuals to lease their land or to reside on any other property they may own. At most, the county should require a caretaker or other designated individual to live on the property.

Heightened local sensitivity surrounds these issues, and most local marijuana cultivators and processors understand this. The Commission’s goals of safeguarding neighbors from unwanted sounds and smells are well founded. However, it would be judicious for the commission to entrust the OLCC to adopt robust regulations as to these issues, as contemplated by HB 3400. Commissioner Savas’ related observations that “we are wide open for litigation” and should “allow other jurisdictions to test the regulations” are pertinent here (2:46:15).

On at least one occasion during the meeting, Commissioner Smith helpfully observed that “nothing has been decided” (2:25:50). Accordingly, in making these decisions, it is worth recalling Commissioner Ludlow’s observations that Measure 91 actually had a higher pass rate in unincorporated Clackamas County” (2:32:15) and that “two big counties next to us have a lot looser rules” (2:45:45) which will almost certainly allow for marijuana cultivation on properties larger than 10,000 square feet, and in industrial zones, and will generally promote the rehabilitation and economic development of properties like the one leased by Mr. Weitz.

We appreciate the county’s consideration of these challenging and novel issues⁵ and look forward to commenting further on these draft regulations, should they proceed. In the interim, please do not hesitate to contact me if you wish to discuss further.

Sincerely,

/s/ Vincent Sliwoski

Vincent Sliwoski
Harris Moure, LLC

Attachment: 7 Pages

⁵ Even including Commissioner Schraders’s literary suggestion that “First, we kill all the lawyers” (2:44:50)



MIKE McCALLISTER
PLANNING AND ZONING DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

May 21, 2015

Jason O'Hara
27821 SE Sunray Drive
Boring OR 97009

RE: Property Location: Map No. 1-4E-31A Tax Lots 1300 and 1301
Building Permit No. B01013-15

Dear Mr. O'Hara,

The Planning and Zoning Division has approved the above building permit for a tenant improvement to an existing building on the property. Based on the Statement of Use form submitted with the building permit, the building is intended to be used for a medical marijuana grow operation. No manufacturing or retail use is proposed or authorized in the building.

The Planning and Zoning Division has approved the building permit because the proposed use is consistent with the Clackamas County Zoning and Development Ordinance. However, this approval does not ensure that the building and / or location of the building complies with Federal or State regulations or other County regulations adopted in the future regarding marijuana facilities. Furthermore, new laws may be adopted by the State legislature, the Oregon Health Authority and the Oregon Liquor Control Commissioner (OLCC) that may restrict the location and operating characteristics of all marijuana facilities, including grow sites. If so, this location may or may not comply with those regulations. It is the owner's responsibility to ensure compliance with any other applicable law.

Please call me if you have any questions.

Sincerely,

Mike McCallister, Planning Director
Planning and Zoning Division

cc: Todd Sivertson, PO Box 2517, Gresham OR 97030
Richard Carlson, Building Codes Division
Dean Brown, Code Enforcement
Lori Phillips, SDC Coordinator

EXHIBIT 11
pg 4/10

\$9,721.23



STATEMENT OF USE

TRANSPORTATION SYSTEM DEVELOPMENT CHARGE (TSDC)
& PARKS SYSTEM DEVELOPMENT CHARGE (PSDC)

THIS INFORMATION WILL BE USED TO DETERMINE THE APPROPRIATE TRANSPORTATION SYSTEM DEVELOPMENT CHARGE CATEGORY AND PARK SYSTEM DEVELOPMENT CHARGE CLASSIFICATION. PROVIDE A WRITTEN DESCRIPTION OF YOUR DEVELOPMENT OR PROJECT BELOW. IT IS IMPORTANT THAT YOU DESCRIBE IN FULL DETAIL HOW YOU WILL USE THIS STRUCTURE. (CATEGORIES USED ARE SHOWN ON THE BACK OF THIS SHEET.)

DATE	5-5-15	RES. PARCEL NO.	T	S, R	E/W, Section	Tax Lot	1300-1301 on map
BUILDING PERMIT #	B0101315	BUSINESS NAME	Medical Co-op-MMJ				
OWNER/APPLICANT NAME	ANDREW VEITZ						
PHONE NUMBER	406-248-4861	FAX NUMBER	-NA-				
E-MAIL ADDRESS	aveit@clackamas.net						

PROPOSED BUSINESS USE:

THE FOLLOWING DESCRIPTIONS OF BUSINESS ACTIVITIES WILL TAKE PLACE IN THIS BUILDING OR STRUCTURE. PLEASE BE SPECIFIC AS TO THE LOCATION OF THE BUSINESS ACTIVITIES. (IN THE CASE OF MULTIPLE STRUCTURES, PLEASE SPECIFY WHICH STRUCTURE IS BEING USED.)

- There will be one part time employee.
- ZERO visitors and/or customers will be visiting site.
- Use, growing medical marijuana.

Currently approx 5000 sq ft. 6440 sq ft Total

CHECK ONE OF THE FOLLOWING:

<input type="checkbox"/> Existing Structure (Type I)	<input type="checkbox"/> New Structure (Type I)
<input checked="" type="checkbox"/> Existing Structure (Type II)	<input type="checkbox"/> New Structure (Type II)
<input type="checkbox"/> Existing Structure (Type III)	<input type="checkbox"/> New Structure (Type III)

EXISTING STRUCTURES ONLY:

Year Built	early 70s	Number of Units	1000/1000
Previous Tenant Name	"NONE"		Date Previous Tenant Vacated
Type of Use	- Never previously leased. Was used strictly for hay & straw storage.		

ACKNOWLEDGEMENT AND SIGNATURE

BY SUBMITTING THIS APPLICATION, I AFFIRM THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE.

Signature: *[Handwritten Signature]*

RETURN COMPLETED FORM TO:
 Engineering: Lori Phillips, Administrative Analyst - (503) 742-4331 (F) / (503) 742-4272 (E)
 Building Codes Division - Permit Counters - (503) 742-4739 (F) / (503) 742-4741 (E)



Building Permit Application

150 Beaver Creek Road, Oregon City, OR 97045
 Phone: (503) 742-4240 Fax: (503) 742-4741
 Inspection request: 503-742-4720
 Internet address: www.clackamas.us

TYPE OF WORK	
<input type="checkbox"/> New construction	<input type="checkbox"/> Demolition
<input checked="" type="checkbox"/> Addition/alteration/replacement	<input type="checkbox"/> Other:
CATEGORY OF CONSTRUCTION	
<input type="checkbox"/> 1- and 2-family dwelling	<input checked="" type="checkbox"/> Commercial/industrial
<input type="checkbox"/> Accessory building	<input type="checkbox"/> Multi-family
<input type="checkbox"/> Master builder	<input type="checkbox"/> Other:
JOB SITE INFORMATION AND LOCATION	
Job site address: <u>29450 SE LARIAT LN</u>	
City/State/ZIP: <u>Boring, OR 97009</u>	
Suite/bldg./apt. no.:	Project name:
Cross street/directions to job site: <u>HWY 26 SOUTH ON SE HALCY LEFT ON LARIAT LN</u>	
Subdivision:	Lot no.:
Tax map/parcel no.: <u>SEC 31A IN 4E TL 1301</u>	
DESCRIPTION OF WORK	
<u>SEE BACK PAGE</u> <u>KITCHEN, DINING & OFFICE AREA OF MT HOOD EQUESTRIAN CENTER PREVIOUSLY ADDED w/o building permits</u>	
<input checked="" type="checkbox"/> PROPERTY OWNER	<input type="checkbox"/> TENANT
Name: <u>TEOD SWERTSON</u>	
Address: <u>PO BOX 2517</u>	
City/State/ZIP: <u>GRESHAM, OR 97030</u>	
Phone: <u>(503) 704-9293</u>	Fax: ()
E-mail:	
<input checked="" type="checkbox"/> APPLICANT	<input type="checkbox"/> CONTACT PERSON
Business name:	
Contact name: <u>DALE BURKHOLDER</u>	
Address: <u>PO BOX 305</u>	
City/State/ZIP: <u>CORBETH, OR</u>	
Phone: <u>(503) 930-8614</u>	Fax: <u>(503) 452-0472</u>
E-mail: <u>dale.burkholder@corbetchmail.com</u>	
CONTRACTOR	
Business name:	
Address:	
City/State/ZIP:	
Phone: ()	Fax: ()
E-mail:	
CCB lic.:	
Authorized signature:	
Print name: <u>DALE BURKHOLDER</u>	Date: <u>6-19-15</u>

V 0010015 DB

Date Recd: <u>6/19/15</u>	Bldg #: <u>B02504N</u>
By:	Pmb #:
Simple/Complex:	Elec #:
Land Use Appr:	Pj #:
<u>Robert to Mike ME</u>	
REQUIRED DATA: 1- AND 2-FAMILY DWELLING	
Permit fees* are based on the value of the work performed. Indicate the value (rounded to the nearest dollar) of all equipment, materials, labor, overhead, and the profit for the work indicated on this application.	
Valuation	
Number of bedrooms:	
Number of bathrooms:	
Total number of floors:	
New dwelling area:	square feet
Garage/carport area:	square feet
Covered porch area:	square feet
Deck area:	square feet
Other structure area:	square feet
REQUIRED DATA: COMMERCIAL-USE CHECKLIST	
Permit fees* are based on the value of the work performed. Indicate the value (rounded to the nearest dollar) of all equipment, materials, labor, overhead, and the profit for the work indicated on this application.	
Valuation <u>20,000</u>	
Existing building area:	square feet
New building area:	square feet
Number of stories:	
Type of construction:	
Occupancy groups:	
Existing:	
New:	
NOTICE	
All contractors and subcontractors are required to be licensed with the Oregon Construction Contractors Board under ORS 701 and may be required to be licensed in the jurisdiction in which work is being performed. If the applicant is exempt from licensing, the following reasons apply:	
<u>No investigative fee per Andrea X 9467</u>	
BUILDING PERMIT FEES*	
<i>Please refer to fee schedule</i>	
Fees due upon application	
Amount received	
Date received:	

This permit application expires if a permit is not obtained within 180 days after it has been accepted as complete

* Fee methodology set by Tri-County Building Industry Service Board

440-4613T (11/02/COM/WEB) CCP-PW12 (Rev. 3/15)

EXHIBIT 11
pg 6/10



EXHIBIT COPY

STATEMENT OF USE

TRANSPORTATION SYSTEM DEVELOPMENT CHARGE (TSDC) & PARKS SYSTEM DEVELOPMENT CHARGE (PSDC)

THIS INFORMATION WILL BE USED TO DETERMINE THE APPROPRIATE TRANSPORTATION SYSTEM DEVELOPMENT CHARGE CATEGORY AND PARK SYSTEM DEVELOPMENT CHARGE CLASSIFICATION. PROVIDE A WRITTEN DESCRIPTION OF YOUR DEVELOPMENT OR PROJECT BELOW. IT IS IMPORTANT THAT YOU DESCRIBE IN FULL DETAIL HOW YOU WILL USE THIS STRUCTURE.

(CATEGORIES USED ARE SHOWN ON THE BACK OF THIS SHEET.)

DATE <i>8-21-15</i>	REF. PARCEL No.	T 1N S, R 4E W, Section 31A Tax Lot 1301	
BUILDING PERMIT # <i>B0250415</i>	BUSINESS NAME		
OWNER/APPLICANT NAME		<i>DALE BURKHOLDER</i>	
PHONE NUMBER <i>503-830-8614</i>	FAX NUMBER	<i>503-492-8472</i>	
E-MAIL ADDRESS		<i>daleburkholder@rocketmail.com</i>	

PROPOSED BUSINESS USE:

PLEASE EXPLAIN WHAT TYPE OF BUSINESS ACTIVITIES WILL TAKE PLACE IN THIS BUILDING. ESTIMATE THE NUMBER OF EMPLOYEES AND CUSTOMERS COMING TO THE BUSINESS EACH DAY. (INCLUDE UNITS FROM CATEGORY ON BACK, FOR EXAMPLE: SCHOOL = # STUDENTS; HOTEL/MOTEL = # ROOMS; HOSPITAL = # BEDS)

1. *GROWING MARIJUANA FOR MEDICAL & RECREATION USE*
2. *EXTRACTION SUBJECT TO A CONDITIONAL USE PERMIT (SEE BUILDING PLANS)*
3. *VISITORS AND/OR CUSTOMERS AT THE CENTER*
4. *CURRENTLY THERE ARE APP 12 EMPLOYEES THAT WILL INCREASE WHEN AT FULL CAPACITY TO APP 50-60 EMPLOYEES*

TOTAL SQUARE FOOTAGE
*INCLUDE ALL LEVELS

CHECK ONE OF THE FOLLOWING:

- | | |
|---|--|
| <input type="checkbox"/> EXISTING STRUCTURE, EXISTING TENANT (TI) | <input type="checkbox"/> NEW STRUCTURE |
| <input checked="" type="checkbox"/> EXISTING STRUCTURE, NEW TENANT (TI) | <input type="checkbox"/> NEW STRUCTURE, SHELL ONLY |
| <input type="checkbox"/> ADDITION TO EXISTING STRUCTURE | |

EXISTING STRUCTURES ONLY:

YEAR BUILT	<i>1973</i>	<input type="checkbox"/> IS THE BUILDING 100% VACANT?	
PREVIOUS TENANT'S NAME	<i>MT HAND STABLES</i>	DATE PREVIOUS TENANT VACATED	<i>10/2014</i> (Month/Year)
TYPE OF USE			
<i>EQUESTRIAN CENTER FOR SHOW AND RIDING EVENTS.</i>			

ACKNOWLEDGEMENT AND SIGNATURE

BY SUBMITTING THIS APPLICATION, I AFFIRM THAT THE INFORMATION SET FORTH IN IT IS TRUE AND COMPLETE.

SIGNATURE

RETURN COMPLETED FORM TO:

Engineering: Lori Phillips, Administrative Assistant (loriphi@co.clackamas.or.us) 503-742-4331 (P) 503-742-4272 (F)
Building Codes Division - Permit Counter: 503-742-4739 (P) 503-742-4741 (F)

STATEMENT OF USE OR USES

It is important that you describe in detail the use to which you or the future occupant will use the development or structure. This information will be used to insure compliance with land use laws and to determine appropriate building code occupancy classification.

It is essential that your description is as complete as possible.

3-1-17-14-10002
C
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THE INTENDED USE FOR THE BUILDING CONSTRUCTED IN 1973 AS AN EQUINE CENTER, CONSISTING OF STALL AREA 2 ARENAS KITCHEN DINING AND OFFICE AREA INCLUDING STORAGE & MECHANICAL AREA FOR THE ELECTRICAL, HEATING & FIRE SUPPRESSION SYSTEM. THE USE SHALL BE FOR A MEDICAL MARIJUANA GROW OPERATION. NO MANUFACTURING OR RETAIL USE IS PROPOSED EXCEPT FOR THE FUTURE RECREATION MARIJUANA GROW OPERATION WHEN IT CAN BE AUTHORIZED AND PERMITTED BY THE LOCAL JURISDICTION. THE CURRENT AREA IN USE = 10,273 sq ft. THIS APPLICATION IS FOR THE EXPANDED USE AS ALLOWED UP TO 97,000 sq ft.

Date: 6-19-15 Print Name: DAVE BUCKHOLDER Phone: 503-830-8614

Signature of Owner or Authorized Agent: 

FOR OFFICIAL USE ONLY

Township: _____ Range: _____ Section: _____ Tax Lot: _____ Zone: _____

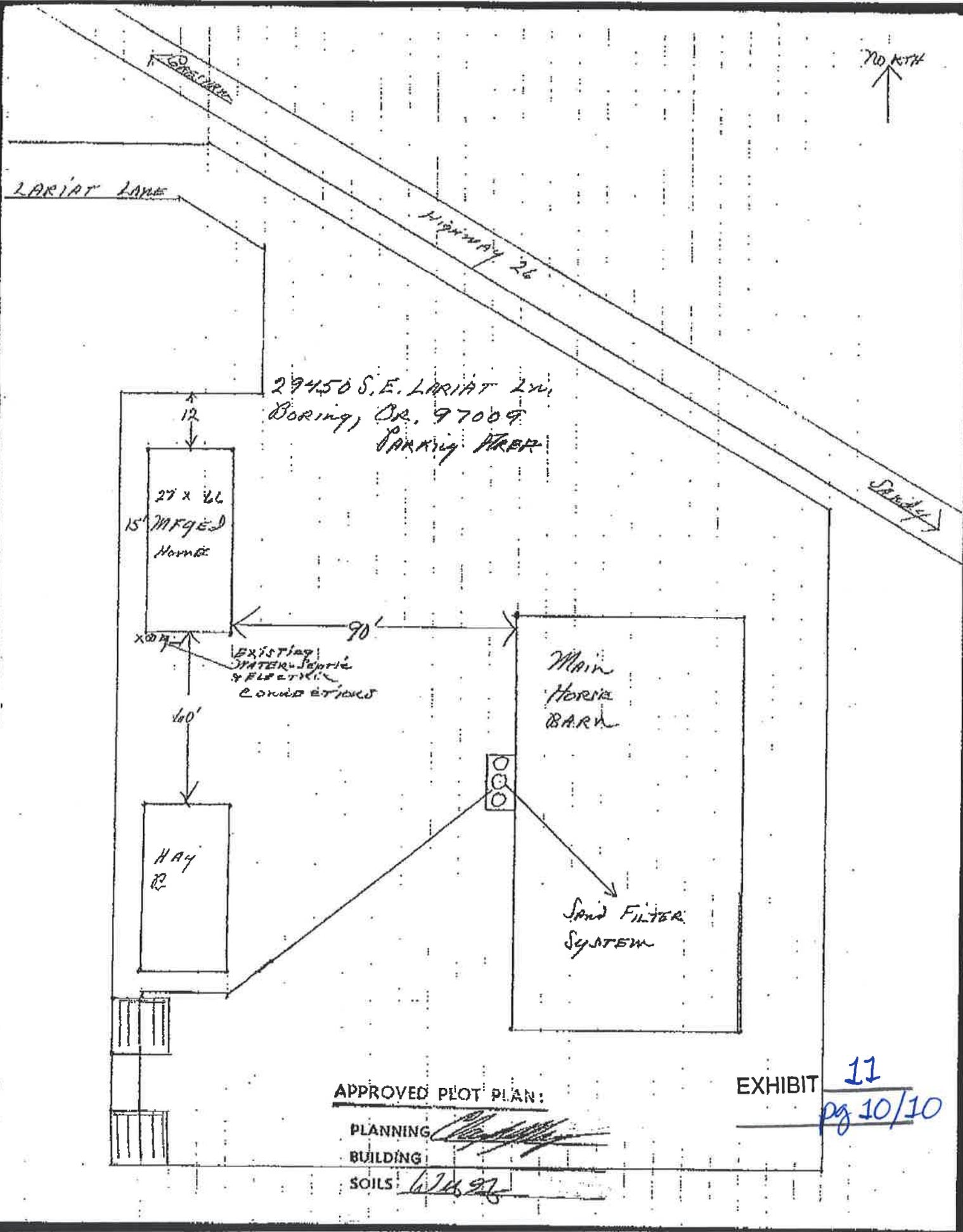
Address: _____
(street address) (city) (state) (zip code)

For Structures - Occupancy Classification: _____

Date: _____ Staff Person: _____

Comments: _____

CONVERT THE EXISTING KITCHEN, DINNING & OFFICE
TO GROW RM, FUTURE EXTRACTION, OFFICE ARE (UP STAIRS)
& STORAGE



29450 S.E. LARIAT LANE
BORING, OR. 97009
PARKING AREA

27 x 46
15' MFGED
HORSE

12'

EXISTING
WATER, SEPTIC
& ELECTRIC
CONDUITS

90'

60'

HAY
RACK

MAIN
HORSE
BARN

SAND FILTER
SYSTEM

APPROVED PLOT PLAN:

PLANNING
BUILDING

SOILS

[Signature]
[Signature]

EXHIBIT

11
pg 10/10

To whom it may concern:

Please review the **red highlighted recommendations** to the proposed ZDO-254 draft amendments and include this document in the record effective 10/07/2015.

File ZDO-254 Proposed Zoning and Development Ordinance Amendments

Draft Date 9/21/15

841 MARIJUANA PRODUCTION, PROCESSING, AND RETAILING

841.01 APPLICABILITY

Section 841 applies to marijuana production, marijuana processing, and marijuana retailing.

841.02 PROCEDURE

Marijuana production and marijuana processing shall be subject to the following standards and criteria:

A. Minimum Yard Depth. No land area or structure used for marijuana production or marijuana processing shall be located closer than 100 feet from any lot line.

Recommendation:

Permanent and taxed agricultural outbuildings existing on EFU and AG/F Districts constructed with solid walls and using pole, stick built, timber frame and similar construction techniques prior to the passage of Measure 91 on November 4, 2015 should be grandfathered to the lot line set back that was in effect prior to that date. These structures should comply with 'good neighbor' policies in regards to odor (C), and lighting (D). Inclusion of the RRFF/FF10 (H)(4) section for noise control would be a logical consideration. Under these auspices the structure would not negatively affect adjacent property habitability, property value and preserve the right-to-farm. The proposed 100' set back would unreasonably restrict the use of these structures.

B. Access. The subject property shall have frontage on, and direct access from, a constructed public, county, or state road, or take access on an exclusive road or easement serving only the subject property. If property takes access via a private road or easement which also serves other properties, evidence must be provided by the applicant, in the form of a petition, that all other property owners who have access rights to the private road or easement agree to allow the specific marijuana production or marijuana processing described in the application. Such evidence shall include any conditions stipulated in the agreement.

C. Odor. A building used for marijuana production or marijuana processing shall be equipped with a carbon filtration system for odor control. The system shall consist of one or more fans and filters. The fan(s) shall be sized for cubic feet per minute (CFM) equivalent to the volume of the building (length multiplied by width multiplied by height) divided by three. The filter(s) shall be rated for the required CFM.

Recommendation:

The issue is that the facility must not emit offensive odor; whether from Cannabis, fertilizer or pesticides. All discharged air whether exhausted by means of mechanical, passive, leakage or otherwise, must be filtered and eliminate all odors and particulates. With the proposed fan calculation there would be an air change every 20 seconds (180 times per hour!). The amount of air being discharged is irrelevant. The concern is

EXHIBIT 12

ZDO-254

Page 1 of 3

whether or not the exhausted air is properly filtered. The fan requirement is unnecessary. Control of exhausted odor laden air using artificial 'masking' scents should be prohibited. The proposed fan and filter sizing is unreasonable.

D. Lighting. Lighting shall be regulated as follows:

1. Light cast by light fixtures inside any building used for marijuana production or marijuana processing shall not be visible outside the building from 7:00 p.m. to 7:00 a.m. the following day.
2. Outdoor marijuana grow lights shall not be illuminated from 7:00 p.m. to 7:00 a.m. the following day.

Recommendation:

Year-around outdoor growing operations (e.g. greenhouses) during the short day length of fall and winter will produce excessive light emission prior to and/or after the proposed 7 PM - 7 AM schedule depending on the time of year. Any discharge should be restricted by limiting light emission between the 'sunrise to sunset' timetable as calculated by the *National Weather Service/NOAA/Sunrise and Sunset Table*.

3. Light cast by exterior light fixtures other than marijuana grow lights (e.g., security lights, driveway lights) shall not spill onto adjacent lots.

E. Security Cameras. If security cameras are used, they shall be directed to record only the subject property and public rights-of-way.

F. Water. The applicant shall submit proof of a water right for the proposed marijuana production or marijuana processing, or proof of access to a public or community water system.

Recommendation:

Exempt sources of water as defined in the Oregon Water Law, ORS 537.141(1)(D)(h), e.g. precipitation, (see attached document) should be included as an acceptable water source for production. In addition, there are devices that extract water from the atmosphere. These devices are known as **atmospheric water generators (AWG)**:

https://en.wikipedia.org/wiki/Atmospheric_water_generator

Alternative exempt sources, such as AWG, which produce potable water should be included as an acceptable source for production and processing. Large scale production models are capable producing up to 100,000 liters per day in areas with humidity such as the Pacific Northwest: <http://www.atlantissolar.com/airtowater.html>

Please consider these recommendations at the upcoming study session. As well, these recommendations will be presented at the October 26 public hearing. I feel they could provide solutions for all stake holders and help Clackamas County remain economically productive and livable.

Sincerely,

Peter Sansone
Oregon City, OR 97045

200-254
EXHIBIT 12
Page 2 of 3

Oregon Water Law
State of Oregon
Water Resources Department

ZDO-254

EXHIBIT 12

Page 3 of 3

Exempt Uses <http://www.oregon.gov/owrd/pubs/docs/infosheet2.law.pdf>

Water uses that do not require a permit:

Some uses of water do not require a water right.

For surface water these include:

- *natural springs* which do not flow off the property on which they originate,
- *stock watering, fire control, forest management,* and the **collection of rainwater.**

Ground water exempt uses include:

- *stock watering,* less than one-half acre of *lawn and garden watering,* and *domestic water uses* of no more than 15,000 gallons per day.

Consult the Department for more information about exempt uses.

WRD Info sheet No. 2 / December 2003

ORS 537.141

Uses of water not requiring water right application, permit or certificate

(1) The following water uses do not require an application under ORS [537.130 \(Permit to appropriate water required\)](#) or [537.615 \(Application for permit to acquire new right or enlarge existing right to appropriate ground water\)](#), a water right permit under ORS [537.211 \(Issuance of permit if application approved\)](#) or a water right certificate under ORS [537.250 \(Water right certificate\)](#):

- (a) Emergency fire-fighting uses;
- (b) Nonemergency fire-fighting training, provided:
 - (A) The source of the water is existing storage and the use occurs with permission of the owner of the stored water; or
 - (B) If the source of water is other than existing storage, the use occurs with the prior written approval of the water master in the district where the training will take place and subject to any conditions the water master determines are necessary to prevent injury to existing water rights and to protect in-stream resources;
- (c) Water uses that divert water to water tanks or troughs from a reservoir for a use allowed under an existing water right permit or certificate for the reservoir;
- (d) Fish screens, fish ways and fish by-pass structures, as exempted by rule of the Water Resources Commission;
- (e) Land management practices intended to save soil and improve water quality by temporarily impeding or changing the natural flow of diffuse surface water across agricultural lands when storage of public waters is not an intended purpose. Such practices include but are not limited to:
 - (A) Terraces;
 - (B) Dikes;
 - (C) Retention dams and other temporary impoundments; and
 - (D) Agronomic practices designed to improve water quality and control surface runoff to prevent erosion, such as ripping, pitting, rough tillage and cross slope farming;
- (f) Livestock watering operations that comply with the requirements under subsections (2) and (3) of this section;
- (g) Forest management activities that require the use of water in conjunction with mixing pesticides as defined in ORS [634.006 \(Definitions\)](#), or in slash burning;
- (h) **The collection of precipitation water from an artificial impervious surface and the use of such water;**

From: Amy Margolis <amy@emergelawgroup.com>

Date: October 7, 2015 at 11:06:35 AM PDT

Subject: Clackamas County Land Use

Dear Commissioner:

I am writing to encourage you to reform Section 8.09.040(B)(1) of the Clackamas County Code. This section states that "[a] Marijuana Vending Facility shall not be located . . . outside of the Metro Urban Growth Boundary" (UGB). This section, enacted by Ordinance No. 04-2015, ostensibly sought to protect the public's safety and welfare by restricting these facilities to areas within the UGB – areas that law enforcement is better able to patrol. These are deserving policy considerations, and I understand that many hours of work went into drafting the original legislation around dispensary locations. The County had a number of concerns about the consequences of opening these type of establishments and wanted to keep them manageable and safe.

But the benefit of time has given these issues much greater clarity. In fact, many months have passed since passing this legislation and, to date, there is no evidence to justify this concern: there are no statistics linking crime rates in Oregon generally, or in Clackamas County in particular, to marijuana dispensaries. In fact, studies from other parts of the country confirm that there is no such link. It is apparent that the participants in the licensed and regulated dispensary program are good citizens, strong employers and actively engaged in the policy side of this industry. Their interests align with those of the County.

As you all know by now, the Oregon Health Authority requires medical marijuana dispensaries to use comprehensive video surveillance and alarms and dispensaries licensed by the Oregon Liquor Control Commission will be subject to similar rules. The consequence of violating these rules is the revocation of the dispensary's license to operate; this is a risk that profit-seeking businesses are not willing to take. These rules, like Section 8.09.040, are motivated by a desire to deter crime, and concern for public safety and welfare- even outside of the UGB.

If Clackamas county allows dispensaries to operate outside the UGB they will still be subject to rules designed to insulate the public from unpredictable negative impacts. Under Section 8.09.040(A), dispensary businesses may only operate on parcels where retail uses are permitted. Other parts of Section 8.09.040(B) also require that dispensary businesses locate a certain distance from businesses such as day care facilities.

The County should reconsider this rule for all of these reasons. But beyond that, there are compelling benefits to permitting facilities to operate outside of the UGB. Indeed, there is no better time to do this.

Dispensaries are establishing a track record of being compliant corporate citizens and good members of their communities. They create jobs, spend money locally, promote tourism, and generate tax revenue. I hope that the County, like many of its neighboring jurisdictions, will position itself to benefit from a growing industry that is certain to generate revenue and enhance the region's ability to provide safe and comprehensive access to its population.

We are asking for the opportunity to sit down with you to discuss this possibility and bring with us our clients. They are business people with traditional business backgrounds who have been licensed by the OHA for more than a year now and missed being grandfathered in by days (maybe not even that long). While we can be strong advocates for them, hearing their story and meeting them would put a face to the folks asking for this change.

Please let me know what the best way to make an appointment with your office is. Thanks, and looking forward to speaking in person.

ZDO-254
EXHIBIT 13
Page 1 of 2

Amy Margolis | Attorney

EMERGE LAW GROUP

111 SW 5th Avenue, Suite 2080

Portland, OR 97204

O: 503.227.4525 F: 503.200.1124 C: 503.539.4394

E: amy@emergelawgroup.com

>>> emergelawgroup.com

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ZDO-254

EXHIBIT 13

page 2 of 2

Gilevich, Shari

From: Jan [johnsjan1@yahoo.com]
Sent: Wednesday, October 07, 2015 3:31 PM
To: Gilevich, Shari
Subject: Clackamas Review marijuana article

As a neighbor of someone who has way over the legal limit of marijuana plants I can tell you that I pray for a west wind. Since moving in 1-2 years ago they have put up a board to board fence, about six feet tall. I'm told by the police that unless they can be seen above this fence nothing can be done. Also they do not have a medical grow permit so my understanding is they are allowed only four plants per household, they have many times that amount.

I didn't realize the plants themselves had such an offensive odor. As our backyards adjoin I am sure finding out. Why is it that they can continue to break the law because they have a fence. This is the first time I've heard of having a fence makes a crime legal.

Why are my rights to clean air tossed out so they can continue their illegal activity? Many times I've been driven inside because of the smell and I've had to close my patio door and skylight or the smell invades the house, not a pleasant thing. Also a small child lives there, have they no concern for the child?

As of now the police are powerless to help me and they continue their illegal activity.

Jan Johnson
Milwaukie resident

Sent from my pad

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END-ANTISPAM-VOTING-LINKS

ZDO-254
EXHIBIT 14
page 1 of 1

OCT 13 2015

Oct. 8, 2015

My name is Ramona Notz

I live in a zone listed

Exclusive Farm Use

I object to approving an amendment
to add Marijuana Production, Growing
Processing, wholesaling, Retailing or
Dispensing in our Farm Community.

Please put my name on the list of
people to speak to the Planning Commission
and the County Commissioners at the
Public Hearings.

My husband Al Notz would also like
the opportunity to express his concerns
and needs to speak at the Public Hearings.

Our property is 5 2E 6 405
Our address is 30200 S Shandell Rd
Medalla, Or 97038

Phone 503-651-3477

EXHIBIT ¹⁵ ZDD-254

Page 1 of 1

Thank You
Ramona Notz

OCT 13 2015

12350 S.E. Deerfield Drive

Happy Valley, OR 97086

October 8, 2015

Re: Planning File # ZDo-254

Department of Transportation and Development

Planning and Zoning Division

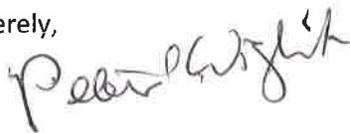
150 Beaver Creek Road

Oregon City, OR 97045

Gentlemen:

As the owner of three properties in Clackamas County, I neither support nor favor any marijuana-related activities in the County.

Sincerely,



Peter C. Wight

EXHIBIT ¹⁶ ZDO-254
Page 1 of 1

From: Lloyd Griffin [lloydgriff51@yahoo.com]
Sent: Thursday, October 15, 2015 5:15 PM
To: BCCMail; Gilevich, Shari
Subject: Clackamas County Marijuana Zoning Proposals

Dear Clackamas County,

I and others in unincorporated Clackamas County have been following the proposed changes in zoning ordinances for recreational and medical marijuana. We appreciate the effort and time that goes into developing proposals and decrees. We would like to add some thoughts to the conversations being developed by the county planners. On the whole the draft proposals seems very reasonable. The reason for this email is to add a bit of input and ideas on a couple points.

The county sets limits on where and how various marijuana businesses can operate.

The county wants to apply limits to:

"Growing medical marijuana for a medical marijuana cardholder at an address other than the address where the cardholder resides or at an address where more than 12 mature marijuana plants are produced." We have comments about this further in the text.

The proposal:

"Growing medical marijuana by a medical marijuana cardholder at the cardholder's residence as long as no more than 12 mature plants are grown at that address (up to 6 mature plants/cardholder are permitted by state law) **seems to state 2 cardholders must live at one property address?** We found this confusing.

I respectfully propose that a grower continue to be able to follow the OMMP rules that state they may grow for 4 patients (Oregon residents) even though they may not reside at the growers address. Why? Because many patients will lose their medicine and that does not seem fair. Specifically, the thoughts we had, is if the county limits only 1 grower to a property, and up to 4 patients, that would be in keeping with OMMP rules. Besides, some folks may grow for just 1 or 2 people and be a patient themselves. Taking that away will be difficult. Imagine certain persons confined to a wheelchair or blind, trying to grow their own medicine. There are many current medical marijuana patients who cannot grow their own medicine for many reasons. For example, if a patient is not financially capable of affording medicine, getting transportation to a dispensary or even having any area to grow. They rely on their grower but do not live with them. If that changes what will they do?

If you think about it, OMMP regulations do not constitute a "business for profit operation" the way new recreational or medical businesses will. Please consider leaving the OMMP regulations intact. We also believed when Measure 91 passed that would be the case as written in the law. Section 4, part 7, states that the measure will not amend in any way the Medical Marijuana Act.

Thank you for taking the time to read this letter and I hope it was not too confusing. As always, we appreciate for your continued hard work in Clackamas County.

Many thanks,
Lloyd and Pat Griffin

200-254
EXHIBIT 17

Page 1 of 1

Gilevich, Shari

From: Lila Reed [sniper5567@yahoo.com]
Sent: Thursday, October 15, 2015 6:30 PM
To: Gilevich, Shari
Subject: amendments RE marajuana

Dear Shari,

Hello. I am Lila Reed and my husband and i live in Clackamas county/Sandy. We got the notice of the proposed amendments for marajuana use/grow operations in our area. We happen to be zoned exclusive farm use. What i am specifically concerned about is a grow operation that could someday be instituted adjacent to my home. My small 2 acre parcel is flanked on 3 sides by fields...which currently is heaven...but is for sale, and if a grower purchased it, could become a factor which would lower my property value. I dont want to be flanked on 3 sides by marajuana, and im sure anyone who might ever look to purchase my house/land would not either.

Can Clackamas county entertain some sort of solution so that the growers who have a right to do so (much to my chagrin) while still protecting existing property owners land and home values. I understand growers have a right to use their property as the law allows, however, i feel there needs to be some balance in that their right to use should not negatively impact my land value.

Perhaps a mutually beneficial additional amendment would be that such a grow would be mandated to be placed at least 10 miles away from any existing municipality. This would serve two benefits...one...a security issue for them, and two...it would position these possible farms away from most country folks in oregon, who just happen to be conservatives and probably voted against this legalization, so as to serve as a buffer, so that this controversial drug would not be located near populated areas, kids, small acreages, etc. Its a tough balance to strike, for sure. Please keep me posted as to any solutions you may entertain. Thank you. Feel free to contact me if you wish.

Lila Reed. 19595 SE Martin Rd. Sandy Oregon 97055. 503-381-7652

Sent from my iPad

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vote: <https://mhub.clackamas.us/canit/b.php?i=03PtBuhHB&m=c7621eecdbda&t=20151015&c=f>

END-ANTISPAM-VOTING-LINKS

ZDO-254
EXHIBIT 18
Page 1 of 1

Gilevich, Shari

From: McCallister, Mike
Sent: Thursday, October 15, 2015 8:02 PM
To: Kay Pollack; Gilevich, Shari
Subject: FW: Clackamas County Proposed ZDO-254 Amendments / Update 10/14/2015 ver.
Attachments: DLCDC Guide to Recreational Marijuana in Exclusive Farm Use Zones 2015.docx; ORS 30.932 Definition of Nuisance and Trespass.docx; ORS 30.938 Attorney Fees and Costs.docx

Please include in the record accordingly

Mike McCallister
Planning Director
Planning & Zoning Division
Clackamas County
503-742-4522
MikeM@clackamas.us

From: Peter Sansone [mailto:PeterSansone@bctonline.com]
Sent: Thursday, October 15, 2015 5:53 PM
To: katherine.daniels@state.or.us
Cc: BCCMail; Renhard, Darcy; Hughes, Jennifer; McCallister, Mike; NAndreen@aol.com
Subject: Clackamas County Proposed ZDO-254 Amendments / Update 10/14/2015 ver.

Ms. Katherine Daniels
Farm and Forest Lands Specialist
Department of Land Conservation and Development

Ms. Daniels, et al:

We met and had a discussion on land use issues at the Oregon Farm Bureau's *Cannabis Rules Workshop* last Wednesday afternoon.

Who at the department would be able to render an opinion of the proposed 10/14/2015 Clackamas County draft amendment Section 841.03?

<http://www.clackamas.us/planning/marijuanalanduse.html>

841.03 MARIJUANA PRODUCTION AND MARIJUANA PROCESSING

Marijuana production and marijuana processing shall be subject to the following standards and criteria:

A. Minimum Yard Depth. No land area or structure used for marijuana production or marijuana processing shall be located closer than 100 feet from any lot line.

My concern is that the proposed amendment restricts the right-to-farm an HB 3400, Section 34 (1) (a) 'farm use' crop and restricts the use of existing agriculture exempt EFU farm structures situated at the lot line

setback dictated at the time of original construction but lies within the proposed 100 foot setback.

Do not these structures default to 'grandfathering'?
Besides colliding with EFU statute, is not 841.03(A) 'unreasonable' as defined in HB 3400, Section 33?

There could be issues with odor, noise and/or light negatively affecting adjacent neighbors but does not **ORS 30.932 Definition of Nuisance and Trespass** address these concerns?
Does not ORS 30.932 infer **841(D) Lighting** when stating, "*include but is not limited to noise, vibration, odors, smoke, dust, mist from irrigation, use of pesticides and use of crop production substances*"?

Does not **ORS 30.938 Attorney Fees and Costs** provide a remedy for such infractions?
Is not 841(C) Odor, and 841(D) Lighting, redundant?

841.03 (F) Water states, "*The applicant shall submit proof of a water right for the proposed marijuana production or marijuana processing, or proof of access to a public or community water system.*"

There are alternate options to comply with the ability to supply water for crop production and processing. *Exempt* sources of water as defined in the Oregon Water Law, ORS 537.141(1) (D) (h), e.g. precipitation, should be included as an acceptable water source. Rain water catchment systems can be efficient and large scale. In addition, there are devices that extract water from the atmosphere. These devices are known as **atmospheric water generators (AWG)**: https://en.wikipedia.org/wiki/Atmospheric_water_generator . Alternative exempt mechanical sources, such as AWG, which produce potable water, should be included as an acceptable source for production and processing. Large scale production models are capable producing up to 100,000 liters per day in areas with humidity such as the Pacific Northwest: <http://www.atlantissolar.com/airtowater.html>
These exempt and alternate sources of water must be included in the amendment. If these sources are not included it will trigger a denial of the OLCC application license due to the requirement of a compliant land use compatibility statement.

The Oregon Liquor Control Commission's proposed rules for producer status licensure will require a land use compatibility statement from the county.

This compatibility statement will obviously default to electrical, plumbing, mechanical and Oregon Fire Code permits, inspections and approval.

These structures would therefore be building code compliant, insure enforceable 'good neighbor' farming practices, and provide employment.

This is a complex and emotional issue but not difficult since statute has addressed the major points.

* PLEASE INCLUDE THIS DOCUMENT INTO THE FILE RECORD FOR ZDO-254.

Sincerely,

ZDO-254 EXHIBIT 19
Page 2 of 8

Peter Sansone
Oregon City
PeterSansone@BCTonline.com

cc:

- * Clackamas County Board of Commissioners
- * Clackamas County Planning Commission liaison, Darcy Renhard, Clackamas County Planning & Zoning Division
- * Jennifer Hughes, Principal Planner, Clackamas County Planning and Zoning Division
- * Mike McCallister, Planning Director, Clackamas County
- Norm Andreen, Beaver Creek CPO

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ZDO- 254
EXHIBIT 19
Page 3 of 8

Department of Land Conservation and Development

Guide to Recreational Marijuana in Exclusive Farm Use Zones - 2015

September 14, 2015

House Bill 3400 (2015), which applies primarily to recreational marijuana, became effective June 30, 2015. The bill makes numerous amendments to Measure 91, which was passed by Oregon voters November 4, 2014. This guide addresses land use issues in exclusive farm use zones related to recreational marijuana raised by HB 3400 and Measure 91 by summarizing the land-use related provisions in sections 33 and 34 that apply beyond permitted personal use.

The guide is not intended to provide legal advice for counties or to substitute for department rulemaking. **Counties should seek guidance from legal counsel in responding to HB 3400.** HB 3400 is a complex bill addressing much more than land use and County codes vary considerably. Additional information may be found on the Oregon Liquor Control Commission website:

<http://www.oregon.gov/olcc/marijuana/Pages/Frequently-Asked-Questions.aspx>.

Questions and Answers:

Q. When did Measure 91 go into effect?

A. The home grow/personal possession provisions of the measure were effective on July 1, 2015. The Oregon Liquor Control Commission will begin issuing commercial recreational marijuana licenses to growers, processors, wholesalers and retailers in 2016.

Q: Is the growing of marijuana a farm use?

A: Yes. Subsection 34(1)(a) of HB 3400 identifies marijuana as a crop for the purposes of determining a "farm use" as defined at ORS 215.203.

Q: What is the significance of defining the growing of marijuana as a farm use?

A: Because the production of marijuana is a farm use as defined at ORS 215.203, and ORS 215.203 applies to exclusive farm use (EFU) zones, it would generally follow that any use that is authorized in EFU zones in conjunction with farm use would also be authorized in conjunction with growing marijuana. However, in anticipation of this possibility, the legislature chose to prohibit certain uses in conjunction with the growing of marijuana.

Q: What uses are prohibited in conjunction with a marijuana crop?

ZDO-254
EXHIBIT 19
Page 4 of 8

A: Subsection 34(2) of HB 3400 lists the types of uses that are prohibited in conjunction with a marijuana crop. New dwellings in conjunction with a marijuana crop are not allowed. DLCD interprets this to apply to primary farm dwellings, accessory farm dwellings and relative farm help dwellings. The prohibition applies to all dwellings, and therefore includes both primary farm dwellings subject to an income test, and primary farm dwellings subject to a minimum parcel size test or the capability test. In addition, farm stands used in conjunction with a marijuana crop are prohibited. DLCD interprets this to mean that the sale of marijuana or marijuana products at farm stands is prohibited, as would be any promotional activities in conjunction with marijuana. Finally, commercial activities in conjunction with a marijuana crop are prohibited in EFU zones.

Q: What farm-related uses in conjunction with a marijuana crop are allowable?

A: Besides growing marijuana, agricultural buildings are allowed in EFU zones in conjunction with a marijuana crop, as are small-scale processing facilities under ORS 215.213(1)(u) and 215.283(1)(r). Larger-scale processing facilities would not be allowed, because commercial uses in conjunction with farm use are precluded by HB 3400.

Q: What does marijuana processing include?

A: Marijuana processing includes the processing, compounding or conversion of marijuana into cannabinoid products, concentrates or extracts. It does not include packaging or labeling of marijuana items. Marijuana processing does not include drying marijuana by a marijuana producer, which DLCD considers to be "preparation" of farm products and part of the definition of farm use at OAR 660-033-0020(7)(b)(A).

Q: May counties allow the growing of marijuana in zones other than EFU?

A: Yes. Subsection 34(3) of HB 3400 states that counties may "allow the production of marijuana as a farm use on land zoned for farm or forest use in the same manner as is the production of marijuana in EFU zones. Because marijuana is identified as a crop for purposes of determining a farm use at ORS 215.203, DLCD interprets this to mean that growing marijuana is allowed in any zone that adopts the statutory definition of farm use in ORS 215.203. The exception would be zones for which counties have adopted a different definition of farm use for non-EFU zones. The other option open to counties that do not wish to permit the growing of marijuana in non-EFU zones is to amend those zones to no longer allow farm use.

200-254

EXHIBIT 19

Page 5 of 8

Q: How will OLCC permitting be coordinated with local land use approvals?

A: Section 34(4) of HB 3400 requires the OLCC to obtain a land use compatibility statement from both counties and cities for licenses for the production, processing and wholesale and retail sales of recreational marijuana.

Q: Can marijuana products be sold in farm and forest zones?

A: Other than wholesale farm product sales that would be considered to be a farm use, there is no authorization in HB 3400 for marijuana or marijuana product sales in EFU or forest zones.

Q: Can counties otherwise regulate the production, processing or wholesale or retail sale of marijuana and marijuana products?

A: HB 3400, Section 33, states that cities and counties may adopt reasonable conditions on the manner in which a marijuana producer, processor, wholesaler or retailer may produce, process or sell recreational marijuana or marijuana items. Counties considering such conditions should also consider the right-to-farm protections against local nuisance or trespass regulations for producers under ~~ORS 30.93~~. [ORS 30.935]

Q: Can counties prohibit the growing, processing or sale of marijuana?

A: HB 3400, Sections 133 to 136, describe the circumstances under which counties can adopt ordinances prohibiting the operation or establishment of recreational growers, processors, wholesalers or retailers.

ZDO-254

EXHIBIT 19

Page 6 of 8

§ 30.932¹

Definition of nuisance or trespass

As used in ORS 30.930 (Definitions for ORS 30.930 to 30.947) to 30.947 (Effect of siting of destination resorts or other nonfarm or nonforest uses), nuisance or trespass includes but is not limited to actions or claims based on noise, vibration, odors, smoke, dust, mist from irrigation, use of pesticides and use of crop production substances. [1993 c.792 §33; 1995 c.703 §2]

ZDO-254
EXHIBIT 19
Page 7 of 8

§ 30.938¹

Attorney fees and costs

In any action or claim for relief alleging nuisance or trespass and arising from a practice that is alleged by either party to be a farming or forest practice, the prevailing party shall be entitled to judgment for reasonable attorney fees and costs incurred at trial and on appeal. [1993 c.792 §36]

ZDO-254

EXHIBIT 19

Page 8 of 8

Gilevich, Shari

From: Sue Browne [subrowne@canby.com]
Sent: Saturday, October 17, 2015 11:17 AM
To: Gilevich, Shari
Subject: Marijuana Land Use in Clackamas County--EFU Zoning

We are already dealing with the problem of the legalization of marijuana. We live on S. Shandell Rd. (EFU zoning) in Molalla which is a private access road for four homes. We all share the maintenance expense and upkeep of the road. One of the property owners is, and has been, growing marijuana in the property's shop building. The property owner says that he is growing medical marijuana and we, as adjacent property owners, have been trying to verify this--but to no avail.

We have been on line to the OHA and were unable to find out anything but how to apply for medical marijuana use. Another neighbor talked to OHA by telephone and was told that permit information could only be discussed with the permit holder or legal authorities. At this point we have no idea if we are dealing with a medical, recreational or just plain illegal marijuana grow. It would be most helpful to know with what status of production and processing we are dealing. It seems absolutely ridiculous that we can go on line with the Contractor's Board, the Oregon Medical Association, the Oregon Dental Association, the Oregon Bar Association, the Oregon Real Estate Agency, etc., etc. and check licenses, complaints, suspensions but cannot check on medical marijuana permits. The status of this grow on Shandell Road effects the value and security of the adjacent properties!

As of the proposed Zoning and Development Ordinance Amendments of 9/21/15, the grower appears to be in violation of 841.03 A, B & E at the very least. If these amendments are adopted they most certainly need to be rigidly enforced and a means derived for adjacent property owners to check permits and/or licenses with OHA and OLCC.

By these Zoning and Development Ordinance Amendments we are very possibly being forced to become neighbors with a marijuana grow facility. This is a situation we highly resent!

Susan L. Browne
Orval L. Hazen
30185 S. Shandell Rd. Molalla, OR 97038
503-651-2434

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ZDO-254

EXHIBIT 20

Page 1 of 1

October 18, 2015

Clackamas County Zoning and Planning
150 Beaver Creek Road
Oregon City, OR 07045

OCT 19 2015

Attn: Jennifer Hughes

Dear Jennifer,

I'm writing to you regarding the Proposed Zoning and Development Ordinance Amendments for Marijuana Production under File ZDO-254.

I own a Marijuana Production Farm at 30480 SE Heiple Road, Eagle Creek, OR 97022 that is fully licensed under the rules of the OHA and OMMP. The property is Zoned EFU - Exclusive Farm Use. I purchased my farm 2 years ago with the intention of settling in and developing a beautiful production facility for my daughter and myself. I would like to give you a little back ground information. I grew up in a small farm town in Minnesota. My dad owned a John Deere Equipment dealership where I worked so I am very familiar with farming. After a couple of years in the Army, where I started smoking cannabis, I moved to Portland. I had a long career in the footwear industry with a retail store in downtown Portland called London Underground for 25 years. I started importing the Dr. Martens footwear from England in 1988 with financial backing from Bill and Sam Naito. We grew the business into the Dr. Martens distributorship for the United States and hit 125 million in sales before selling it to the factory in England. Next I started my own brand called London Underground that we built and eventually sold it to a large footwear company in Los Angeles. All of the travel that is associated with an import wholesale business wears you down and after that I just wanted to stay home and do something different. After taking a little time off, I decided to get into the up and coming cannabis industry. I have been in the cannabis production business for a few years now. We have developed logos, started an LLC, will develop a website and want to build a brand. Eventually when I retire, my daughter Haley who is now 25 years old wants to take over the family business.

We have come a long way but there is much more work to do. The property was neglected and needed a lot of upgrades.

- The well system needed a new pump and the well house was filled with old rusted soft water and storage tanks. The water tested positive for ecoli. I hired Steve's Pumps to replace the pump, tear out all the old rusted tanks, put in a new filtration system, pressure tank and UV Light System to remove any ecoli.
- The septic tank was leaking more than it was holding and was an environmental problem. I had the tank and pipes replaced, and a new pump put in to get the water to the distribution system. This work was permitted and inspected by Clackamas County.
- We built a long solid wood 6' high fence between the barn and the road for more security. We are in the process of building another new fence along the front of the house for additional security and to cut down some of the noise from the road traffic.
- I worked with PGE and paid for a new transformer and wires to the barn so the electrical system was updated and in good working order. This work was inspected by the county when finished.

ZDO-254
EXHIBIT 21

Page 1 of 10

- The yard was over grown with weeds and debris that we cleaned up and groomed. We took down some old fences and cleaned out the forest pushing it back to improve the back yard. I'm planting four new decorative trees outside of the new fence in front of the house to make it look more pleasant for the people driving by.
- We have done a lot of work trying to be a good neighbor and make the neighborhood a better place to live.
- We want to be good citizens of the area and of Clackamas County.

The reason I'm writing is there are a couple of issues that affect us in the Amendments under File ZDO-254.

1. The first is that the new amendments say that you must have 5 Acres of land to be able to grow cannabis. We only have 3.5 Acres. This is a small farm but it is perfect for what we are doing. It is a long lot that is not very deep and resides along Heiple Road. I don't see what the difference would be if the farm was 5 acres. It is quite a distance from the neighbors on either side and in back of us. Across the road is about 50-60 acres that is used for cattle farming.
2. The second issue says that the barn the cannabis is grown in must be at least 100 feet from the Yard Line. Our barn where the cannabis is grown is only 48 feet from the road. But in that 48 feet is the 6 foot solid wood fence that we built and about 27 feet of thick trees, shrubs and black berry bushes that distance the barn from the road.

I have drawn up a site map for your review. I enclosed pictures showing Heiple Road with the bushes in front of the barn. I have also included pictures showing the barn, the fence and the bushes from an inside view.

Carbon Filtration is used in every room in the barn to scrub any odor from the air. There is also a herd of cattle across the road that puts out plenty of odor. HaHa.

I am wondering if we could get the rules changed in the draft regarding the two situations listed above. I have invested a lot of time, sweat and money into our family business. I don't feel it would be right to take away our lively hood and living because we don't have 5 acres and the barn is less than 100 feet from the road.

I would like to have the opportunity to present my views at the Planning Commission meeting Monday October 26, 2015.

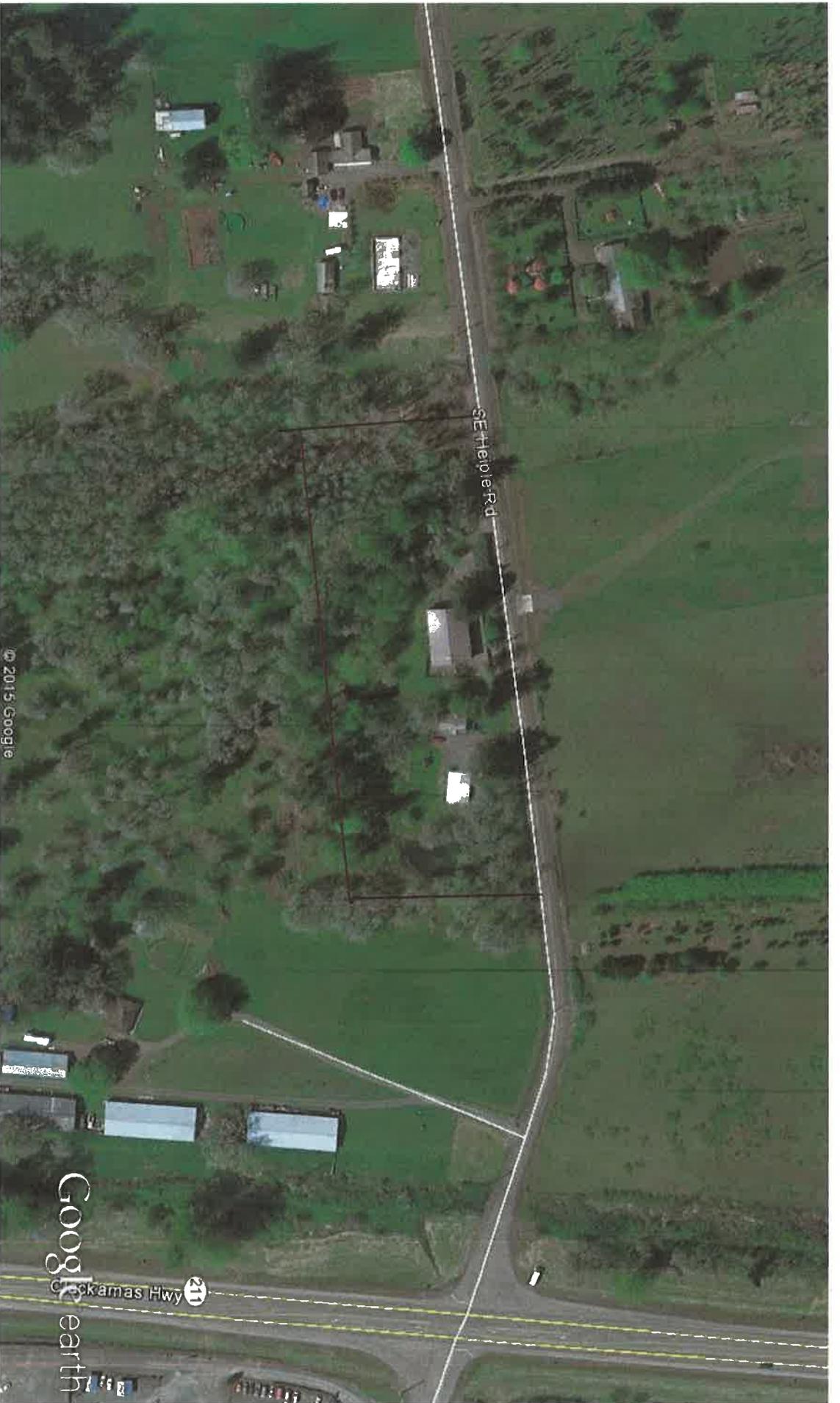
Thank you very much for your attention to this matter. I am available to talk with you in person or by telephone at any time. You can reach me at 503-703-6017. Please don't hesitate to call.

Sincerely,

William A. Berdan

William A. Berdan

ZDO-254
 EXHIBIT 21
 Page 2 of 10



Google earth

feet
meters



1000
300



Google earth

EXHIBIT

200-254

21

Page *3* of *10*

Forest

Property Line Fence

Forest

Pasture

Forest

Forest

Well
Pump
House

Parking

Over-
hang
Garage
20' x 30'

Forest

House
25' x 35'

New Fence

New Fence

Barn
50' x 70'

Existing Fence

Trees + Shrubs

Heiple Road

22'

ZDO-254
EXHIBIT 21
Page 4 of 10

Forest

Picture #1



Looking West on Heiple Road, The barn hidden by the trees,
The East gate, the bushes and shrubs along the road hiding
the barn,

ZPO-254

EXHIBIT 21

Page 5 of 10

Picture #2

Looking East on Heiple Road, the West gate, with trees, bushes and shrubs hiding the barn.



ZDO-254

EXHIBIT 21

Page 6 of 10

Picture #3 Looking East on Heiple Road. Close up of trees and bushes hiding the barn.



Picture #4 Looking straight towards the barn, for which you can barely see the roof line.



Picture # 5

Looking West showing the barn, the East gate, the West gate at the end, the fence with the trees over hanging.



ZDO-254
EXHIBIT 21
Page 9 of 10

Picture #6 Looking East showing the fence, the barn and the bushes,



ZDO-254

EXHIBIT 21

Page 10 of 10



for **Public Safety** **Quality of Life** **Property Values**™

Building Collaborative Partnerships & Bridges
on behalf of Safe Drug Policy

Focus-Marijuana

www.protectorsociety.org

Received

10-12-15

10-26-14 Public Testimony Shirley Morgan P. O. Box 1351, Welches, Oregon 97067

Good evening Commission. My name is Shirley Morgan, from Welches.

As a national advocate for public safety, I commend the commission for the development of land use restriction's, however voters were not told that marijuana would be redefined as an agricultural crop and grown in all exclusive farm use areas without any neighbor notification, conditional use permits, or required hours of operation.

We are seeing large industrial complexes being leased by out-of-state investors to open up mega recreational marijuana facilities

- One is 300' x 700' and enclosed by 6' high non see through fence with 10 rows of barbed wire on the top and has blocked the view of surrounding neighbors.
- We are seeing 160' x 60' x 30' high greenhouses with commercial fans that sound like small airplane engines that are being run 24/7
 - On Sunday Oct. 11th in an FF10 area, there was a medical marijuana greenhouse pot rip off, with the firing of weapons at 7:30am and neighbors in the area were threaten by the grower, it took 45 minutes for law enforcement to arrive
- In our rural residential, timber ag and EFU areas horse stables are being purchased just to grow marijuana
- We are concerned by:
 - 100' setbacks in EFU which should be at least 200' on frontage roads or from neighboring homes
 - Removal of large numbers of trees
 - the illegal excavation of ponds to capture underground water
 - no marijuana wholesaling should be allowed in our rural RC and tourist commercial RTC areas on Highway 26 on Mt. Hood. Not only are many of these locations located right in the heart of our limited restaurant and tourist store areas, but these facilities will be holding bins for receiving, storing, and delivering finished marijuana products, making them targets for armed robberies in areas with limited law enforcement.

Do we need a fatal shooting in Clackamas County before we heed the warning? Multnomah County has seen 4 fatal shootings at medical marijuana grow sites in the last five months, and the most recent and senseless killing of Elizabeth Kemble at 8am in a cross walk in Gresham, by a driver high on marijuana, should bring accountable to us all.

Thank you.

200-254

EXHIBIT 22

Page 1 of 4

LOCAL NEWS

Where there's smoke ...

■ New Hwy. 26 storefront offers tobacco, pipes, with an eye on adding marijuana

By Fay Donahoe
The Mountain Times

Smoke on the Mountain is a new business in the Hoodland community. At this point Smoke currently offers cigars, cigarettes, tobacco and marijuana pipes and accessories.

The storefront is located at the corner of Arrah Wanna Blvd. and Hwy. 26.

Sole proprietor, Stewart Schmidt, has big plans for the future which go well beyond the current inventory.

"I do not want to be misleading; it is my plan to become a medicinal and recreational marijuana dispensary," Schmidt said.

Schmidt opened Smoke on the Mountain on July 2,



Schmidt

"The response from the community has been overwhelmingly warm and receptive", he said. "I had regular customers within

the first week of being open."

After working for Northwest Natural for 10 years Schmidt knew he wanted to be in business for himself. While commuting from West Linn to Bend where his daughter lives, Schmidt saw an opportunity to start a business in Welches.

One aspect that sets Smoke apart from the local competition is not only its low pricing on tobacco products but also allowing customers to place special orders for the store to carry in stock.

Schmidt noted that he is happy to serve the local community and the majority of his business has been local

residents and via word of mouth.

Two focal points of Smoke's business are to do everything legally and to use local artisans for the glass and wood work of products sold in the store.

"Doing everything by the law is of extreme importance," Schmidt said. This includes checking identification of customers, product tracking and security.

Schmidt currently holds a medicinal marijuana dispensary license issued by the Oregon Health Authority. He plans to apply for a recreational wholesaler's license for recreational marijuana in January 2016 when applications are being accepted.

According to Oregon.gov retail recreational marijuana stores will most likely be able to open sometime in the third quarter of 2016. Smoke looks forward to the opportunity to expand its business during that time.



ZDO-254

EXHIBIT 22

Page 3 of 4

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

17 **Sec. 21.** (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor
18 Control Commission.

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

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

24 (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application**
25 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state**
26 **for two or more years, and must provide proof that the applicant is 21 years of age or older;**

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

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

30 (3) **The commission shall adopt rules that:**

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

32 (b) **Establish application, licensure and renewal of licensure fees for marijuana whole-**
33 **salers;**

34 (c) **Require marijuana items received, stored or delivered by a marijuana wholesaler to**
35 **be tested in accordance with section 92 of this 2015 Act; and**

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ZDO-254

EXHIBIT 22

Page 4 of 4

From: Shirley Morgan [<mailto:shirley.morgan@aecinc.com>]
Sent: Thursday, October 15, 2015 10:08 AM
To: Savas, Paul; Schrader, Martha; Bernard, Jim; Smith, Tootie; Ludlow, John
Cc: Boderman, Nathan; Schmidt, Gary; Roberts, Craig; Ellington, Matt; Foote, John; Davis, Jeff; Brian.Pasko@gmail.com; Chandler, Daniel; Hughes, Jennifer; McCallister, Mike; Norman Andreen (nandreen@bctonline.com); Gail Holmes (Holmes2410@gmail.com); John Drentlaw (john@jldllc.com); John Gray; Mark Fitz; meekmark@worldstar.com; Michael Wagner (mwagner@molalla.net); Rogalin, Ellen; tomp234@frontier.com; 'sen.chuckthomsen@state.or.us' (sen.chuckthomsen@state.or.us); 'Rep Johnson'; Schmidt, Gary
Subject: Citizens for Public Safety, Quality of Life, Property Values Clackamas County Planning and Zoning Marijuana Land Use Testimony
Importance: High

AS FOLLOW UP

In talking with Director Tom Gorman of the Colorado HIDTA-High Intensity Drug Trafficking Area, when asked about how Colorado might be handling the wholesaling aspect of marijuana as written in the measure 91 law, he said "what's that", we don't have any such thing in Colorado and why would a wholesaler be needed? He indicated that most of the burglaries at marijuana retail outlets are after the cash money and that most of the burglaries that happen at production and cultivation sites are inside jobs. As a final word, you cannot regulate a federally illegal drug, as there is no way to account for every seed to sale or taxes collected.

In the Oregon Liquor License recent first draft regulations, the entire section of wholesaling was left blank. Below is the link to the OLCC regulations.

REGARDING: OLCC-M91 Draft Rules

http://www.oregon.gov/olcc/marijuana/Documents/Draft_845_025_RecreationalMarijuanaDraftRules.pdf

QUESTIONS AND REQUIREMENTS OF A WHOLESALER

1. Must be a resident of Oregon for 2 or more years. **QUESTION:** What proof is required to prove residency?
2. Can hold multiple recreational licenses meaning licensee can be a wholesaler, producer, processor, and retailer of marijuana.
3. According to HB3400 a wholesaler, receives, stores, tests (section 92 of HB3400) and delivers marijuana to retail outlets. They cannot be located in areas that are defined as residential. **QUESTIONS:**
 - a. In what zones can wholesalers be located? This appears to be up to each jurisdiction.
 - b. Will they be allowed to be located in areas where there is limited law enforcement?
 - c. What quantities of marijuana are they allowed to receive, store, and deliver?
 - d. Where are they required to have their testing done?

- e. How is the transportation of marijuana to these testing facilities handled?
- f. What methods are required in terms of safe delivery processes to retail outlets?
(Just this morning I was contacted that a black Acura vehicle was carrying pot plants in the backseat of their car and that the car wreaked of marijuana smell as it drove down the road)
- g. What advertising restrictions will there be on marijuana wholesaling buildings and transportation vehicles?
- h. Who will be allowed to work at a wholesale facility? What age requirements will be in place?
- i. Will there be criminal background checks done on all owners of a wholesale facility as well as those they employ?
- j. Who will be required to control and monitor the allowed amounts of marijuana coming into a wholesale facility? OLCC?
- k. Will there be a maximum number of wholesale outlets allowed throughout the State?

HOUSE BILL 3400 LANGUAGE ON WHOLESAL

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35 **be tested in accordance with section 92 of this 2015 Act; and**

**Measure 91 language definition of wholesale (I53/M91
attached)**

(Marijuana Licenses)

SECTION 18. Oregon Liquor Control Commission's licensing duties. (1) On or before January 1, 2016, the Oregon Liquor Control Commission shall begin receiving applications for the licenses for persons to produce, process, and sell marijuana within the state. Upon receipt of a license application, the commission shall not unreasonably delay the processing, approval, or rejection of the application or, if the application is approved, the issuance of the license.

(2) The licenses described in sections 3 to 70 of this Act shall be issued by the commission, subject to its regulations and restrictions and the provisions of sections 3 to 70 of this Act.

(3) The commission may not license a premises that does not have defined boundaries. A licensed premises need not be enclosed by a wall, fence or other structure, but the commission requires that any licensed premises be enclosed as a condition of issuing or renewing a license. The commission may not license premises that are mobile.

SECTION 19. Production license. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana producer must have a production license issued by the commission for the premises at which the marijuana is produced.

SECTION 20. Processor license. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana processor must have a processor license issued by the commission for the premises at which marijuana items are processed.

SECTION 21. Wholesale license. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana wholesaler must have a wholesale license issued by the commission for the premises at which marijuana items are received, kept, stored, or delivered.

SECTION 22. Retail license. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana retailer must have a retail license issued by the commission for the premises :

which marijuana items are sold.

SECTION 23. Examination of books and premises of licensees. (1) The Oregon Liquor Control Commission has the right after 72 hours' notice to the owner or the agent of the owner to make an examination of the books and may at any time make an examination of the premises of any person licensed under sections 3 to 70 of this Act, for the purpose of determining compliance with sections 3 to 70 of this Act and the rules of the commission.

(2) The commission shall not require the books of any licensee to be maintained on the premises of the licensee.

SECTION 24. No "tied house" prohibitions. The same person may hold one or more production licenses, one or more processor licenses, one or more wholesale licenses, and one or more retail licenses.

DELIVERY SERVICES

SECTION 27. Delivery of marijuana. A marijuana producer, marijuana processor, or marijuana wholesaler shall deliver marijuana items only to or on a licensed premises. The sale of marijuana items under any license issued by the Oregon Liquor Control Commission for retail sales by a licensee shall be restricted to the premises described in the license, but deliveries may be made by the marijuana retailer to consumers pursuant to bona fide orders received on the licensed premises prior to delivery.

KATE BROWN
SECRETARY OF STATE



JIM WILLIAMS
DIRECTOR
255 CAPITOL STREET NE, SUITE 501
SALEM, OREGON 97310-0722
(503) 986-1518

January 28, 2014

To All Interested Parties:

Secretary of State Kate Brown is responsible for the pre-election review of proposed initiative petitions for compliance with the procedural constitutional requirements established in the Oregon Constitution for initiative petitions. This review will be completed before approving the form of the cover and signature sheets for the purpose of circulating the proposed initiative petition to gather signatures.

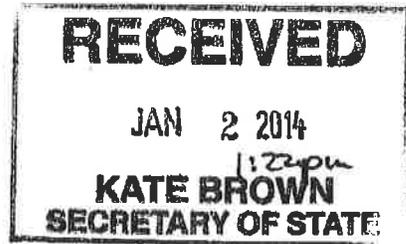
The Secretary of State is seeking public input on whether proposed initiative petition (#53), satisfies the procedural constitutional requirements for circulation as a proposed initiative petition. Petition #53 was filed in our office on January 28, 2014, by Anthony Johnson, for the General Election of November 4, 2014.

A copy of the text of this proposed initiative petition is on the second page of the letter. If you are interested in providing comments on whether the proposed initiative petition meets the procedural constitutional requirements, please write to the secretary at the Elections Division. Your comments, if any, must be received by the Elections Division no later than February 20, 2014, in order for them to be considered in the review.

KATE BROWN
Secretary of State

BY:

Lydia Plukchi
Compliance Specialist



An Act

Be it Enacted by the People of the State of Oregon:

This Act shall be known as:

Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act

SECTION 1. (1) The People of the State of Oregon declare that the purposes of this Act are:

- (a) To eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana within this state;
 - (b) To protect the safety, welfare, health, and peace of the people of this state by prioritizing the state's limited law enforcement resources in the most effective, consistent, and rational way;
 - (c) To permit persons licensed, controlled, regulated, and taxed by this state to legally manufacture and sell marijuana to persons 21 years of age and older, subject to the provisions of this Act;
 - (d) To ensure that the State Department of Agriculture issues industrial hemp licenses and agricultural hemp seed production permits in accordance with existing state law; and
 - (e) To establish a comprehensive regulatory framework concerning marijuana under existing state law.
- (2) The People of the State of Oregon intend that the provisions of this Act, together with the other provisions of existing state law, will:
- (a) Prevent the distribution of marijuana to persons under 21 years of age;
 - (b) Prevent revenue from the sale of marijuana from going to criminal enterprises, gangs, and cartels;
 - (c) Prevent the diversion of marijuana from this state to other states;
 - (d) Prevent marijuana activity that is legal under state law from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity;
 - (e) Prevent violence and the use of firearms in the cultivation and distribution of marijuana;
 - (f) Prevent drugged driving and the exacerbation of other adverse public health consequences associated with the use of marijuana;
 - (g) Prevent the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands; and
 - (h) Prevent the possession and use of marijuana on federal property.

SECTION 2. (1) Sections 3 to 70 of this Act are added to and made a part of the Oregon Revised Statutes.

(2) Section 71 is added to and made a part of ORS chapter 317.

(3) Section 72 is added to and made a part of ORS chapter 475.

(4) Section 73 is added to and made a part of ORS chapter 811.

(General)

SECTION 3. Short title. Sections 3 to 70 of this Act shall be known and may be cited as the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act.

SECTION 4. Limitations. Sections 3 to 70 of this Act may not be construed:

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

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

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

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

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

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

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

SECTION 5. Definitions. As used in sections 3 to 70 of this Act:

(1) "Authority" means the Oregon Health Authority.

(2) "Commission" means the Oregon Liquor Control Commission.

(3) "Consumer" means a person who purchases, acquires, owns, holds, or uses marijuana items other than for the purpose of resale.

(4) "Department" means the State Department of Agriculture.

(5)(a) "Financial consideration," except as provided in paragraph (b) of this subsection, means value that is given or received directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

(b) "Financial consideration" does not mean any of the following:

(A) Homegrown marijuana made by another person.

(B) Homemade marijuana products made by another person.

(6) "Homegrown" or "homemade" means grown or made by a person 21 years of age or older for noncommercial purposes.

(7) "Household" means a housing unit, and includes any place in or around the housing unit at which the occupants of the housing unit are producing, processing, keeping, or storing homegrown marijuana or homemade marijuana products.

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

(9) "Immature marijuana plant" means a marijuana plant with no observable flowers or buds.

(10) "Licensee" means any person holding a license issued under this Act, or any person holding a license or permit issued under any regulation promulgated under paragraph (e) of subsection (2) of section 7 of this Act.

(11) "Licensee representative" means an owner, director, officer, manager, employee, agent, or other representative of a licensee, to the extent such person acts in such representative capacity.

(12)(a) "Marijuana" means all parts of the plant Cannabis family Moraceae, whether growing or not, other than marijuana extracts.

(b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300, or industrial hemp commodities or products.

(13) "Marijuana extract" means a product obtained by separating resins from marijuana by solvent extraction, using solvents other than vegetable glycerin, such as butane, hexane, isopropyl alcohol, ethanol, and carbon dioxide.

(14)(a) "Marijuana flowers" means the flowers of the plant Cannabis family Moraceae.

(b) "Marijuana flowers" does not include any part of the plant other than the flowers.

(15) "Marijuana items" means marijuana, marijuana products, and marijuana extracts.

- (16)(a) **“Marijuana leaves” means the leaves of the plant Cannabis family Moraceae.**
- (b) **“Marijuana leaves” does not include any part of the plant other than the leaves.**
- (17) **“Marijuana processor” means a person who processes marijuana items in this state.**
- (18) **“Marijuana producer” means a person who produces marijuana in this state.**
- (19)(a) **“Marijuana products” means products that contain marijuana or marijuana extracts and are intended for human consumption.**
- (b) **“Marijuana products” does not mean:**
- (A) **Marijuana, by itself; or**
- (B) **A marijuana extract, by itself.**
- (20) **“Marijuana retailer” means a person who sells marijuana items to a consumer in this state.**
- (21) **“Marijuana wholesaler” means a person who purchases marijuana items in this state for resale to a person other than a consumer in this state.**
- (22) **“Mature marijuana plant” means any marijuana plant that is not an immature marijuana plant.**
- (23) **“Noncommercial” means not dependent or conditioned upon the provision or receipt of financial consideration.**
- (24) **“Person” means any natural person, corporation, professional corporation, nonprofit corporation, cooperative corporation, profit or nonprofit unincorporated association, business trust, limited liability company, general or limited partnership, joint venture, or any other legal entity.**
- (25) **“Premises” or “licensed premises” means a location licensed under sections 3 to 70 of this Act and includes:**
- (a) **All enclosed areas at the location that are used in the business operated at the location, including offices, kitchens, rest rooms and storerooms, including all public and private areas;**
- (b) **All areas outside of a building that the Oregon Liquor Control Commission has specifically licensed for the production, processing, wholesale sale, or retail sale of marijuana items; and**
- (c) **For a location that the commission has specifically licensed for the production of marijuana outside of a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee owns, leases, or has a right to occupy.**
- (26)(a) **“Processes” means:**
- (A) **The processing, compounding, or conversion of marijuana into marijuana products or**

marijuana extracts;

(B) The processing, compounding, or conversion of marijuana, either directly or indirectly by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis;

(C) The packaging or repackaging of marijuana items; or

(D) The labeling or relabeling of any package or container of marijuana items.

(b) "Processes" does not include:

(A) The drying of marijuana by a marijuana producer, if the marijuana producer is not otherwise processing marijuana; or

(B) The packaging and labeling of marijuana by a marijuana producer in preparation for delivery to a marijuana processor.

(27)(a) "Produces" means the manufacture, planting, cultivation, growing, or harvesting of marijuana.

(b) "Produces" does not include:

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

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

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

(29) "Usable marijuana" means dried marijuana flowers and dried marijuana leaves, and any mixture or preparation thereof.

SECTION 6. Exemptions. (1) Sections 7 to 44 and 60 to 62 of this Act do not apply:

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

(b) To the making, processing, keeping, or storage of homemade marijuana products at a household by one or more persons 21 years of age and older if the total of homemade marijuana products at the household does not exceed sixteen ounces in solid form at a given time.

(c) To the making, processing, keeping, or storage of homemade marijuana products at a household by one or more persons 21 years of age and older if the total of homemade marijuana products at the household does not exceed seventy-two ounces in liquid form at a given time.

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

(e) To the delivery of not more than sixteen ounces of homemade marijuana products in solid form at a given time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

(f) To the delivery of not more than seventy-two ounces of homemade marijuana products in liquid form at a given time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

(2) Sections 7 to 70 of this Act:

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

(b) Do not amend or affect in any way the function, duties, and powers of the Oregon Health Authority under the Oregon Medical Marijuana Act.

SECTION 7. Powers and duties of Oregon Liquor Control Commission. (1) The Oregon Liquor Control Commission has the powers and duties specified in sections 3 to 70 of this Act, and also the powers necessary or proper to enable it to carry out fully and effectually all the purposes of sections 3 to 70 of this Act. The jurisdiction, supervision, powers and duties of the commission extend to any person who buys, sells, produces, processes, transports, or delivers any marijuana items within this state. The commission may sue and be sued.

(2) The function, duties, and powers of the commission in sections 3 to 70 of this Act include the following:

(a) To regulate the purchase, sale, production, processing, transportation, and delivery of marijuana items in accordance with the provisions of sections 3 to 70 of this Act.

(b) To grant, refuse, suspend or cancel licenses for the sale, processing, or production of marijuana items, or other licenses in regard to marijuana items, and to permit, in its discretion, the transfer of a license of any person.

(c) To collect the taxes and duties imposed by sections 3 to 70 of this Act, and to issue, and provide for cancellation, stamps and other devices as evidence of payment of such taxes or duties.

(d) To investigate and aid in the prosecution of every violation of Oregon statutes relating to marijuana items, and cooperate in the prosecution of offenders before any state court of competent jurisdiction.

(e) To adopt such regulations as are necessary and feasible for carrying out the intent and

provisions of sections 3 to 70 of this Act and to amend or repeal such regulations. When such regulations are adopted they shall have the full force and effect of law.

(f) To exercise all powers incidental, convenient or necessary to enable it to administer or carry out any of the provisions of sections 3 to 70 of this Act.

(g) To regulate and prohibit any advertising by manufacturers, processors, wholesalers or retailers of marijuana items by the medium of newspapers, letters, billboards, radio or otherwise.

(h) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing, mechanical, industrial and other purposes.

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

(4) On or before January 1, 2017, the commission shall:

(a) Examine available research, and may conduct or commission new research, to investigate the influence of marijuana on the ability of a person to drive a vehicle and on the concentration of delta-9 tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and

(b) Present the results of the research to the Legislative Assembly and make recommendations to the Legislative Assembly regarding whether any amendments to the Oregon Vehicle Code are appropriate.

(5) The commission has no power to purchase, own, sell, or possess any marijuana items.

SECTION 8. Powers and duties of State Department of Agriculture. The State Department of Agriculture shall assist and cooperate with the Oregon Liquor Control Commission and the Oregon Health Authority to the extent necessary for the commission and the authority to carry out the duties of the commission and the authority under sections 3 to 70 of this Act.

SECTION 9. Powers and duties of Oregon Health Authority. The Oregon Health Authority shall assist and cooperate with the Oregon Liquor Control Commission and the State Department of Agriculture to the extent necessary for the commission and the department to carry out the duties of the commission and the department under sections 3 to 70 of this Act.

SECTION 10. No liability for official acts. No member of the Oregon Liquor Control Commission, the State Department of Agriculture, or the Oregon Health Authority may be sued for doing or omitting to do any act in the performance of duties as prescribed in sections 3 to 70 of this Act.

SECTION 11. Powers; licenses; federal law. (1) Neither the Oregon Liquor Control Commission, the State Department of Agriculture, nor the Oregon Health Authority may refuse to perform any

duty under sections 3 to 70 of this Act on the basis that manufacturing, distributing, dispensing, possessing, or using marijuana is prohibited by federal law.

(2) The commission may not revoke or refuse to issue or renew a license under sections 3 to 70 of this Act on the basis that manufacturing, distributing, dispensing, possessing, or using marijuana is prohibited by federal law.

SECTION 12. Contracts. No contract shall be unenforceable on the basis that manufacturing, distributing, dispensing, possessing, or using marijuana is prohibited by federal law.

SECTION 13. Licensees and licensee representatives. Licensees and licensee representatives may produce, deliver, and possess marijuana items subject to the provisions of sections 3 to 70 of this Act. The production, delivery, and possession of marijuana items by a licensee or a licensee representative in compliance with sections 3 to 70 of this Act shall not constitute a criminal or civil offense under Oregon law.

(Purchaser's Qualifications and Identification)

SECTION 14. Purchaser's qualifications. No licensee or licensee representative may sell or deliver any marijuana items to any person under 21 years of age.

SECTION 15. Limitations on purchasing may be imposed. The Oregon Liquor Control Commission may limit the quantity of marijuana items purchased at any one time by a consumer so as effectually to prevent the resale of marijuana items.

SECTION 16. Requiring identification from certain purchasers. All licensees and licensee representatives, before selling or serving marijuana items to any person about whom there is any reasonable doubt of the person's having reached 21 years of age, shall require such person to produce one of the following pieces of identification:

- (1) The person's passport.
- (2) The person's motor vehicle operator's license, whether issued in this state or by any other state, so long as the license has a picture of the person.
- (3) An identification card issued under ORS 807.400.
- (4) A United States military identification card.
- (5) Any other identification card issued by a state that bears a picture of the person, the name of the person, the person's date of birth and a physical description of the person.

SECTION 17. False statement of age; statement of age as defense. (1) No person shall produce any piece of identification that would falsely indicate the person's age.

(2) If a piece of identification is offered as evidence in any administrative or criminal prosecution of a licensee or licensee representative for sale or service of marijuana items to a person not having reached 21 years of age, the licensee or licensee representative shall be found to have committed no crime or other wrong unless it is demonstrated that a reasonable person would have determined that the identification exhibited was altered or did not accurately describe the person to whom the marijuana items were sold or served.

(Marijuana Licenses)

SECTION 18. Oregon Liquor Control Commission's licensing duties. (1) On or before January 4, 2016, the Oregon Liquor Control Commission shall begin receiving applications for the licensing of persons to produce, process, and sell marijuana within the state. Upon receipt of a license application, the commission shall not unreasonably delay the processing, approval, or rejection of the application or, if the application is approved, the issuance of the license.

(2) The licenses described in sections 3 to 70 of this Act shall be issued by the commission, subject to its regulations and restrictions and the provisions of sections 3 to 70 of this Act.

(3) The commission may not license a premises that does not have defined boundaries. A licensed premises need not be enclosed by a wall, fence or other structure, but the commission may require that any licensed premises be enclosed as a condition of issuing or renewing a license. The commission may not license premises that are mobile.

SECTION 19. Production license. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana producer must have a production license issued by the commission for the premises at which the marijuana is produced.

SECTION 20. Processor license. (1) The processing of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana processor must have a processor license issued by the commission for the premises at which marijuana items are processed.

SECTION 21. Wholesale license. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana wholesaler must have a wholesale license issued by the commission for the premises at which marijuana items are received, kept, stored, or delivered.

SECTION 22. Retail license. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor Control Commission.

(2) A marijuana retailer must have a retail license issued by the commission for the premises at

which marijuana items are sold.

SECTION 23. Examination of books and premises of licensees. (1) The Oregon Liquor Control Commission has the right after 72 hours' notice to the owner or the agent of the owner to make an examination of the books and may at any time make an examination of the premises of any person licensed under sections 3 to 70 of this Act, for the purpose of determining compliance with sections 3 to 70 of this Act and the rules of the commission.

(2) The commission shall not require the books of any licensee to be maintained on the premises of the licensee.

SECTION 24. No "tied house" prohibitions. The same person may hold one or more production licenses, one or more processor licenses, one or more wholesale licenses, and one or more retail licenses.

(Licensing Procedures)

SECTION 25. Characteristics of license. (1) A license granted under sections 3 to 70 of this Act shall:

- (a) Be a purely personal privilege.
 - (b) Be valid for the period stated in the license.
 - (c) Be renewable in the manner provided in section 28 of this Act, except for a cause which would be grounds for refusal to issue such license under section 29 of this Act.
 - (d) Be revocable or suspendible as provided in section 30 of this Act.
 - (e) Be transferable from the premises for which the license was originally issued to another premises subject to the provisions of this Act, any rules of the Oregon Liquor Control Commission and any municipal ordinance or local regulation.
 - (f) Cease upon the death of the licensee, except as provided in subsection (2) of this section.
 - (g) Not constitute property.
 - (h) Not be alienable.
 - (i) Not be subject to attachment or execution.
 - (j) Not descend by the laws of testate or intestate devolution.
- (2) The commission may, by order, provide for the manner and conditions under which:
- (a) Marijuana items left by any deceased, insolvent or bankrupt person or licensee, or subject to

a security interest, may be foreclosed, sold under execution or otherwise disposed of.

(b) The business of any deceased, insolvent or bankrupt licensee may be operated for a reasonable period following the death, insolvency or bankruptcy.

(c) A business licensed pursuant to sections 3 to 70 of this Act subject to a security interest may be continued in business by a secured party as defined in ORS 79.0102 for a reasonable period after default on the indebtedness by the debtor.

SECTION 26. License terms; licenses issued for less than year; determination of fees. (1) Except as otherwise provided in this section, all licenses under sections 3 to 70 of this Act and renewals thereof shall be issued for a period of one year which shall expire at 12 midnight on March 31, June 30, September 30 or December 31 of each year.

(2) Notwithstanding subsection (1) of this section, a license issued for the first time to an applicant may be issued for less than a year. The fee for a license issued for less than a year under this subsection is the annual license fee prescribed by section 28 of this Act.

SECTION 27. Delivery of marijuana. A marijuana producer, marijuana processor, or marijuana wholesaler shall deliver marijuana items only to or on a licensed premises. The sale of marijuana items under any license issued by the Oregon Liquor Control Commission for retail sales by a licensee shall be restricted to the premises described in the license, but deliveries may be made by the marijuana retailer to consumers pursuant to bona fide orders received on the licensed premises prior to delivery.

SECTION 28. Application for license; rules; fees. (1) Any person desiring a license or renewal of a license under sections 3 to 70 of this Act shall make application to the Oregon Liquor Control Commission upon forms to be furnished by the commission showing the name and address of the applicant, location of the place of business that is to be operated under the license, and such other pertinent information as the commission may require. No license shall be granted or renewed until the applicant has complied with the provisions of sections 3 to 70 of this Act and the rules of the commission.

(2) The commission may reject any application that is not submitted in the form required by rule. The commission shall give applicants an opportunity to be heard if an application is rejected. A hearing under this subsection is not subject to the requirements for contested case proceedings under ORS chapter 183.

(3) Except as provided in subsection (2) of this section, a revocation of, or a refusal to issue or renew, a license under sections 3 to 70 of this Act is subject to the requirements for contested case proceedings under ORS chapter 183.

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

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

committing of a license.

SECTION 29. Grounds for refusing to issue license. (1) The Oregon Liquor Control Commission may not license any applicant under the provisions of sections 3 to 70 of this Act if the applicant is under 21 years of age.

(2) The Oregon Liquor Control Commission may refuse to license any applicant under the provisions of sections 3 to 70 of this Act if the commission has reasonable ground to believe any of the following to be true:

(a) That there are sufficient licensed premises in the locality set out in the application, or that the granting of a license in the locality set out in the application is not demanded by public interest or convenience. In determining whether there are sufficient licensed premises in the locality, the commission shall consider seasonal fluctuations in the population of the locality and shall ensure that there are adequate licensed premises to serve the needs of the locality during the peak seasons.

(b) That the applicant:

(A) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.

(B) Has made false statements to the commission.

(C) Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.

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

(E) Has maintained an insanitary establishment.

(F) Is not of good repute and moral character.

(G) Did not have a good record of compliance with sections 3 to 70 of this Act or any rule of the commission adopted pursuant thereto.

(H) Is not the legitimate owner of the business proposed to be licensed, or other persons have ownership interests in the business which have not been disclosed.

(I) Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

(J) Is unable to understand the laws of Oregon relating to marijuana or the rules of the commission.

(3) Notwithstanding subparagraph (D) of paragraph (b) of subsection (2) of this section, in determining whether the commission may refuse to license an applicant, the commission may not

consider the prior conviction of the applicant or any owner, director, officer, manager, employee, agent, or other representative of the applicant for:

(a) The manufacture of marijuana, if:

(A) The date of the conviction is more than five years before the date of the application; and

(B) The person has not been convicted more than once for the manufacture or delivery of marijuana;

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

(A) The date of the conviction is more than five years before the date of the application; and

(B) The person has not been convicted more than once for the manufacture or delivery of marijuana; or

(c) The possession of marijuana.

SECTION 30. Grounds for cancellation or suspension of license. (1) The Oregon Liquor Control Commission may cancel or suspend any license issued under sections 3 to 70 of this Act, if the commission finds or has reasonable ground to believe any of the following to be true:

(a) That the licensee:

(A) Has violated any provision of sections 3 to 70 of this Act or any rule of the commission adopted pursuant thereto.

(B) Has made any false representation or statement to the commission in order to induce or prevent action by the commission.

(C) Has maintained an insanitary establishment.

(D) Is insolvent or incompetent or physically unable to carry on the management of the establishment of the licensee.

(E) Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana, or controlled substances to excess.

(F) Has misrepresented to a customer or the public any marijuana items sold by the licensee.

(G) Since the granting of the license, has been convicted of a felony, of violating any of the marijuana laws of this state, general or local, or of any misdemeanor or violation of any municipal ordinance committed on the licensed premises.

(b) That there is any other reason that, in the opinion of the commission, based on public convenience or necessity, warrants canceling or suspending such license.

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

(Marijuana Tax)

SECTION 31. Administration by Oregon Liquor Control Commission. The Oregon Liquor Control Commission shall administer sections 31 to 44 of this Act, and shall prescribe forms and make such rules and regulations as it deems necessary to enforce sections 31 to 44 of this Act.

SECTION 32. Definition of "sale". (1) As used in sections 31 to 44 of this Act, "sale" or "sold" means any transfer, exchange or barter, in any manner or by any means, for a consideration, and includes and means all sales made by any person. It includes a gift by a person engaged in the business of selling marijuana, for advertising, as a means of evading sections 31 to 44 of this Act, or for any other purpose.

(2) If a marijuana producer also holds one or more processor licenses, one or more wholesale licenses, or one or more retail licenses, a sale of marijuana flowers, marijuana leaves, or immature marijuana plants will be deemed to occur if and when the marijuana producer processes or takes any other action with respect to such marijuana flowers, marijuana leaves, or immature marijuana plants for which a processor license, wholesale license, or retail license is required, regardless of whether the marijuana producer continues to own or possess the marijuana flowers, marijuana leaves, or immature marijuana plants.

SECTION 33. Tax on marijuana. (1) A tax is imposed upon the privilege of engaging in business as a marijuana producer at the rate of:

- (a) \$35 per ounce on all marijuana flowers;
- (b) \$10 per ounce on all marijuana leaves; and
- (c) \$5 per immature marijuana plant.

(2) The rates of tax imposed by this section upon marijuana flowers and marijuana leaves apply proportionately to quantities of less than one ounce.

(3) The tax imposed by this section shall be measured by the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants produced and sold by any marijuana producer. The taxes specified in this section shall be levied and assessed to the marijuana producer at the time of the first sale of the marijuana flowers, marijuana leaves, and immature marijuana plants by the marijuana producer.

(4) For reporting periods beginning on or after July 1, 2017, the rates of tax under subsection (1) of this section shall be adjusted for each biennium according to the cost-of-living adjustment for the calendar year. The Oregon Liquor Control Commission shall recompute the rates for each biennium by adding to each rate in subsection (1) of this section the product obtained by multiplying the rate by a factor that is equal to 0.25 multiplied by the percentage (if any) by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar year exceeds the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31, 2015.

(5) The commission shall regularly review the rates of tax under subsection (1) of this section and make recommendations to the Legislative Assembly regarding appropriate adjustments to the rates that will further the purposes of:

- (a) Maximizing net revenue;
- (b) Minimizing the illegal marijuana industry under Oregon law; and
- (c) Discouraging the use of marijuana by minors under 21 years of age.

SECTION 34. Payment of taxes; refunds; interest or penalty; appeal. (1) The privilege tax imposed by section 33 of this Act shall be paid to the Oregon Liquor Control Commission. The taxes covering the periods for which statements are required to be rendered by section 35 of this Act shall be paid before the time for filing such statements expires. If not so paid, a penalty of 10 percent and interest at the rate of one percent a month or fraction of a month shall be added and collected. The commission may refund any tax payment imposed upon or paid in error by any licensee.

(2) The commission may waive any interest or penalty assessed to a marijuana producer subject to the tax imposed under section 33 of this Act if the commission, in its discretion, determines that the marijuana producer has made a good faith attempt to comply with the requirements of sections 31 to 44 of this Act.

(3) Except in the case of fraud, the commission may not assess any interest or penalty on any tax due under section 33 of this Act following the expiration of 36 months from the date on which was filed the statement required under section 35 of this Act reporting the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants upon which the tax is due.

(4) A marijuana producer may appeal a tax imposed under section 33 of this Act in the manner of a contested case under ORS chapter 183.

SECTION 35. Statements by marijuana producers as to quantities sold. On or before the 20th day of each month, every marijuana producer shall file with the Oregon Liquor Control Commission a statement of the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants sold by the marijuana producer during the preceding calendar month.

SECTION 36. Estimate by Oregon Liquor Control Commission when statement not filed or false statement filed. If any marijuana producer fails, neglects or refuses to file a statement required by section 35 of this Act or files a false statement, the Oregon Liquor Control Commission shall estimate the quantities of marijuana flowers, marijuana leaves, and immature marijuana plants sold by the marijuana producer and assess the privilege taxes thereon. The marijuana producer shall be estopped from complaining of the quantities so estimated.

SECTION 37. Lien created by the tax. The privilege tax required to be paid by section 33 of this Act constitutes a lien upon, and has the effect of an execution duly levied against, any and all property of the marijuana producer, attaching at the time the marijuana flowers, marijuana leaves, and immature marijuana plants subject to the tax were sold, and remaining until the tax is paid. The lien created by this section is paramount to all private liens or encumbrances.

SECTION 38. Records to be kept by marijuana producers. Every marijuana producer shall keep a complete and accurate record of all sales of marijuana flowers, marijuana leaves, and immature marijuana plants, and a complete and accurate record of the number of ounces of marijuana flowers produced, the number of ounces of marijuana leaves produced, the number of immature marijuana plants produced, and the dates of production. The records shall be in such form and contain such other information as the Oregon Liquor Control Commission may prescribe.

SECTION 39. Inspection of marijuana producer's records; records to be kept for prescribed period. (1) The Oregon Liquor Control Commission may, at any time, examine the books and records of any marijuana producer, and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties under sections 31 to 44 of this Act.

(2) Every marijuana producer shall maintain and keep for two years all records, books and accounts required by sections 31 to 44 of this Act and shall provide copies of those records, books and accounts to the commission when requested by the commission.

SECTION 40. Failure to pay tax or maintain records. (1) No marijuana producer shall:

(a) Fail to pay the privilege tax prescribed in section 33 of this Act when it is due; or

(b) Falsify the statement required by section 35 of this Act.

(2) No person shall:

(a) Refuse to permit the Oregon Liquor Control Commission or any of its representatives to make an inspection of the books and records authorized by sections 38 and 39 of this Act;

(b) Fail to keep books of account prescribed by the commission or required by sections 31 to 44 of this Act;

(c) Fail to preserve the books for two years for inspection of the commission; or

(d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any record required by sections 31 to 44 of this Act to be made, maintained or preserved.

SECTION 41. Applicability to interstate and foreign commerce. Sections 31 to 44 of this Act do not apply to commerce with foreign nations or commerce with the several states, except in so far as the same may be permitted under the Constitution and laws of the United States.

SECTION 42. State has exclusive right to tax marijuana. No county or city of this state shall impose any fee or tax, including occupation taxes, privilege taxes and inspection fees, in connection with the purchase, sale, production, processing, transportation, and delivery of marijuana items.

(Distribution of Moneys)

SECTION 43. Disposition of moneys; revolving fund. (1) All money collected by the Oregon Liquor Control Commission under sections 3 to 70 of this Act shall be remitted to the State Treasurer who shall credit it to a suspense account of the commission. Whenever the commission determines that moneys have been received by it in excess of the amount legally due and payable to the commission or that it has received money to which it has no legal interest, or that any license fee or deposit is properly refundable, the commission is authorized and directed to refund such money by check drawn upon the State Treasurer and charged to the suspense account of the commission. After withholding refundable license fees and such sum, not to exceed \$250,000, as it considers necessary as a revolving fund for a working cash balance for the purpose of paying travel expenses, advances, other miscellaneous bills and extraordinary items which are payable in cash immediately upon presentation, the commission shall direct the State Treasurer to transfer the money remaining in the suspense account to the Oregon Marijuana Account established under section 44 of this Act. Moneys in the Oregon Marijuana Account are continuously appropriated to the commission to be distributed and used as required or allowed by Oregon law.

(2) All necessary expenditures of the commission incurred in carrying out sections 3 to 70 of this Act, including such sums necessary to reimburse the \$250,000 revolving fund, shall be paid from the Oregon Marijuana Account.

SECTION 44. Distribution of available moneys in Oregon Marijuana Account. (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Marijuana Account and, after withholding such moneys as it may deem necessary to carry out its obligations under sections 3 to 70 of this Act, shall within 35 days of the month for which a distribution is made distribute the moneys as follows:

- (a) Forty percent shall be transferred to the Common School Fund;
- (b) Twenty percent shall be transferred to the Mental Health Alcoholism and Drug Services Account established under ORS 430.380;
- (c) Fifteen percent shall be transferred to the State Police Account established under ORS 181.175;
- (d) To assist local law enforcement in performing its duties under this Act, ten percent shall be transferred to the cities of the state in the following shares:
 - (A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as the population of each city bears to the population of the cities of the state, as determined by the State Board of Higher Education last preceding such apportionment, under ORS 190.510 to 190.610; and
 - (B) For all distributions made from the Oregon Marijuana Account on or after July 1, 2017:
 - (i) Fifty percent of such ten percent shall be transferred in such shares as the number of licenses

issued by the commission under sections 19 to 21 of this Act during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in the state; and

(ii) Fifty percent of such ten percent shall be transferred in such shares as the number of licenses issued by the commission under section 22 of this Act during the calendar year preceding the date of the distribution for premises located in each city bears to the number of such licenses issued by the commission during such calendar year for all premises in the state;

(e) To assist local law enforcement in performing its duties under this Act, ten percent shall be transferred to counties in the following shares:

(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such shares as their respective populations bear to the total population of the state, as estimated from time to time by the State Board of Higher Education; and

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

(i) Fifty percent of such ten percent shall be transferred in such shares as the number of licenses issued by the commission under sections 19 to 21 of this Act during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in the state; and

(ii) Fifty percent of such ten percent shall be transferred in such shares as the number of licenses issued by the commission under section 22 of this Act during the calendar year preceding the date of the distribution for premises located in each county bears to the number of such licenses issued by the commission during such calendar year for all premises in the state; and

(f) Five percent shall be transferred to the Oregon Health Authority to be used for the establishment, operation, and maintenance of alcohol and drug abuse prevention, early intervention and treatment services.

(3) It is the intent of this section that the moneys distributed from the Oregon Marijuana Account to the distributees in subsection (2) of this section are in addition to any other available moneys to such distributees and do not supplant moneys available from any other source.

(Prohibitions Relating to Marijuana)

SECTION 45. Importing and exporting marijuana prohibited. (1) Marijuana items may not be imported into this state or exported from this state by any licensee or licensee representative.

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

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

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

SECTION 46. Marijuana may not be given as prize. Marijuana items may not be given as a prize, premium or consideration for a lottery, contest, game of chance or skill, or competition of any kind.

SECTION 47. Providing marijuana to intoxicated person; allowing consumption by minor on property. (1) A person may not sell, give or otherwise make available any marijuana items to any person who is visibly intoxicated.

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

(b) This subsection:

(A) Applies only to a person who is present and in control of the location at the time the consumption occurs; and

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

SECTION 48. Misrepresentation by licensee and others; maintenance of disorderly establishment.

(1) No person shall make false representations or statements to the Oregon Liquor Control Commission in order to induce or prevent action by the commission.

(2) No licensee of the commission shall maintain a noisy, lewd, disorderly or insanitary establishment or supply impure or otherwise deleterious marijuana items.

(3) No licensee of the commission shall misrepresent to a customer or to the public any marijuana items.

SECTION 49. Attempted purchase of marijuana by person under 21; entry of licensed premises by person under 21. (1) A person under 21 years of age may not attempt to purchase marijuana items.

(2) Except as authorized by rule or as necessitated in an emergency, a person under 21 years of age may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise identified as being prohibited to the use of minors.

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

(4) In addition to and not in lieu of any other penalty established by law, a person under 21 years of age who violates subsection (1) of this section through misrepresentation of age may be required to perform community service and the court shall order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year. If a court has issued an order suspending driving privileges under this section, the court, upon petition of the person, may withdraw the order at any time the court deems appropriate. The court notification to the Department of Transportation under this subsection may include a recommendation that the person be granted a hardship permit under ORS 807.240 if the person is

otherwise eligible for the permit.

(5) If a person cited under this section is at least 13 years of age but less than 21 years of age at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to the department for the department to suspend the person's driving privileges under ORS 809.280 (4).

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

SECTION 50. Compliance with standards. (1) No marijuana items shall be sold or offered for sale within this state unless such marijuana items comply with the minimum standards fixed pursuant to law.

(2) The Oregon Liquor Control Commission may require a marijuana producer, marijuana processor, or marijuana wholesaler to provide a laboratory analysis demonstrating to the satisfaction of the commission that particular marijuana items comply with the minimum standards in this state.

(3) No marijuana items offered for sale within this state may be altered or tampered with in any way by any person not licensed to do so by the commission.

(4) The commission may prohibit the sale of any marijuana items for a reasonable period of time while it is determining whether the marijuana items comply with minimum standards in this state.

SECTION 51. Use of misleading mark or label on container; injurious or adulterated ingredients.

(1) No licensee shall use or allow the use of any mark or label on the container of any marijuana items which are kept for sale, if the container does not precisely and clearly indicate the nature of its contents or in any way might deceive any customer as to the nature, composition, quantity, age or quality of such marijuana items.

(2) The Oregon Liquor Control Commission may prohibit any licensee from selling any brand of marijuana items which in its judgment is deceptively labeled or branded as to content, or contains injurious or adulterated ingredients.

SECTION 52. Minimum age requirement. (1) A licensee may not employ any person under 21 years of age in any part of any licensed premises.

(2) During any inspection of a licensed premises, the Oregon Liquor Control Commission may require proof that a person performing work at the premises is 21 years of age or older. If the person does not provide the commission with acceptable proof of age upon request, the commission may require the person to immediately cease any activity and leave the premises until the commission receives acceptable proof of age. This subsection does not apply to a person temporarily at the premises to make a service, maintenance or repair call or for other purposes

independent of the premises operations.

(3) If a person performing work has not provided proof of age requested by the commission under subsection (2) of this section, the commission may request that the licensee provide proof that the person is 21 years of age or older. Failure of the licensee to respond to a request made under this subsection by providing acceptable proof of age for a person is prima facie evidence that the licensee has allowed the person to perform work at the licensed premises in violation of the minimum age requirement.

SECTION 53. Mature marijuana plants. (1) Except for licensed marijuana producers and their licensee representatives, no licensee may possess a mature marijuana plant.

(2) No licensee may sell a mature marijuana plant.

SECTION 54. Use of marijuana in public place prohibited. (1) It is unlawful for any person to engage in the use of marijuana items in a public place.

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

SECTION 55. Possession of marijuana in correctional facility prohibited. (1) It is unlawful for any person to possess or engage in the use of marijuana items in a correctional facility as defined in ORS 162.135 or in a youth correction facility as defined in ORS 162.135.

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

SECTION 56. Homegrown marijuana in public view prohibited. (1) No person may produce, process, keep, or store homegrown marijuana or homemade marijuana products if the homegrown marijuana or homemade marijuana products can be readily seen by normal unaided vision from a public place.

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

SECTION 57. Homemade marijuana extracts prohibited. No person may produce, process, keep, or store homemade marijuana extracts.

(Cities and Counties; Local Option)

SECTION 58. Marijuana laws supersede and repeal inconsistent charters and ordinances. Sections 3 to 70 of this Act, designed to operate uniformly throughout the state, shall be paramount and superior to and shall fully replace and supersede any and all municipal charter enactments or local ordinances inconsistent with it. Such charters and ordinances hereby are repealed.

SECTION 59. Authority of cities and counties over establishments that serve marijuana. (1) Cities and counties may adopt reasonable time, place and manner regulations of the nuisance aspects of

establishments that sell marijuana to consumers if the city or county makes specific findings that the establishment would cause adverse effects to occur.

(2) The authority granted to cities and counties by this section is in addition to, and not in lieu of, the authority granted to a city or county under its charter and the statutes and Constitution of this state.

SECTION 60. Petition and election for local option. (1) The governing body of a city or a county, when a petition is filed as provided in this section, shall order an election on the question whether the operation of licensed premises shall be prohibited in the city or county.

(2) Except as provided in subsections (3), (4) and (5) of this section, the requirements for preparing, circulating and filing a petition under this section:

(a) In the case of a city, shall be as provided for an initiative petition under ORS 250.265 to 250.346.

(b) In the case of a county, shall be as provided for an initiative petition under ORS 250.165 to 250.235.

(3) A petition under subsection (2) of this section:

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

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

(4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county or if ORS 250.255 makes ORS 250.265 to 250.346 inapplicable to a city, the requirements for preparing, circulating and filing a petition under this section shall be as provided for an initiative petition under the county or city charter or an ordinance adopted under the county or city charter.

(5) No signature is valid unless signed within 180 days before the petition is filed.

(6) An election under this section shall be held at the time of the next statewide general election.

(7) An election under this section shall be conducted under ORS chapters 246 to 260.

SECTION 61. Sales not affected by local option laws. Section 60 of this Act shall not prevent any person residing in the county or city from having, for personal use, marijuana items purchased from marijuana retailers duly licensed under this Act.

SECTION 62. Effective date of local option. In each county or city that returns a majority vote for or against prohibition, the law shall take effect on January 1 following the day of election.

(Enforcement of Marijuana Laws)

SECTION 63. Duty of officers to enforce and to inform district attorney. The state police, sheriffs, constables and all police officers within the State of Oregon shall enforce sections 3 to 30 of this Act and sections 45 to 70 of this Act and assist the Oregon Liquor Control Commission in detecting violations of sections 3 to 30 of this Act and sections 45 to 70 of this Act and apprehending offenders. Each such enforcing officer having notice, knowledge or reasonable ground of suspicion of any violation of sections 3 to 30 of this Act or sections 45 to 70 of this Act shall immediately notify the district attorney, and furnish the district attorney with names and addresses of any witnesses, or other information within the officer's knowledge, of such violation.

SECTION 64. Confiscation of marijuana and property. (1) Whenever any officer arrests any person for violation of sections 3 to 30 of this Act or sections 45 to 70 of this Act, the officer may take into possession all marijuana items, and other property which the person so arrested has in possession, or on the premises, which is apparently being used in violation of sections 3 to 30 of this Act or sections 45 to 70 of this Act.

(2) If the person so arrested is convicted, and it is found that the marijuana items, and other property has been used in violation of Oregon law:

(a) The marijuana items shall be forfeited to an appropriate state or local law enforcement agency, and shall be delivered by the court or officer to the law enforcement agency; and

(b) Subject to other applicable law, the other property shall be forfeited to the Oregon Liquor Control Commission, and shall be delivered by the court or officer to the commission.

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

SECTION 65. Duty to notify Oregon Liquor Control Commission of conviction of licensee. The county courts, district attorneys and municipal authorities, immediately upon the conviction of any licensee of the Oregon Liquor Control Commission of a violation of any provision of sections 3 to 30 of this Act or sections 45 to 70 of this Act or the violation of any other law of this state or ordinance of any municipality therein, in which violation marijuana had any part, shall notify the commission thereof. Such officials shall notify the commission of any acts, practices or other conduct of any such licensee which may be subversive of the general welfare or contrary to the spirit of this Act and shall recommend such action on the part of the commission as will remove the evil.

SECTION 66. Property and places as common nuisances. Any room, house, building, boat, structure or place of any kind where marijuana items are sold, manufactured, bartered or given away in violation of Oregon law, or where persons are permitted to resort for the purpose of using marijuana items in violation of Oregon law, or any place where marijuana items are kept for sale, barter or gift in violation of Oregon law, and all marijuana items or property subject to confiscation under section 64 of this Act kept and used in such place is a common nuisance. Any person who maintains or assists in maintaining such common nuisance or knowingly suffers or

permits such nuisance to exist in any place of which the person is the owner, manager or lessor, shall be guilty of a violation of sections 3 to 30 of this Act and sections 45 to 70 of this Act.

SECTION 67. Lien on place used to unlawfully handle marijuana. If it is proved that the owner of any building or premises knowingly has suffered the same to be used or occupied for the manufacture, sale or possession of marijuana items, contrary to the provisions of sections 3 to 30 of this Act or sections 45 to 70 of this Act, such building or premises are subject to a lien for, and may be sold to pay all fines and costs assessed against their occupants for any violation of sections 3 to 30 of this Act or sections 45 to 70 of this Act. The lien shall be enforced immediately by civil action in any court having jurisdiction, by the district attorney of the county wherein the building or premises are located.

SECTION 68. Governor authorized to suspend license. In case of invasion, disaster, insurrection, riot, or imminent danger thereof, the Governor may, for the duration of such invasion, disaster, insurrection, riot, or imminent danger thereof, immediately suspend without notice any license in the area involved granted under sections 3 to 30 of this Act or sections 45 to 70 of this Act.

(Penalties)

SECTION 69. Penalties. (1) Except where other punishment is specifically provided for in sections 3 to 70 of this Act, violation of any provision of sections 3 to 70 of this Act is a Class A misdemeanor.

(2) A violation of subsection (1) of section 40 of this Act is a Class B misdemeanor.

(3) Subject to ORS 153.022, violation of any regulation promulgated under paragraph (e) of subsection (2) of section 7 of this Act is a Class C violation.

SECTION 70. Severability. If any sections, subsections, paragraphs, phrases, or words of sections 3 to 70 of this Act shall be held unconstitutional, void, or illegal, either on their face or as applied, this shall not affect the applicability, constitutionality, or legality of any other sections, subsections, paragraphs, phrases, and words of sections 3 to 70 of this Act. To that end, the sections, subsections, paragraphs, phrases, and words of sections 3 to 70 of this Act are intended to be severable. It is hereby declared to be the intent of sections 3 to 70 of this Act that sections 3 to 70 of this Act would have been adopted had such unconstitutional, void, or illegal sections, subsections, paragraphs, phrases, or words, if any, not been included in sections 3 to 70 of this Act.

SECTION 71. Section 280E of the Internal Revenue Code. Section 280E of the Internal Revenue Code does not apply for purposes of determining taxable income or loss under this chapter.

SECTION 72. Definition of controlled substance. As used in the following statutes and any rule adopted thereunder, the term "controlled substance" shall not include marijuana:

(1) ORS 475.125 to ORS 475.165 (registration with the State Board of Pharmacy).

(2) **ORS 475.175 to ORS 475.190 (records).**

SECTION 73. Use of marijuana while driving; penalty. (1) A person commits the offense of use of marijuana while driving if the person uses any marijuana while driving a motor vehicle upon a highway.

(2) The offense described in this section, use of marijuana while driving, is a Class B traffic violation.

SECTION 74. ORS 316.680, as amended by section 3, chapter 194, Oregon Laws 2013, is amended to read:

316.680 Modification of taxable income. (1) There shall be subtracted from federal taxable income:

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

(b) The amount of any federal income taxes accrued by the taxpayer during the taxable year as described in ORS 316.685, less the amount of any refunds of federal taxes previously accrued for which a tax benefit was received.

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

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

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

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

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

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

(C) As used in this paragraph:

(i) "Federal creditable service" means those periods of time for which a federal employee earned a federal pension.

(ii) "Federal pension" means any form of retirement allowance provided by the federal government, its agencies or its instrumentalities to retirees of the federal government or their beneficiaries.

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

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

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

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

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

(i) For income tax years commencing on or after January 1, 2015, the amount of any deductions or credits that the taxpayer would have been allowed but for the provisions of section 280E of the Internal Revenue Code.

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

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

(b) Interest or dividends on obligations of any authority, commission, instrumentality and territorial possession of the United States that by the laws of the United States are exempt from federal income tax but not from state income taxes. However, the amount added under this paragraph shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this paragraph and by any expenses incurred in the production of interest or dividend income described in this paragraph.

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

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

(e) For taxable years beginning on or after January 1, 1985, the dollar amount deducted under section

151 of the Internal Revenue Code for personal exemptions for the taxable year.

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

(g) The amount of any increased benefits paid to a taxpayer under chapter 569, Oregon Laws 1995, under the provisions of chapter 796, Oregon Laws 1991, and under section 26, chapter 815, Oregon Laws 1991, that is not includable in the taxpayer's federal taxable income under the Internal Revenue Code.

(h) The amount of any long term care insurance premiums paid or incurred by the taxpayer during the tax year if:

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

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

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

(j) If the taxpayer makes a nonqualified withdrawal, as defined in ORS 348.841, from a college savings network account established under ORS 348.841 to 348.873, the amount of the withdrawal that is attributable to contributions that were subtracted from federal taxable income under ORS 316.699.

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

SECTION 75. ORS 475.525 is amended to read:

475.525 Sale of drug paraphernalia prohibited; definition of drug paraphernalia; exceptions.

(1) It is unlawful for any person to sell or deliver, possess with intent to sell or deliver or manufacture with intent to sell or deliver drug paraphernalia, knowing that it will be used to unlawfully plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale or otherwise introduce into the human body a controlled substance as defined by ORS 475.005.

(2) For the purposes of this section, "drug paraphernalia" means all equipment, products and materials of any kind which are marketed for use or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the human body a controlled substance in violation of ORS 475.840 to 475.980. Drug paraphernalia includes, but is not limited to:

(a) Kits marketed for use or designed for use in unlawfully planting, propagating, cultivating, growing or harvesting of any species of plant which is a controlled substance or from which a controlled substance

can be derived;

(b) Kits marketed for use or designed for use in manufacturing, compounding, converting, producing, processing or preparing controlled substances;

(c) Isomerization devices marketed for use or designed for use in increasing the potency of any species of plant which is a controlled substance;

(d) Testing equipment marketed for use or designed for use in identifying or in analyzing the strength, effectiveness or purity of controlled substances;

(e) Scales and balances marketed for use or designed for use in weighing or measuring controlled substances;

(f) Diluents and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, marketed for use or designed for use in cutting controlled substances;

(g) Separation gins and sifters marketed for use or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining marijuana;

(h) Containers and other objects marketed for use or designed for use in storing or concealing controlled substances; and

(i) Objects marketed for use or designed specifically for use in ingesting, inhaling or otherwise introducing marijuana, cocaine, hashish or hashish oil into the human body, such as:

(A) Metal, wooden, acrylic, glass, stone, plastic or ceramic pipes with or without screens, permanent screens or hashish heads;

(B) Water pipes;

(C) Carburetion tubes and devices;

(D) Smoking and carburetion masks;

(E) Roach clips, meaning objects used to hold burning material that has become too small or too short to be held in the hand, such as a marijuana cigarette;

(F) Miniature cocaine spoons and cocaine vials;

(G) Chamber pipes;

(H) Carburetor pipes;

(I) Electric pipes;

(J) Air-driven pipes;

(K) Chillums;

(L) Bongs;

(M) Ice pipes or chillers; and

(N) Lighting equipment specifically designed for the growing of controlled substances.

(3) Drug paraphernalia does not include hypodermic syringes or needles.

(4) For the purposes of this section, "marijuana paraphernalia" means all equipment, products and materials of any kind which are marketed for use or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling or otherwise introducing into the human body marijuana in violation of ORS 475.840 to 475.980.

~~[(4)]~~ (5) In determining whether an object is drug paraphernalia or marijuana paraphernalia, a trier of fact should consider, in addition to all other relevant factors, the following:

- (a) Instructions, oral or written, provided with the object concerning its use;
- (b) Descriptive materials accompanying the object which explain or depict its use;
- (c) National and local advertising concerning its use;
- (d) The manner in which the object is displayed for sale;
- (e) The existence and scope of legitimate uses for the object in the community; and
- (f) Any expert testimony which may be introduced concerning its use.

~~[(5)]~~ (6) The provisions of ORS 475.525 to 475.565 do not apply to persons registered under the provisions of ORS 475.125 or to persons specified as exempt from registration under the provisions of that statute.

(7) The provisions of ORS 475.525 to 475.565 do not apply to a person who sells or delivers marijuana paraphernalia to a person 21 years of age or older.

SECTION 76. ORS 475.752, as amended by section 3, chapter 591, Oregon Laws 2013, is amended to read:

475.752 Prohibited acts generally; penalties; affirmative defense for certain peyote uses; causing death by Schedule IV substance. (1) Except for licensees and licensee representatives as defined in subsections (10) and (11) of section 5 of this Act, and except for a person acting within the scope of and in compliance with subsection (1) of section 6 of this Act, and except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful for any person to manufacture or deliver a controlled substance. Any person who violates this subsection with respect to:

- (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise provided in

ORS 475.886 and 475.890.

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

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

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

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

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

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

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

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

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

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

(3) It is unlawful for any person knowingly or intentionally to possess a controlled substance, **other than marijuana**, unless the substance was obtained directly from, or pursuant to a valid prescription or order of, a practitioner while acting in the course of professional practice, or except as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates this subsection with respect to:

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

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

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

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

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

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

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

- (b) As directly associated with a religious practice; and
 - (c) In a manner that is not dangerous to the health of the user or others who are in the proximity of the user.
- (5) The affirmative defense created in subsection (4) of this section is not available to any person who has possessed or delivered the peyote while incarcerated in a correctional facility in this state.
- (6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or delivers a controlled substance in Schedule IV and who thereby causes death to another person is guilty of a Class C felony.
- (b) For purposes of this subsection, causation is established when the controlled substance plays a substantial role in the death of the other person.

SECTION 77. ORS 475.856, as amended by section 1, chapter 591, Oregon Laws 2013, is amended to read:

475.856 Unlawful manufacture of marijuana. (1) [It] Except for licensees and licensee representatives as defined in subsections (10) and (11) of section 5 of this Act, and except for a person acting within the scope of and in compliance with subsection (1) of section 6 of this Act, it is unlawful for any person to manufacture marijuana.

(2) Unlawful manufacture of marijuana is a Class B felony.

(3) Notwithstanding subsection (2) of this section, unlawful manufacture of marijuana is a Class B misdemeanor, if a person 21 years of age or older manufactures homegrown marijuana at a household and the total number of homegrown marijuana plants at the household exceeds four marijuana plants but does not exceed eight marijuana plants.

(4) As used in subsection (3) of this section, the terms "homegrown" and "household" have the meanings given to them in section 5 of this Act.

SECTION 78. ORS 475.860 is amended to read:

475.860 Unlawful delivery of marijuana. (1) [It] Except for licensees and licensee representatives as defined in subsections (10) and (11) of section 5 of this Act, and except for a person acting within the scope of and in compliance with subsection (1) of section 6 of this Act, it is unlawful for any person to deliver marijuana.

(2) Unlawful delivery of marijuana is a:

(a) Class B felony if the delivery is for consideration.

(b) Class C felony if the delivery is for no consideration.

(3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a:

(a) Class A misdemeanor, if the delivery is for no consideration and consists of less than one avoirdupois ounce of the dried leaves, stems and flowers of the plant Cannabis family Moraceae; or

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

(4) Notwithstanding subsections (2) and (3) of this section, unlawful delivery of marijuana is a:

(a) Class A felony, if the delivery is to a person under 18 years of age and the defendant is at least 18 years of age and is at least three years older than the person to whom the marijuana is delivered; or

(b) Class C misdemeanor, if the delivery:

(A) Is for no consideration;

(B) Consists of less than five grams of the dried leaves, stems and flowers of the plant Cannabis family Moraceae;

(C) Takes place in a public place, as defined in ORS 161.015, that is within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors; and

(D) Is to a person who is 18 years of age or older.

SECTION 79. ORS 475.864, as amended by section 2, chapter 591, Oregon Laws 2013, is amended to read:

475.864 Unlawful possession of marijuana. (1) As used in subsections (2) to (4) of this section:

(a) "Marijuana" means the leaves, stems, and flowers of the plant Cannabis family Moraceae.

(b) "Marijuana product" has the meaning given the term "marijuana" in ORS 475.005 (16), but does not include the leaves, stems and flowers of the plant Cannabis family Moraceae.

(2) It is unlawful for any person **under 21 years of age** knowingly or intentionally to possess marijuana or marijuana product.

(3)(a) Unlawful possession of four avoirdupois ounces or more of marijuana by a person **under 21 years of age** is a Class C felony.

(b) Unlawful possession of one avoirdupois ounce of marijuana or more, but less than four avoirdupois ounces, by a person **under 21 years of age** is a Class B misdemeanor.

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

(4)(a) Unlawful possession of one-quarter avoirdupois ounce or more of marijuana product by a

person under 21 years of age is a Class C felony.

(b) Unlawful possession of less than one-quarter avoirdupois ounce of marijuana product by a person under 21 years of age is a Class B misdemeanor.

(5) As used in subsections (6) to (8) of this section, the terms “licensee,” “licensee representative,” “marijuana,” “marijuana extracts,” “marijuana products,” “marijuana retailer,” “public place,” and “usable marijuana” have the meanings given to them in section 5 of this Act.

(6) Except for licensees and licensee representatives, it is unlawful for any person 21 years of age or older knowingly or intentionally to possess:

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

(b) More than eight ounces of usable marijuana.

(c) More than sixteen ounces of marijuana products in solid form.

(d) More than seventy-two ounces of marijuana products in liquid form.

(e) More than one ounce of marijuana extracts.

(f) Any marijuana extracts that were not purchased from a licensed marijuana retailer.

(7) A violation of paragraphs (a) to (e) of subsection (6) of this section is a:

(a) Class C felony, if the amount possessed is more than four times the applicable maximum amount specified in subsection (6) of this section;

(b) Class B misdemeanor, if the amount possessed is more than two times, but not more than four times, the applicable maximum amount specified in subsection (6) of this section; or

(c) Class B violation, if the amount possessed is not more than two times the applicable maximum amount specified in subsection (6) of this section.

(8) A violation of paragraph (f) of subsection (6) of this section is a:

(a) Class C felony, if the amount possessed is more than one-quarter ounce of such marijuana extracts; or

(b) Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of such marijuana extracts.

SECTION 80. ORS 571.315 is amended to read:

571.315 Revocation or refusal of license or permit; civil penalty. (1) In addition to any other liability or penalty provided by Oregon law, the State Department of Agriculture may revoke or refuse to issue or renew an industrial hemp license or an agricultural hemp seed production permit and may impose

a civil penalty for violation of:

- (a) A license or permit requirement;
 - (b) License or permit terms or conditions;
 - (c) Department rules relating to growing or handling industrial hemp; or
 - (d) A final order of the department that is specifically directed to the grower's or handler's industrial hemp operations or activities.
- (2) The department may not impose a civil penalty under this section that exceeds \$2,500. The department shall impose civil penalties under this section in the manner provided by ORS 183.745.
- (3) The department may revoke or refuse to issue or renew an industrial hemp license or an agricultural hemp seed production permit for violation of any rule of the department that pertains to agricultural operations or activities other than industrial hemp growing or handling.
- (4) A revocation of, or a refusal to issue or renew, an industrial hemp license or an agricultural hemp seed production permit is subject to ORS chapter 183.
- (5) The department may not revoke or refuse to issue or renew an industrial hemp license or an agricultural hemp seed production permit on the basis that industrial hemp production or possession, or commerce in industrial hemp commodities or products, is prohibited by federal law.

SECTION 81. Sections 71 to 73 of this Act and the amendments to ORS 316.680, 475.525, 475.752, 475.856, 475.860, 475.864, and 571.315 by sections 74 to 80 of this Act apply to conduct occurring on and after the operative date specified in subsection (1) of section 82 of this Act.

SECTION 82. (1) Sections 3 to 73 of this Act and the amendments to ORS 316.680, 475.525, 475.752, 475.856, 475.860, 475.864, and 571.315 by sections 74 to 80 of this Act become operative on July 1, 2015.

(2) The Oregon Liquor Control Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the commission by sections 3 to 73 of this Act and the amendments to ORS 316.680, 475.525, 475.752, 475.856, 475.860, 475.864, and 571.315 by sections 74 to 80 of this Act.

SECTION 83. The section captions used in this Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this Act.

SECTION 84. This Act becomes effective 30 days after the day on which it is approved by a majority of the votes cast on it.

SECTION 85. If an initiative petition that conflicts with this Act is placed on the ballot at the next regular general election held throughout this state on November 4, 2014, and if both this Act and the conflicting initiative petition are approved by a majority of the votes cast thereon, the conflicting initiative petition is repealed in its entirety if this Act receives a number of affirmative votes greater than the number of affirmative votes received by the conflicting initiative petition.

SECTION 86. If any sections, subsections, paragraphs, phrases, or words of this Act (including but not limited to the entirety of sections 7 to 70 of this Act) shall be held unconstitutional, void, or illegal, either on their face or as applied, this shall not affect the applicability, constitutionality, or legality of any other sections, subsections, paragraphs, phrases, and words of this Act. To that end, the sections, subsections, paragraphs, phrases, and words of this Act are intended to be severable. It is hereby declared to be the intent of this Act that this Act would have been adopted had such unconstitutional, void, or illegal sections, subsections, paragraphs, phrases, or words, if any, not been included in this Act.

A-Engrossed House Bill 3400

Ordered by the House June 22
Including House Amendments dated June 22

Sponsored by Representatives LININGER, OLSON

SUMMARY

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

[Directs Oregon Health Authority to develop and maintain database of information related to producing and processing of marijuana by persons responsible for marijuana grow sites under Oregon Medical Marijuana Program.]

[Requires person responsible for marijuana grow site under program to submit to authority certain information related to producing and processing marijuana.]

[Specifies number of mature marijuana plants that may be produced at single address.]

[Makes other changes to Oregon Medical Marijuana Act, including changes to harmonize Oregon Medical Marijuana Act with chapter 1, Oregon Laws 2015.]

[Becomes operative January 1, 2016.]

Makes changes to Ballot Measure 91 (2014). Establishes licensure qualifications for marijuana producers, marijuana processors, marijuana wholesalers and marijuana retailers. Directs Oregon Liquor Control Commission to adopt certain rules related to licensure. Provides commission with additional enforcement powers over licensees, including use of seed to sale tracking system. Directs commission to establish canopy sizes for marijuana producers. Establishes land use law with respect to marijuana producers. Establishes that cannabinoid edibles are subject to laws of this state related to processing food. Requires individuals who perform certain type of work for or on behalf of marijuana retailers to obtain valid permit from commission. Provides for time, place and manner of regulation of licensees by local governments. Authorizes governing body of local governments to refer to electors ordinance under which 3 percent tax may be imposed on sale of marijuana items. Becomes operative January 1, 2016.

Makes changes to Oregon Medical Marijuana Act. Limits amount of plants that may be grown at address where marijuana grow sites are located. Requires registration of marijuana processing sites. Requires marijuana grow sites, marijuana processing sites and medical marijuana dispensaries to submit information to Oregon Health Authority related to amount of marijuana held and transferred. Provides for time, place and manner of regulation of registrants by local governments. Becomes operative March 1, 2016.

Aligns provisions of Ballot Measure 91 (2014) with provisions of Oregon Medical Marijuana Act.

Provides for uniform testing of marijuana items transferred by medical marijuana dispensaries and sold by marijuana retailers. Directs authority to adopt rules related to testing marijuana. Directs authority to accredit laboratories. Directs commission to license laboratories. Becomes operative January 1, 2016.

Provides for uniform packaging, labeling and dosage of marijuana items transferred by medical marijuana dispensaries and sold by marijuana retailers. Directs authority to adopt rules related to labeling marijuana items and establishing dosage units for marijuana items. Directs commission to adopt rules related to packaging of marijuana items. Becomes operative January 1, 2016.

Provides for certification of private and public researchers of cannabis by commission. Becomes operative November 15, 2015.

Reduces crime classifications related to manufacture, delivery and possession of marijuana. Effective on passage.

Provides for cannabis education program. Effective on passage.

Authorizes local governments, under certain conditions and processes, to adopt ordinances prohibiting establishment of marijuana businesses registered with authority or licensed by commission. Specifies that local government that adopts any such ordinance may not impose any tax on sale of marijuana items. Effective on passage.

Declares emergency, effective on passage.

1 Relating to marijuana; creating new provisions; amending ORS 133.005, 133.525, 133.721, 133.726,
2 153.005, 161.015, 161.705, 163.095, 165.805, 166.070, 181.010, 181.534, 181.537, 181.610, 181.645,
3 181.646, 238.005, 471.001, 471.360, 471.375, 471.675, 471.775, 475.300, 475.302, 475.303, 475.304,
4 475.306, 475.309, 475.312, 475.314, 475.316, 475.319, 475.320, 475.323, 475.326, 475.328, 475.331,
5 475.334, 475.338, 475.340, 475.342, 475.752, 475.856, 475.858, 475.860, 475.862, 475.864, 475.900,
6 475.904, 616.010, 659A.320, 659A.403, 659A.409, 659A.885 and 802.250 and section 32, chapter 54,
7 Oregon Laws 2012, section 2, chapter 79, Oregon Laws 2014, and sections 1, 2, 3, 4, 5, 6, 7, 10,
8 11, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40,
9 41, 43, 45, 46, 47, 48, 49, 50, 51, 53, 56, 57, 58, 59, 60, 61, 63, 64, 65, 66, 67, 68, 69, 70 and 72,
10 chapter 1, Oregon Laws 2015; repealing ORS 475.324 and sections 26, 42, 55, 71, 81, 82, 83, 84,
11 85 and 86, chapter 1, Oregon Laws 2015, and sections 32, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54,
12 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 67, 69, 70, 71, 72, 73 and 74, chapter ____, Oregon Laws 2015
13 (Enrolled Senate Bill 964); and declaring an emergency.

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

15
16 **BALLOT MEASURE 91**
17 **OPERATIVE JANUARY 1, 2016**

18
19 **(Definitions)**
20

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

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

23 [(1) "Authority" means the Oregon Health Authority.]

24 [(2) "Commission" means the Oregon Liquor Control Commission.]

25 [(3)] (1) "Consumer" means a person who purchases, acquires, owns, holds[,] or uses marijuana
26 items other than for the purpose of resale.

27 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents
28 of marijuana.

29 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids
30 from marijuana by:

31 (a) A mechanical extraction process;

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

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

36 (d) Any other process identified by the Oregon Liquor Control Commission, in consulta-
37 tion with the Oregon Health Authority, by rule.

38 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concen-
39 trate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

40 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
41 marijuana by:

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

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

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

3 (6)(a) "Cannabinoid product" means a cannabinoid edible and any other product intended
4 for human consumption or use, including a product intended to be applied to the skin or hair,
5 that contains cannabinoids or dried marijuana leaves or flowers.

6 (b) "Cannabinoid product" does not include:

7 (A) Usable marijuana by itself;

8 (B) A cannabinoid concentrate by itself;

9 (C) A cannabinoid extract by itself; or

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

11 [(4) "Department" means the State Department of Agriculture.]

12 [(5)(a)] (7)(a) ["Financial consideration," except as provided in paragraph (b) of this subsection,]
13 "Financial consideration" means value that is given or received either directly or indirectly
14 through sales, barter, trade, fees, charges, dues, contributions or donations.

15 (b) "Financial consideration" does not [mean any of the following] include:

16 (A) Homegrown marijuana [made by another person.] that is given or received when nothing
17 is given or received in return; or

18 (B) Homemade [marijuana products made by another person.] cannabinoid products or
19 cannabinoid concentrates that are given or received when nothing is given or received in
20 return.

21 [(6)] (8) "Homegrown" or "homemade" means grown or made by a person 21 years of age or
22 older for noncommercial purposes.

23 [(7)] (9) "Household" means a housing unit[,] and [includes] any place in or around [the] a
24 housing unit at which the occupants of the housing unit are producing, processing, [keeping,] or
25 storing homegrown marijuana or homemade [marijuana] cannabinoid products or cannabinoid
26 concentrates.

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

31 [(9) "Immature marijuana plant" means a marijuana plant with no observable flowers or buds.]

32 (11) "Immature marijuana plant" means a marijuana plant that is not flowering.

33 [(10)] (12) "Licensee" means [any] a person [holding] who holds a license issued under [this
34 Act] section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015[, or any person holding a license or
35 permit issued under any regulation promulgated under paragraph (e) of subsection (2) of section 7 of
36 this Act].

37 [(11)] (13) "Licensee representative" means an owner, director, officer, manager, employee,
38 agent[,] or other representative of a licensee, to the extent [such] that the person acts in [such] a
39 representative capacity.

40 [(12)(a) "Marijuana" means all parts of the plant Cannabis family Moraceae, whether growing or
41 not, other than marijuana extracts.]

42 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300, or industrial hemp
43 commodities or products.]

44 [(13) "Marijuana extract" means a product obtained by separating resins from marijuana by sol-
45 vent extraction, using solvents other than vegetable glycerin, such as butane, hexane, isopropyl alcohol,

1 *ethanol, and carbon dioxide.*]

2 **(14)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant**
3 **Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.**

4 **(b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.**

5 [(14)(a)] **(15) "Marijuana flowers" means the flowers of the plant [Cannabis family Moraceae]**
6 **genus Cannabis within the plant family Cannabaceae.**

7 [(b) "*Marijuana flowers*" does not include any part of the plant other than the flowers.]

8 [(15)] **(16) "Marijuana items" means marijuana, [marijuana products, and marijuana extracts]**
9 **cannabinoid products, cannabinoid concentrates and cannabinoid extracts.**

10 [(16)(a)] **(17) "Marijuana leaves" means the leaves of the plant [Cannabis family Moraceae]**
11 **genus Cannabis within the plant family Cannabaceae.**

12 [(b) "*Marijuana leaves*" does not include any part of the plant other than the leaves.]

13 [(17)] **(18) "Marijuana processor" means a person who processes marijuana items in this state.**

14 [(18)] **(19) "Marijuana producer" means a person who produces marijuana in this state.**

15 [(19)(a) "*Marijuana products*" means products that contain marijuana or marijuana extracts and
16 are intended for human consumption.]

17 [(b) "*Marijuana products*" does not mean:]

18 [(A) *Marijuana, by itself; or*]

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

20 **(20) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.**

21 **(21) "Marijuana wholesaler" means a person who purchases marijuana items in this state for**
22 **resale to a person other than a consumer [in this state].**

23 **(22) "Mature marijuana plant" means [any] a marijuana plant that is not an immature marijuana**
24 **plant.**

25 **(23) "Noncommercial" means not dependent or conditioned upon the provision or receipt of fi-**
26 **nancial consideration.**

27 [(24) "*Person*" means any natural person, corporation, professional corporation, nonprofit corpo-
28 ration, cooperative corporation, profit or nonprofit unincorporated association, business trust, limited
29 liability company, general or limited partnership, joint venture, or any other legal entity.]

30 [(25) "*Premises*" or "*licensed premises*" means a location licensed under sections 3 to 70 of this
31 Act and includes:]

32 **(24)(a) "Premises" or "licensed premises" includes the following areas of a location li-**
33 **censed under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015:**

34 [(a)] **(A) All public and private enclosed areas at the location that are used in the business**
35 **operated at the location, including offices, kitchens, rest rooms and storerooms[, including all public**
36 **and private areas];**

37 [(b)] **(B) All areas outside [of] a building that the [Oregon Liquor Control] commission has spe-**
38 **cifically licensed for the production, processing, wholesale sale[,] or retail sale of marijuana items;**
39 **and**

40 [(c)] **(C) For a location that the commission has specifically licensed for the production of**
41 **marijuana outside [of] a building, the entire lot or parcel, as defined in ORS 92.010, that the licensee**
42 **owns, leases[,] or has a right to occupy.**

43 **(b) "Premises" or "licensed premises" does not include a primary residence.**

44 [(26)(a)] **(25)(a) "Processes" means[:]**

45 [(A)] the processing, compounding[,] or conversion of marijuana into [*marijuana products or*

1 marijuana extracts;] cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

2 (b) "Processes" does not include packaging or labeling.

3 [(B) The processing, compounding, or conversion of marijuana, either directly or indirectly by ex-
4 traction from substances of natural origin, or independently by means of chemical synthesis, or by a
5 combination of extraction and chemical synthesis;]

6 [(C) The packaging or repackaging of marijuana items; or]

7 [(D) The labeling or relabeling of any package or container of marijuana items.]

8 [(b) "Processes" does not include:]

9 [(A) The drying of marijuana by a marijuana producer, if the marijuana producer is not otherwise
10 processing marijuana; or]

11 [(B) The packaging and labeling of marijuana by a marijuana producer in preparation for delivery
12 to a marijuana processor.]

13 [(27)(a)] (26)(a) "Produces" means the manufacture, planting, cultivation, growing[,] or harvest-
14 ing of marijuana.

15 (b) "Produces" does not include:

16 (A) The drying of marijuana by a marijuana processor, if the marijuana processor is not other-
17 wise producing marijuana; or

18 (B) The cultivation and growing of an immature marijuana plant by a marijuana processor,
19 marijuana wholesaler[,] or marijuana retailer if the marijuana processor, marijuana wholesaler[,] or
20 marijuana retailer purchased or otherwise received the plant from a licensed marijuana producer.

21 (27) "Propagate" means to grow immature marijuana plants or to breed or produce the
22 seeds of the plant Cannabis family Cannabaceae.

23 (28) "Public place" means a place to which the general public has access and includes, but is
24 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
25 rooms or apartments designed for actual residence, and highways, streets, schools, places of
26 amusement, parks, playgrounds and [premises] areas used in connection with public passenger
27 transportation.

28 [(29) "Usable marijuana" means dried marijuana flowers and dried marijuana leaves, and any
29 mixture or preparation thereof.]

30 (29)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

31 (b) "Usable marijuana" does not include:

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

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

34

35 (Powers and Duties of Commission)

36

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

38 **Sec. 7.** (1) The Oregon Liquor Control Commission has the powers and duties specified in
39 sections 3 to 70, **chapter 1, Oregon Laws 2015, and** [of this Act, and also] the powers necessary
40 or proper to enable [it] **the commission** to carry out [fully and effectually all the purposes of] **the**
41 **commission's duties, functions and powers under** sections 3 to 70, **chapter 1, Oregon Laws**
42 **2015** [of this Act]. The jurisdiction, supervision, [powers and duties] **duties, functions and powers**
43 of the commission extend to any person who buys, sells, produces, processes, transports[,] or delivers
44 any marijuana items within this state. The commission may sue and be sued.

45 (2) The [function,] duties, **functions** and powers of the commission in sections 3 to 70, **chapter**

1 **1, Oregon Laws 2015, [of this Act] include the following:**

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

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

8 [(c) To collect the taxes and duties imposed by sections 3 to 70 of this Act, and to issue, and pro-
9 vide for cancellation, stamps and other devices as evidence of payment of such taxes or duties.]

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

13 [(e)] (d) To adopt [such regulations as are], **amend or repeal rules as necessary [and feasible**
14 **for carrying] to carry** out the intent and provisions of sections 3 to 70, **chapter 1, Oregon Laws**
15 **2015, including rules that the commission considers necessary to protect the public health**
16 **and safety.** [of this Act and to amend or repeal such regulations. When such regulations are adopted
17 they shall have the full force and effect of law.]

18 [(f)] (e) To exercise all powers incidental, convenient or necessary to enable [it] **the commis-**
19 **sion** to administer or carry out [any of] the provisions of sections 3 to 70, **chapter 1, Oregon Laws**
20 **2015, or any other law of this state that charges the commission with a duty, function or**
21 **power related to marijuana [of this Act]. Powers described in this paragraph include, but are**
22 **not limited to:**

23 (A) **Issuing subpoenas;**

24 (B) **Compelling the attendance of witnesses;**

25 (C) **Administering oaths;**

26 (D) **Certifying official acts;**

27 (E) **Taking depositions as provided by law;**

28 (F) **Compelling the production of books, payrolls, accounts, papers, records, documents**
29 **and testimony; and**

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

34 [(g) To regulate and prohibit any advertising by manufacturers, processors, wholesalers or retailers
35 of marijuana items by the medium of newspapers, letters, billboards, radio or otherwise.]

36 (f) **To adopt rules regulating and prohibiting marijuana producers, marijuana processors,**
37 **marijuana wholesalers and marijuana retailers from advertising marijuana items in a man-**
38 **ner:**

39 (A) **That is appealing to minors;**

40 (B) **That promotes excessive use;**

41 (C) **That promotes illegal activity; or**

42 (D) **That otherwise presents a significant risk to public health and safety.**

43 [(h)] (g) To regulate the use of marijuana items for scientific, pharmaceutical, manufacturing,
44 mechanical, industrial and other purposes.

45 (3) **Fees collected pursuant to subsection (2)(e)(G) of this section shall be deposited in the**

1 **Marijuana Control and Regulation Fund established under section 32 of this 2015 Act.**

2 [(3) On or before January 1, 2016, the commission, after consultation with the State Department
3 of Agriculture and the Oregon Health Authority, shall prescribe forms and adopt such rules and reg-
4 ulations as the commission deems necessary for the implementation and administration of sections 3 to
5 70 of this Act.]

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

7 [(a) Examine available research, and may conduct or commission new research, to investigate the
8 influence of marijuana on the ability of a person to drive a vehicle and on the concentration of delta-9
9 tetrahydrocannabinol in a person's blood, in each case taking into account all relevant factors; and]

10 [(b) Present the results of the research to the Legislative Assembly and make recommendations to
11 the Legislative Assembly regarding whether any amendments to the Oregon Vehicle Code are appro-
12 priate.]

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

14
15 **(Power to Purchase, Possess, Seize, Dispose)**

16
17 **SECTION 3.** The Oregon Liquor Control Commission may purchase, possess, seize or
18 dispose of marijuana items as is necessary for the commission to ensure compliance with
19 and enforce the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and any rule
20 adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.

21 **SECTION 4.** Any state officer, board, commission, corporation, institution, department
22 or other state body, and any local officer, board, commission, institution, department or
23 other local government body, that is authorized by the statutory laws of this state to per-
24 form a duty, function or power with respect to a marijuana item, may purchase, possess,
25 seize or dispose of the marijuana item as the state officer, board, commission, corporation,
26 institution, department or other state body, or the local officer, board, commission, institu-
27 tion, department or other local government body, considers necessary to ensure compliance
28 with and enforce the applicable statutory law or any rule adopted under the applicable stat-
29 utory law.

30
31 **(Regulation of Licensees)**

32
33 **SECTION 5.** Section 25, chapter 1, Oregon Laws 2015, is amended to read:

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

36 (a) [Be] Is a purely personal privilege.

37 (b) [Be] Is valid for the period stated in the license.

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

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

43 (e) [Be] Is transferable from the premises for which the license was originally issued to another
44 premises subject to the provisions of [this Act, any] sections 3 to 70, chapter 1, Oregon Laws 2015,
45 applicable rules of the Oregon Liquor Control Commission and [any municipal ordinance or local

1 *regulation*] **applicable local ordinances.**

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

4 (g) **Does** not constitute property.

5 (h) **Is** not *[be]* alienable.

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

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

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

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

11 (b) The business of *[any]* a deceased, insolvent or bankrupt licensee may be operated for a rea-
12 sonable period following the death, insolvency or bankruptcy.

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

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

19 **Sec. 27. (1)** A marijuana producer, marijuana processor[,] or marijuana wholesaler *[shall]* **may**
20 deliver marijuana items only to or on a licensed premises.

21 **(2)** **A licensed premises may receive marijuana items only from a marijuana producer,**
22 **marijuana processor or marijuana wholesaler for whom a premises has been licensed by the**
23 **Oregon Liquor Control Commission.**

24 **(3)** The sale of marijuana items *[under any license issued by the Oregon Liquor Control Com-*
25 *mission for retail sales by a licensee shall]* **by a marijuana retailer that holds a license issued**
26 **under section 22, chapter 1, Oregon Laws 2015, must** be restricted to the premises described in
27 the license, but deliveries may be made by the marijuana retailer to consumers pursuant to a bona
28 fide *[orders]* **order** received *[on]* **at** the licensed premises prior to delivery.

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

30 **Sec. 28. (1)** *[Any person desiring]* **An applicant for** a license or renewal of a license under
31 sections 3 to 70, **chapter 1, Oregon Laws 2015, shall apply** *[of this Act shall make application]* to
32 the Oregon Liquor Control Commission *[upon forms to be furnished]* **in the form required** by the
33 commission, showing the name and address of the applicant, location of the place of business that
34 is to be operated under the license[,] and *[such]* other pertinent information *[as]* **required by** the
35 commission *[may require]*. *[No license shall be granted or renewed]* **The commission may not grant**
36 **or renew a license** until the applicant has complied with the provisions of sections 3 to 70, **chapter**
37 **1, Oregon Laws 2015,** *[of this Act]* and the rules of the commission.

38 (2) The commission may reject any application that is not submitted in the form required by
39 rule. The commission shall give applicants an opportunity to be heard if an application is rejected.
40 A hearing under this subsection is not subject to the requirements for contested case proceedings
41 under ORS chapter 183.

42 (3) Except as provided in subsection (2) of this section, a revocation of, or a refusal to issue or
43 renew, a license under sections 3 to 70, **chapter 1, Oregon Laws 2015,** *[of this Act]* is subject to
44 the requirements for contested case proceedings under ORS chapter 183.

45 *[(4) The commission shall assess a nonrefundable fee for processing a new or renewal application*

1 for any license authorized by sections 3 to 70 of this Act. The application processing fee shall be
2 \$250.]

3 [(5) The annual license fee for any license granted under sections 3 to 70 of this Act shall be
4 \$1,000. The license fee is nonrefundable and shall be paid by each applicant upon the granting or
5 committing of a license.]

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

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

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

13 [(a) That there are sufficient licensed premises in the locality set out in the application, or that the
14 granting of a license in the locality set out in the application is not demanded by public interest or
15 convenience. In determining whether there are sufficient licensed premises in the locality, the commis-
16 sion shall consider seasonal fluctuations in the population of the locality and shall ensure that there
17 are adequate licensed premises to serve the needs of the locality during the peak seasons.]

18 [(b)] that the applicant:

19 [(A)] (a) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana[,] or con-
20 trolled substances to excess.

21 [(B)] (b) Has made false statements to the commission.

22 [(C)] (c) Is incompetent or physically unable to carry on the management of the establishment
23 proposed to be licensed.

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

27 [(E) Has maintained an insanitary establishment.]

28 [(F)] (e) Is not of good repute and moral character.

29 [(G)] (f) [Did] **Does** not have a good record of compliance with sections 3 to 70, **chapter 1**,
30 **Oregon Laws 2015**, [of this Act] or any rule of the commission adopted [pursuant thereto] **under**
31 **sections 3 to 70, chapter 1, Oregon Laws 2015**.

32 [(H)] (g) Is not the legitimate owner of the business proposed to be licensed, or other persons
33 have ownership interests in the business [which] **that** have not been disclosed.

34 [(I)] (h) Is not possessed of or has not demonstrated financial responsibility sufficient to ade-
35 quately meet the requirements of the business proposed to be licensed.

36 [(J)] (i) Is unable to understand the laws of [Oregon] **this state** relating to marijuana or the
37 rules of the commission **relating to marijuana**.

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

42 (a) The manufacture of marijuana, if:

43 (A) The date of the conviction is **two or more** [than five] years before the date of the applica-
44 tion; and

45 (B) The person has not been convicted more than once for the manufacture or delivery of

1 marijuana;

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

3 (A) The date of the conviction is **two or more** [*than five*] years before the date of the applica-
4 tion; and

5 (B) The person has not been convicted more than once for the manufacture or delivery of
6 marijuana; or

7 (c) The possession of marijuana.

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

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

12 [(a)] (1) That the licensee:

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

16 [(B)] (b) Has made any false representation or statement to the commission in order to induce
17 or prevent action by the commission.

18 [(C)] *Has maintained an insanitary establishment.*

19 [(D)] (c) Is insolvent or incompetent or physically unable to carry on the management of the
20 establishment of the licensee.

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

23 [(F)] (e) Has misrepresented to a customer or the public any marijuana items sold by the
24 licensee.

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

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

30 [(2) *Civil penalties under this section shall be imposed as provided in ORS 183.745.*]

31 **SECTION 10.** For the purpose of requesting a state or nationwide criminal records check
32 under ORS 181.534, the Oregon Liquor Control Commission may require the fingerprints of
33 any individual listed on an application submitted under section 28, chapter 1, Oregon Laws
34 2015.

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

36 **Sec. 18.** (1) [*On or before January 4, 2016,*] The Oregon Liquor Control Commission shall [*begin*
37 *receiving applications for the licensing of persons*] **approve or deny an application** to produce,
38 process[,], and sell marijuana [*within the state*] **under sections 19, 20, 21 and 22, chapter 1, Oregon**
39 **Laws 2015.** Upon [*receipt of a license*] **receiving an** application, the commission [*shall*] **may** not
40 unreasonably delay [*the processing, approval, or rejection of*] **processing, approving or denying** the
41 application or, if the application is approved, [*the issuance of*] **issuing** the license.

42 (2) The licenses described in sections [*3 to 70 of this Act shall*] **19, 20, 21 and 22, chapter 1,**
43 **Oregon Laws 2015, must** be issued by the commission, subject to [*its regulations and restrictions*
44 *and*] the provisions of sections 3 to 70 [*of this Act*], **chapter 1, Oregon Laws 2015, and the rules**
45 **adopted under sections 3 to 70, chapter 1, Oregon Laws 2015.**

1 (3) The commission may not license a premises that does not have defined boundaries. A licensed
2 premises [*need not*] **does not need to** be enclosed by a wall, fence or other structure, but the com-
3 mission may require that [*any*] a licensed premises be enclosed as a condition of issuing or renewing
4 a license. The commission may not license [*premises that are*] mobile **premises**.

5
6 (License Holders)
7

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

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

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

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

16 (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application**
17 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state**
18 **for two or more years, and must provide proof that the applicant is 21 years of age or older;**
19 **and**

20 (c) **Must meet the requirements of any rule adopted by the commission under subsection**
21 **(3) of this section.**

22 (3) **The commission shall adopt rules that:**

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

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

25 (c) **Require marijuana produced by marijuana producers to be tested in accordance with**
26 **section 92 of this 2015 Act;**

27 (d) **Require marijuana producers to submit, at the time of applying for or renewing a li-**
28 **cence under section 28, chapter 1, Oregon Laws 2015, a report describing the applicant's or**
29 **licensee's electrical or water usage; and**

30 (e)(A) **Require a marijuana producer to meet any public health and safety standards and**
31 **industry best practices established by the commission by rule related to:**

32 (i) **The production of marijuana; or**

33 (ii) **The propagation of immature marijuana plants and the seeds of the plant Cannabis**
34 **family Cannabaceae.**

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

37 (i) **The number of immature marijuana plants that may be possessed by a marijuana**
38 **producer licensed under this section;**

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

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

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

44 (a) **May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws**
45 **2015, with respect to marijuana producers;**

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

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

5 **SECTION 13.** (1) Subject to subsection (2) of this section, the Oregon Liquor Control
6 Commission shall adopt rules restricting the size of mature marijuana plant grow canopies
7 at premises for which a license has been issued under section 19, chapter 1, Oregon Laws
8 2015. In adopting rules under this subsection, the commission shall:

9 (a) Limit the size of mature marijuana plant grow canopies, for premises where
10 marijuana is grown outdoors and for premises where marijuana is grown indoors, in a man-
11 ner calculated to result in premises that produce the same amount of harvested marijuana
12 leaves and harvested marijuana flowers regardless of whether the marijuana is grown out-
13 doors or indoors.

14 (b) Adopt a tiered system under which the permitted size of a marijuana producer's ma-
15 ture marijuana plant grow canopy increases at the time of licensure renewal under section
16 19, chapter 1, Oregon Laws 2015, except that the permitted size of a marijuana producer's
17 mature marijuana plant grow canopy may not increase following any year during which the
18 commission disciplined the marijuana producer for violating a provision of sections 3 to 70,
19 chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter
20 1, Oregon Laws 2015.

21 (c) Take into consideration the market demand for marijuana items in this state, the
22 number of persons applying for a license under section 19, chapter 1, Oregon Laws 2015, and
23 to whom a license has been issued under section 19, chapter 1, Oregon Laws 2015, and
24 whether the availability of marijuana items in this state is commensurate with the market
25 demand.

26 (2) This section does not apply to a premises for which a license has been issued under
27 section 19, chapter 1, Oregon Laws 2015, if the premises is used only to propagate immature
28 marijuana plants.

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

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

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

35 (a) Must apply for a license in the manner described in section 28, chapter 1, Oregon
36 Laws 2015;

37 (b) Must, until January 1, 2020, provide proof that an applicant listed on an application
38 submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state
39 for two or more years, and must provide proof that the applicant is 21 years of age or older;

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

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

44 (3) The commission shall adopt rules that:

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

1 (b) Establish application, licensure and renewal of licensure fees for marijuana process-
2 ors;

3 (c) Require marijuana processed by a marijuana processor to be tested in accordance
4 with section 92 of this 2015 Act; and

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

7 (A) Cannabinoid edibles;

8 (B) Cannabinoid concentrates;

9 (C) Cannabinoid extracts; and

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

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

12 (a) May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws
13 2015, with respect to marijuana processors; and

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

16 SECTION 15. Section 21, chapter 1, Oregon Laws 2015, is amended to read:

17 Sec. 21. (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor
18 Control Commission.

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

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

24 (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application**
25 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state**
26 **for two or more years, and must provide proof that the applicant is 21 years of age or older;**

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

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

30 (3) **The commission shall adopt rules that:**

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

32 (b) **Establish application, licensure and renewal of licensure fees for marijuana whole-**
33 **salers;**

34 (c) **Require marijuana items received, stored or delivered by a marijuana wholesaler to**
35 **be tested in accordance with section 92 of this 2015 Act; and**

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

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

39 (a) **May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws**
40 **2015, with respect to marijuana wholesalers; and**

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

43 SECTION 16. Section 22, chapter 1, Oregon Laws 2015, is amended to read:

44 Sec. 22. (1) The retail sale of marijuana items is subject to regulation by the Oregon Liquor
45 Control Commission.

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

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

6 (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application**
7 **submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state**
8 **for two or more years, and must provide proof that the applicant is 21 years of age or older;**

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

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

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

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

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

17 (3) **The commission shall adopt rules that:**

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

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

20 (c) **Require marijuana items sold by a marijuana retailer to be tested in accordance with**
21 **section 92 of this 2015 Act; and**

22 (d) **Require a marijuana retailer to meet any public health and safety standards and in-**
23 **dustry best practices established by the commission by rule.**

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

25 (a) **May not exceed the cost of administering sections 3 to 70, chapter 1, Oregon Laws**
26 **2015, with respect to marijuana retailers; and**

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

29 **SECTION 17. If a school described in section 22 (2)(d), chapter 1, Oregon Laws 2015, that**
30 **has not previously been attended by children is established within 1,000 feet of a premises for**
31 **which a license has been issued under section 22, chapter 1, Oregon Laws 2015, the marijuana**
32 **retailer located at that premises may remain at that location unless the Oregon Liquor**
33 **Control Commission revokes the license of the marijuana retailer under section 30, chapter**
34 **1, Oregon Laws 2015.**

35
36 (Segregated Premises)

37
38 **SECTION 18. As is necessary to protect the public health and safety, the Oregon Liquor**
39 **Control Commission may require a premises licensed under section 19, 20, 21 or 22, chapter**
40 **1, Oregon Laws 2015, to be segregated into separate areas:**

41 (1) **For conducting the activities permitted under each license if the licensee holds more**
42 **than one license issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015; or**

43 (2) **For conducting activities related to processing marijuana into different types of**
44 **cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a**
45 **marijuana processor that processes marijuana into any combination of different types of**

1 products, concentrates and extracts.

2
3 (Marijuana Handlers)
4

5 **SECTION 19.** (1) An individual who performs work for or on behalf of a person who holds
6 a license under section 22, chapter 1, Oregon Laws 2015, must have a valid permit issued by
7 the Oregon Liquor Control Commission under section 20 of this 2015 Act if the individual
8 participates in:

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

11 (b) The recording of the possession, securing or selling of marijuana items at the prem-
12 ises for which the license has been issued; or

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

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

18 **SECTION 20.** (1) The Oregon Liquor Control Commission shall issue permits to qualified
19 applicants to perform work described in section 19 of this 2015 Act. The commission shall
20 adopt rules establishing:

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

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

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

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

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

29 (A) Checking identification;

30 (B) Detecting intoxication;

31 (C) Handling marijuana items;

32 (D) The content of sections 3 to 70, chapter 1, Oregon Laws 2015, and rules adopted under
33 sections 3 to 70, chapter 1, Oregon Laws 2015; and

34 (E) Any matter deemed necessary by the commission to protect the public health and
35 safety.

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

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

40 (A) As part of a final order suspending a permit issued under this section, the commis-
41 sion may require a permit holder to successfully complete the course as a condition of lifting
42 the suspension; and

43 (B) As part of a final order revoking a permit issued under this section, the commission
44 shall require an individual to successfully complete the course prior to applying for a new
45 permit.

1 (3) The commission shall conduct a criminal records check under ORS 181.534 on an in-
2 dividual applying for a permit under this section.

3 (4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend,
4 revoke or refuse to issue or renew a permit if the individual who is applying for or who holds
5 the permit:

6 (a) Is convicted of a felony, except that the commission may not consider a conviction
7 for the manufacture or delivery of marijuana if the date of the conviction is two or more
8 years before the date of the application or renewal;

9 (b) Violates any provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or any rule
10 adopted under sections 3 to 70, chapter 1, Oregon Laws 2015; or

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

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

14
15 (Employment Relations)

16
17 SECTION 20a. (1) An employee of a person licensed under section 19, 20, 21 or 22, chapter
18 1, Oregon Laws 2015, has the right to form, join and participate in the activities of a labor
19 organization of the employee's own choosing for the purpose of securing representation and
20 collective bargaining for matters concerning employment relations with the person licensed
21 under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

22 (2) For purposes of this section, the provisions of ORS chapters 661 to 663 apply to re-
23 lations between employees of persons licensed under section 19, 20, 21 and 22, chapter 1,
24 Oregon Laws 2015, and employers that are licensed under section 19, 20, 21 or 22, chapter 1,
25 Oregon Laws 2015, in the same manner that those provisions apply to other employment
26 relations.

27 SECTION 20b. (1) It is an unlawful employment practice for a person that holds a license
28 under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, to discharge, demote, suspend
29 or in any manner discriminate or retaliate against an employee of the person with regard
30 to promotion, compensation or other terms, conditions or privileges of employment on the
31 basis that the employee has in good faith reported information to the Oregon Liquor Control
32 Commission that the employee believes is evidence of a violation of a provision of sections 3
33 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70,
34 chapter 1, Oregon Laws 2015.

35 (2) This section is subject to enforcement under ORS chapter 659A.

36 SECTION 20c. In adopting rules related to industry best practices under sections 19, 20,
37 21 and 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commission may estab-
38 lish merit-based criteria for licensure or renewal of licensure, including, but not limited to,
39 possession of a developed business plan, access to sufficient capital, offering living wages and
40 benefits to employees, provision of training and apprenticeship, provision of community
41 benefits, implementation of best environmental practices and implementation of consumer
42 safety practices.

43
44 (Bonds and Liability Insurance)

1 **SECTION 21.** (1) Except as provided in subsection (2) of this section, the Oregon Liquor
2 Control Commission may require a person that holds a license under section 22, chapter 1,
3 Oregon Laws 2015, to maintain on file with the commission a bond with a corporate surety
4 authorized to transact business in this state. The bond shall be in a form acceptable to the
5 commission and shall be in an amount that the commission determines is reasonably af-
6 fordable and available. The bond is payable to the commission if the licensee fails to pay any
7 tax imposed on the retail sale of marijuana items as required by state law.

8 (2) In lieu of maintaining the bond required by subsection (1) of this section, a person
9 that holds a license under section 22, chapter 1, Oregon Laws 2015, may deposit in a bank
10 or trust company for the benefit of the commission an equivalent amount in cash, letters
11 of credit recognized by the State Treasurer or negotiable securities of a character approved
12 by the State Treasurer. Interest earned on deposited funds or securities shall accrue to the
13 person that made the deposit.

14 **SECTION 22.** As is necessary to protect the public health and safety, the Oregon Liquor
15 Control Commission may require a person that holds a license under section 19, 20, 21 or 22,
16 chapter 1, Oregon Laws 2015, to maintain general liability insurance in an amount that the
17 commission determines is reasonably affordable and available for the purpose of protecting
18 the person against damages resulting from a cause of action related to activities undertaken
19 pursuant to the license.

20

21

(Seed to Sale Tracking System)

22

23 **SECTION 23.** (1) The Oregon Liquor Control Commission shall develop and maintain a
24 system for tracking the transfer of marijuana items between licensed premises.

25 (2) The purposes of the system developed and maintained under this section include, but
26 are not limited to:

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

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

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

32 (d) Ensuring that taxes are collected for the purpose of being distributed as described in
33 section 44, chapter 1, Oregon Laws 2015;

34 (e) Ensuring that laboratory testing results are accurately reported; and

35 (f) Ensuring compliance with the provisions of sections 3 to 70, chapter 1, Oregon Laws
36 2015, rules adopted under the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, and
37 any other law of this state that charges the commission with a duty, function or power re-
38 lated to marijuana.

39 (3) The system developed and maintained under this section must be capable of tracking,
40 at a minimum:

41 (a) The propagation of immature marijuana plants and the production of marijuana by a
42 marijuana producer;

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

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

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

1 (e) The purchase and sale of marijuana items between licensees, as permitted by sections
2 3 to 70, chapter 1, Oregon Laws 2015;

3 (f) The transfer of marijuana items between licensed premises;

4 (g) The collection of taxes imposed upon the retail sale of marijuana items under section
5 70 of this 2015 Act; and

6 (h) Any other information that the commission determines is reasonably necessary to
7 accomplish the duties, functions and powers of the commission under sections 3 to 70,
8 chapter 1, Oregon Laws 2015.

9
10 (Identification Requirement)

11
12 **SECTION 24.** Section 16, chapter 1, Oregon Laws 2015, is amended to read:

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

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

19 [(1)] (a) The person's passport.

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

22 [(3)] (c) An identification card issued under ORS 807.400.

23 [(4)] (d) A United States military identification card.

24 [(5)] (e) Any other identification card issued by a state that bears a picture of the person, the
25 name of the person, the person's date of birth and a physical description of the person.

26 (2) **The Oregon Liquor Control Commission may adopt rules exempting a licensee or
27 licensee representative from this section.**

28
29 (Protection of Persons Under 21 Years of Age)

30
31 **SECTION 25.** Section 49, chapter 1, Oregon Laws 2015, is amended to read:

32 **Sec. 49.** [(1) *A person under 21 years of age may not attempt to purchase marijuana items.*]

33 [(2) *Except as authorized by rule or as necessitated in an emergency, a person under 21 years of
34 age may not enter or attempt to enter any portion of a licensed premises that is posted or otherwise
35 identified as being prohibited to the use of minors.*]

36 [(3) *A person who violates subsection (1) or (2) of this section commits a Class B violation.*]

37 [(4) *In addition to and not in lieu of any other penalty established by law, a person under 21 years
38 of age who violates subsection (1) of this section through misrepresentation of age may be required to
39 perform community service and the court shall order that the person's driving privileges and right to
40 apply for driving privileges be suspended for a period not to exceed one year. If a court has issued an
41 order suspending driving privileges under this section, the court, upon petition of the person, may
42 withdraw the order at any time the court deems appropriate. The court notification to the Department
43 of Transportation under this subsection may include a recommendation that the person be granted a
44 hardship permit under ORS 807.240 if the person is otherwise eligible for the permit.*]

45 [(5) *If a person cited under this section is at least 13 years of age but less than 21 years of age*

1 *at the time the person is found in default under ORS 153.102 or 419C.472 for failure to appear, in*
2 *addition to and not in lieu of any other penalty, the court shall issue notice under ORS 809.220 to the*
3 *department for the department to suspend the person's driving privileges under ORS 809.280 (4).]*

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

8 **(1)(a) A person under 21 years of age may not attempt to purchase, purchase or acquire**
9 **a marijuana item.**

10 **(b) For purposes of this subsection, purchasing a marijuana item includes accepting a**
11 **marijuana item, and acquiring a marijuana item includes consuming a marijuana item, pro-**
12 **vided that the consumption of the marijuana item occurred no more than 24 hours before**
13 **the determination that the person consumed the marijuana item.**

14 **(2) Except as authorized by the Oregon Liquor Control Commission by rule, or as neces-**
15 **sary in an emergency, a person under 21 years of age may not enter or attempt to enter any**
16 **portion of a licensed premises that is posted or otherwise identified as being prohibited to**
17 **the use of persons under 21 years of age.**

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

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

28 **(5) If a person cited under this section is at least 13 years of age but less than 21 years**
29 **of age at the time the person is found in default under ORS 153.102 or 419C.472 for failure**
30 **to appear, in addition to and not in lieu of any other penalty, the court shall issue notice**
31 **under ORS 809.220 to the department for the department to suspend the person's driving**
32 **privileges under ORS 809.280 (4).**

33 **(6) In addition to and not in lieu of any penalty established by law, the court may order**
34 **a person to undergo assessment and treatment if the person has previously been found to**
35 **have violated this section.**

36 **(7) The prohibitions of this section do not apply to a person under 21 years of age who**
37 **is acting under the direction of the commission or under the direction of state or local law**
38 **enforcement agencies for the purpose of investigating possible violations of laws prohibiting**
39 **sales of marijuana items to persons who are under 21 years of age.**

40 **(8) The prohibitions of this section do not apply to a person under 21 years of age who**
41 **is acting under the direction of a licensee for the purpose of investigating possible violations**
42 **by employees of the licensee of laws prohibiting sales of marijuana items to persons who are**
43 **under 21 years of age.**

44 **(9)(a) A person under 21 years of age is not in violation of, and is immune from prose-**
45 **cution under, this section if:**

1 (A) The person contacted emergency medical services or a law enforcement agency in
2 order to obtain medical assistance for another person who was in need of medical assistance
3 because that person consumed a marijuana item and the evidence of the violation of this
4 section was obtained as a result of the person's having contacted emergency medical services
5 or a law enforcement agency; or

6 (B) The person was in need of medical assistance because the person consumed a
7 marijuana item and the evidence of the violation of this section was obtained as a result of
8 the person's having sought or obtained the medical assistance.

9 (b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a
10 result of a person's having sought medical assistance in proceedings for crimes or offenses
11 other than a violation of this section.

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

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

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

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

27 (a) The enforcement of laws governing the consumption of alcoholic beverages by minors and
28 the frequenting by minors of places of public accommodation where alcoholic beverages are served;
29 [or]

30 (b) **The enforcement of laws governing the use of marijuana items, as defined in section**
31 **5, chapter 1, Oregon Laws 2015, by persons under 21 years of age and the frequenting by**
32 **persons under 21 years of age of places of public accommodation where marijuana items are**
33 **sold; or**

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

35 (3) It is an unlawful practice for any person to deny full and equal accommodations, advantages,
36 facilities and privileges of any place of public accommodation in violation of this section.

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

38 659A.409. Except as provided by laws governing the consumption of alcoholic beverages by mi-
39 norors [and], **the use of marijuana items, as defined in section 5, chapter 1, Oregon Laws 2015,**
40 **by persons under 21 years of age**, the frequenting by minors of places of public accommodation
41 where alcoholic beverages are served[,] **and the frequenting by persons under 21 years of age**
42 **of places of public accommodation where marijuana items are sold**, and except for special rates
43 or services offered to persons 50 years of age or older, it is an unlawful practice for any person
44 acting on behalf of any place of public accommodation as defined in ORS 659A.400 to publish, cir-
45 culate, issue or display, or cause to be published, circulated, issued or displayed, any communication,

1 notice, advertisement or sign of any kind to the effect that any of the accommodations, advantages,
2 facilities, services or privileges of the place of public accommodation will be refused, withheld from
3 or denied to, or that any discrimination will be made against, any person on account of race, color,
4 religion, sex, sexual orientation, national origin, marital status or age if the individual is [18 years]
5 of age, as described in this section, or older.

6
7 (Enforcement)
8

9 **SECTION 29.** In addition to any other liability or penalty provided by law, the Oregon
10 Liquor Control Commission may impose for each violation of a provision of sections 3 to 70,
11 chapter 1, Oregon Laws 2015, or a rule adopted under a provision of sections 3 to 70, chapter
12 1, Oregon Laws 2015, a civil penalty that does not exceed \$5,000 for each violation. The
13 commission shall impose civil penalties under this section in the manner provided by ORS
14 183.745. Moneys collected under this section shall be deposited in the Marijuana Control and
15 Regulation Fund established under section 32 of this 2015 Act.

16 **SECTION 30.** (1) An Oregon Liquor Control Commission regulatory specialist has the
17 authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739,
18 161.235 and 161.245, ORS chapter 153, chapter 743, Oregon Laws 1971, and sections 3 to 70,
19 chapter 1, Oregon Laws 2015, to conduct inspections and investigations, make seizures, aid
20 in prosecutions for offenses, issue citations for violations and otherwise enforce the pro-
21 visions of sections 3 to 70, chapter 1, Oregon Laws 2015, any rule adopted under sections 3
22 to 70, chapter 1, Oregon Laws 2015, and any other law of this state that charges the com-
23 mission with a duty, function or power related to marijuana, including enforcing any pro-
24 vision of a law or rule related to individuals who use false identification for purposes of
25 purchasing or possessing a marijuana item or who engage in illegal activity on or near a li-
26 censed premises.

27 (2) A commission regulatory specialist may not:

28 (a) Be sworn in as a federal law enforcement official and act in that capacity while per-
29 forming duties under this section.

30 (b) Carry a firearm.

31 (c) Conduct inspections and investigations of a primary residence or for purposes of en-
32 suring compliance with section 6, chapter 1, Oregon Laws 2015.

33 (d) Except as provided in section 116 of this 2015 Act, conduct inspections and investi-
34 gations for purposes of ensuring compliance with ORS 475.300 to 475.346.

35 **SECTION 31.** For purposes of sections 3 to 70, chapter 1, Oregon Laws 2015, the pro-
36 visions of ORS 183.440 apply to subpoenas issued by the Oregon Liquor Control Commission
37 and any authorized agent of the commission.

38
39 (Marijuana Control and Regulation Fund)
40

41 **SECTION 32.** The Marijuana Control and Regulation Fund is established in the State
42 Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana
43 Control and Regulation Fund shall be credited to the fund. Moneys in the fund are contin-
44 uously appropriated to the Oregon Liquor Control Commission to administer and enforce
45 sections 3 to 70, chapter 1, Oregon Laws 2015.

(Land Use)

SECTION 33. Section 59, chapter 1, Oregon Laws 2015, is amended to read:

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

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

(1) For purposes of this section, “reasonable regulations” includes:

(a) Reasonable conditions on the manner in which a marijuana producer licensed under section 19, chapter 1, Oregon Laws 2015, may produce marijuana;

(b) Reasonable conditions on the manner in which a marijuana processor licensed under section 20, chapter 1, Oregon Laws 2015, may process marijuana;

(c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under section 21, chapter 1, Oregon Laws 2015, may sell marijuana at wholesale;

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

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

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

(g) Reasonable limitations on where a premises for which a license may be issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, may be located.

(2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, if the premises are located in the area subject to the jurisdiction of the city or county, except that the governing body of a city or county may not adopt an ordinance that prohibits a premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015, from being located within a distance that is greater than 1,000 feet of another premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015.

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

SECTION 34. (1) Notwithstanding any other provision of law, marijuana is:

(a) A crop for the purposes of “farm use” as defined in ORS 215.203;

(b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;

(c) A product of farm use as described in ORS 308A.062; and

(d) The product of an agricultural activity for purposes of ORS 568.909.

(2) Notwithstanding ORS chapters 195, 196, 197 and 215, the following are not permitted uses on land designated for exclusive farm use:

(a) A new dwelling used in conjunction with a marijuana crop;

(b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction

1 with a marijuana crop; and

2 (c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on
3 in conjunction with a marijuana crop.

4 (3) A county may allow the production of marijuana as a farm use on land zoned for farm
5 or forest use in the same manner as the production of marijuana is allowed in exclusive farm
6 use zones under this section and ORS 215.213 and 215.283.

7 (4)(a) Prior to the issuance of a license under section 19, 20, 21 or 22, chapter 1, Oregon
8 Laws 2015, the Oregon Liquor Control Commission shall request a land use compatibility
9 statement from the city or county that authorizes the land use. The land use compatibility
10 statement must demonstrate that the requested license is for a land use that is allowable
11 as a permitted or conditional use within the given zoning designation where the land is lo-
12 cated. The commission may not issue a license if the land use compatibility statement shows
13 that the proposed land use is prohibited in the applicable zone.

14 (b) A city or county that receives a request for a land use compatibility statement under
15 this subsection must act on that request within 21 days of:

16 (A) Receipt of the request, if the land use is allowable as an outright permitted use; or

17 (B) Final local permit approval, if the land use is allowable as a conditional use.

18 (c) A city or county action concerning a land use compatibility statement under this
19 subsection is not a land use decision for purposes of ORS chapter 195, 196, 197 or 215.

20
21 (Local Option Tax)

22
23 **SECTION 34a.** (1)(a) Except as expressly authorized by this section, the authority to im-
24 pose a tax or fee on the production, processing or sale of marijuana items in this state is
25 vested solely in the Legislative Assembly.

26 (b) Except as expressly authorized by this section, a county, city or other municipal
27 corporation or district may not adopt or enact ordinances imposing a tax or fee on the pro-
28 duction, processing or sale of marijuana items in this state.

29 (2) Subject to subsection (4) of this section, the governing body of a city or county may
30 adopt an ordinance to be referred to the electors of the city or county as described in sub-
31 section (3) of this section that imposes a tax or a fee on the sale of marijuana items that
32 are sold in the area subject to the jurisdiction of the city or the unincorporated area subject
33 to the jurisdiction of a county by a person that holds a license under section 22, chapter 1,
34 Oregon Laws 2015.

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

38 (4) An ordinance adopted under this section may not impose a tax or fee in excess of 3
39 percent.

40
41 (Form and Style Amendments)

42
43 **SECTION 35.** Section 1, chapter 1, Oregon Laws 2015, is amended to read:

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

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

3 (b) To protect the safety, welfare, health[,] and peace of the people of this state by prioritizing
4 [the] **this** state's limited law enforcement resources in the most effective, consistent[,] and rational
5 way;

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

9 (d) To ensure that the State Department of Agriculture issues industrial hemp licenses and ag-
10 ricultural hemp seed production permits in accordance with [existing] state law; and

11 (e) To establish a comprehensive regulatory framework concerning marijuana under existing
12 state law.

13 (2) The People of the State of Oregon intend that the provisions of **sections 3 to 70, chapter**
14 **1, Oregon Laws 2015** [this Act], together with [the] other provisions of [existing] state law, will:

15 (a) Prevent the distribution of marijuana to persons under 21 years of age;

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

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

19 (d) Prevent marijuana activity that is legal under state law from being used as a cover or pre-
20 text for the trafficking of other illegal drugs or other illegal activity;

21 (e) Prevent violence and the use of firearms in **association with** the cultivation and distribution
22 of marijuana;

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

25 (g) Prevent the growing of marijuana on public lands and the attendant public safety and envi-
26 ronmental dangers posed by marijuana production on public lands; and

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

28 **SECTION 36.** Section 2, chapter 1, Oregon Laws 2015, is amended to read:

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

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

32 [(3)] (1) Section 72, **chapter 1, Oregon Laws 2015**, is added to and made a part of ORS chapter
33 475.

34 [(4)] (2) Section 73, **chapter 1, Oregon Laws 2015**, is added to and made a part of ORS chapter
35 811.

36 **SECTION 37.** Section 3, chapter 1, Oregon Laws 2015, is amended to read:

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

39 **SECTION 38.** Section 4, chapter 1, Oregon Laws 2015, is amended to read:

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

41 (1) To amend or affect [in any way any] state or federal law pertaining to employment matters;

42 (2) To amend or affect [in any way any] state or federal law pertaining to landlord-tenant mat-
43 ters;

44 (3) To prohibit a recipient of a federal grant or an applicant for a federal grant from prohibiting
45 the manufacture, delivery, possession[,] or use of marijuana to the extent necessary to satisfy federal

1 requirements for the grant;

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

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

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

8 (7) To amend or affect [*in any way*] the Oregon Medical Marijuana Act.

9 **SECTION 39.** Section 6, chapter 1, Oregon Laws 2015, is amended to read:

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

12 (a) To the production, processing[, *keeping*,] or storage of homegrown marijuana at a household
13 by one or more persons 21 years of age and older, if the total **amount** of homegrown marijuana at
14 the household does not exceed four marijuana plants and eight ounces of usable marijuana at [*a*
15 *given*] **any** time.

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

20 (c) To the making, processing[, *keeping*,] or storage of homemade [*marijuana*] **cannabinoid** pro-
21 ducts at a household by one or more persons 21 years of age and older, if the total **amount** of
22 homemade [*marijuana*] **cannabinoid** products at the household does not exceed [*seventy-two*] **72**
23 ounces in liquid form at [*a given*] **any** time.

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

27 [(*d*)] (e) To the delivery of not more than one ounce of homegrown marijuana at a [*given*] time
28 by a person 21 years of age or older to another person 21 years of age or older for noncommercial
29 purposes.

30 [(*e*)] (f) To the delivery of not more than [*sixteen*] **16** ounces of homemade [*marijuana*]
31 **cannabinoid** products in solid form at a [*given*] time by a person 21 years of age or older to another
32 person 21 years of age or older for noncommercial purposes.

33 [(*f*)] (g) To the delivery of not more than [*seventy-two*] **72** ounces of homemade [*marijuana*]
34 **cannabinoid** products in liquid form at a [*given*] time by a person 21 years of age or older to an-
35 other person 21 years of age or older for noncommercial purposes.

36 **(h) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by**
37 **a person 21 years of age or older to another person 21 years of age or older for noncom-**
38 **mercial purposes.**

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

40 (a) Do not apply to the extent a person acts within the scope of and in compliance with the
41 Oregon Medical Marijuana Act; [*or*] **and**

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

44 **SECTION 40.** Section 10, chapter 1, Oregon Laws 2015, is amended to read:

45 **Sec. 10.** [*No member of the Oregon Liquor Control Commission, the State Department of Agricul-*

1 *ture, or the Oregon Health Authority may be sued for doing or omitting to do any act in the perform-*
2 *ance of duties as prescribed in sections 3 to 70 of this Act.] A person may not sue the Oregon*
3 **Liquor Control Commission or a member of the commission, the State Department of Agri-**
4 **culture or the Oregon Health Authority, or any employee of the commission, department or**
5 **authority, for performing or omitting to perform any duty, function or power of the com-**
6 **mission, department or authority set forth in sections 3 to 70, chapter 1, Oregon Laws 2015,**
7 **or in any other law of this state requiring the commission, department or authority to per-**
8 **form a duty, function or power related to marijuana.**

9 **SECTION 41.** Section 11, chapter 1, Oregon Laws 2015, is amended to read:

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

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

17 **SECTION 42.** Section 12, chapter 1, Oregon Laws 2015, is amended to read:

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

20 **SECTION 43.** Section 13, chapter 1, Oregon Laws 2015, is amended to read:

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

26 **SECTION 44.** Section 14, chapter 1, Oregon Laws 2015, is amended to read:

27 **Sec. 14.** [*No*] **A** licensee or licensee representative may **not** sell or deliver [*any marijuana items*
28 *to any*] **a marijuana item to a person under 21 years of age.**

29 **SECTION 45.** Section 17, chapter 1, Oregon Laws 2015, is amended to read:

30 **Sec. 17.** (1) [*No*] **A** person [*shall*] **may not** produce any piece of identification that would falsely
31 indicate the person's age.

32 (2) If a piece of identification is offered as evidence in any administrative or criminal prose-
33 cution of a licensee or licensee representative for sale or service of [*marijuana items*] **a marijuana**
34 **item to a person [not having reached] under 21 years of age, the licensee or licensee representative**
35 [*shall be found to have committed no crime or other wrong*] **is not guilty of any offense prohibiting**
36 **a person from selling or serving a marijuana item to a person under 21 years of age** unless
37 it is demonstrated that a reasonable person would have determined that the identification exhibited
38 **by the person under 21 years of age** was altered or did not accurately describe the person **under**
39 **21 years of age** to whom the marijuana [*items were*] **item was** sold or served.

40 **SECTION 46.** Section 23, chapter 1, Oregon Laws 2015, is amended to read:

41 **Sec. 23.** (1) The Oregon Liquor Control Commission has the right after 72 hours' notice to the
42 owner or the agent of the owner to make an examination of the books and may at any time make
43 an examination of the premises of any person licensed under sections 3 to 70, **chapter 1, Oregon**
44 **Laws 2015 [of this Act]**, for the purpose of determining compliance with sections 3 to 70, **chapter**
45 **1, Oregon Laws 2015, [of this Act]** and the rules of the commission.

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

3 (3) **This section does not authorize the commission to make an examination of the**
4 **premises of a person registered under ORS 475.300 to 475.346.**

5 **SECTION 47.** Section 24, chapter 1, Oregon Laws 2015, is amended to read:

6 **Sec. 24.** The same person may hold one or more production licenses, one or more processor li-
7 censes, one or more wholesale licenses[,] and one or more retail licenses.

8 **SECTION 48.** Section 45, chapter 1, Oregon Laws 2015, is amended to read:

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

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

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

14 (b) Class A misdemeanor, if the importation or exportation is not for consideration.

15 **SECTION 49.** Section 46, chapter 1, Oregon Laws 2015, is amended to read:

16 **Sec. 46.** *[Marijuana items]* **A marijuana item** may not be given as a prize, premium or consid-
17 eration for a lottery, contest, game of chance *[or, game of skill,]* or competition of any kind.

18 **SECTION 50.** Section 47, chapter 1, Oregon Laws 2015, is amended to read:

19 **Sec. 47.** (1) A person may not sell, give or otherwise make available any marijuana *[items]* **item**
20 to *[any]* a person who is visibly intoxicated.

21 (2)(a) A person who exercises control over private real property may not knowingly allow *[any*
22 *other]* a person under the age of 21 years to consume marijuana items on the property, or allow any
23 other person under the age of 21 years to remain on the property if the person under the age of 21
24 years consumes marijuana items on the property.

25 (b) This subsection:

26 (A) Applies only to a person who is present and in control of the location at the time the con-
27 sumption occurs; and

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

30 **SECTION 51.** Section 48, chapter 1, Oregon Laws 2015, is amended to read:

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

33 (2) *[No]* **A licensee of the commission [shall] may not** maintain a noisy, lewd, disorderly or in-
34 sanitary establishment or supply impure or otherwise deleterious marijuana items.

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

37 **SECTION 52.** Section 50, chapter 1, Oregon Laws 2015, is amended to read:

38 **Sec. 50.** (1) *[No marijuana items shall]* **A marijuana item may not** be sold or offered for sale
39 within this state unless *[such marijuana items comply]* **the marijuana item complies** with the min-
40 imum standards *[fixed pursuant to law]* **prescribed by the statutory laws of this state.**

41 *[(2) The Oregon Liquor Control Commission may require a marijuana producer, marijuana*
42 *processor, or marijuana wholesaler to provide a laboratory analysis demonstrating to the satisfaction*
43 *of the commission that particular marijuana items comply with the minimum standards in this state.]*

44 *[(3) No marijuana items offered for sale within this state may be altered or tampered with in any*
45 *way by any person not licensed to do so by the commission.]*

1 [(4)] (2) The **Oregon Liquor Control** Commission may prohibit the sale of [any marijuana
2 items] **a marijuana item by a marijuana retailer** for a reasonable period of time [while it is de-
3 termining] **for the purpose of determining** whether the marijuana [items comply] **item complies**
4 with the minimum standards [in this] **prescribed by the statutory laws of this** state.

5 **SECTION 53.** Section 51, chapter 1, Oregon Laws 2015, is amended to read:

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

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

14 **SECTION 54.** Section 53, chapter 1, Oregon Laws 2015, is amended to read:

15 **Sec. 53.** (1) Except for a licensed marijuana [producers and their] **producer and the producer's**
16 licensee [representatives, no] **representative, a** licensee may **not** possess a mature marijuana plant.

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

18 **SECTION 55.** Section 56, chapter 1, Oregon Laws 2015, is amended to read:

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

23 (2) A violation of subsection (1) of this section is a Class B violation.

24 **SECTION 56.** Section 57, chapter 1, Oregon Laws 2015, is amended to read:

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

27 **SECTION 57.** Section 58, chapter 1, Oregon Laws 2015, is amended to read:

28 **Sec. 58.** [Sections 3 to 70 of this Act.] **The provisions of sections 3 to 70, chapter 1, Oregon**
29 **Laws 2015, are** designed to operate uniformly throughout the state[, shall be] **and are** paramount
30 and superior to and [shall] fully replace and supersede any [and all] municipal charter [enactments]
31 **amendment** or local [ordinances] **ordinance** inconsistent with [it] **the provisions of sections 3 to**
32 **70, chapter 1, Oregon Laws 2015.** [Such charters] **Amendments** and ordinances **that are incon-**
33 **sistent with the provisions of sections 3 to 70, chapter 1, Oregon Laws 2015, [hereby]** are re-
34 pealed.

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

36 **Sec. 60.** (1) The governing body of a city or a county, when a petition is filed as provided in this
37 section, shall order an election on the question whether the operation of licensed premises [shall]
38 **should** be prohibited in the city or county.

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

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

43 (b) In the case of a county, [shall] **must** be as provided for an initiative petition under ORS
44 250.165 to 250.235.

45 (3) A petition under [subsection (2) of] this section:

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

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

3 (4) If ORS 250.155 makes ORS 250.165 to 250.235 inapplicable to a county or if ORS 250.255
4 makes ORS 250.265 to 250.346 inapplicable to a city, the requirements for preparing, circulating and
5 filing a petition under this section *[shall]* **must** be as provided for an initiative petition under the
6 county or city charter or an ordinance adopted under the county or city charter.

7 (5) *[No]* A signature is **not** valid unless signed within 180 days before the petition is filed.

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

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

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

12 **Sec. 61.** Section 60, **chapter 1, Oregon Laws 2015, does** *[of this Act shall]* not prevent any
13 person residing in the county or city from having, for personal use, a marijuana *[items]* **item** pur-
14 chased from a marijuana *[retailers duly]* **retailer** licensed under **section 22, chapter 1, Oregon**
15 **Laws 2015** *[this Act]*.

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

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

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

27 **Sec. 64.** (1) *[Whenever any]* **When an** officer arrests *[any]* a person for violation of sections 3
28 to *[30 of this Act or sections 45 to]* 70, **chapter 1, Oregon Laws 2015** *[of this Act]*, the officer may
29 take into possession all marijuana items[,] and other property *[which]* **that** the person so arrested
30 has in possession, or **that is** on the premises, *[which]* **that** is apparently being used in violation of
31 sections 3 to *[30 of this Act or sections 45 to]* 70, **chapter 1, Oregon Laws 2015** *[of this Act]*.

32 (2) If *[the]* a person *[so]* arrested **as described in this section** is convicted, and *[it is found]* **the**
33 **court finds** that the marijuana items[,] and other property *[has]* **have** been used in violation of
34 *[Oregon law]* **the laws of this state:**

35 (a) The marijuana items *[shall]* **must** be forfeited to an appropriate state or local law enforce-
36 ment agency[,] and *[shall]* **must** be delivered by the court or officer, **at the direction of the court,**
37 to the law enforcement agency; and

38 (b) Subject to other applicable law, the other property *[shall]* **must** be forfeited to the Oregon
39 Liquor Control Commission, and *[shall]* **must** be delivered by the court or officer to the commission.

40 (3) The commission is authorized to destroy or make such other disposition of any property it
41 receives under *[paragraph (b) of]* subsection (2)**(b)** of this section as it considers to be in the public
42 interest. In any such case, all such property, including *[lockers, chairs, tables, cash registers, music*
43 *devices, gambling devices,]* furniture, furnishings, equipment and facilities for the storing, serving or
44 using of marijuana items *[shall]* **must** be confiscated and forfeited to the state, and the clear pro-
45 ceeds *[shall]* **must** be deposited with the State Treasury in the Common School Fund *[in the manner*

1 *provided in this section].*

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

3 **Sec. 65.** The county courts, district attorneys and municipal authorities, immediately upon the
4 conviction of any licensee of the Oregon Liquor Control Commission of a violation of any provision
5 of sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon Laws 2015, [of this Act]** or
6 the violation of any other law of this state or ordinance of any municipality [therein] **in this**
7 **state**, in which violation marijuana had any part, shall notify the commission [thereof. Such
8 officials] **of the conviction. The county courts, district attorneys and municipal authorities**
9 shall notify the commission of any acts, practices or other conduct of [any such] a licensee [which
10 convicted as described in this section that may be subversive of the general welfare or contrary
11 to the spirit of sections 3 to 70, chapter 1, Oregon Laws 2015, [this Act] and shall recommend
12 such action on the part of the commission as will remove the evil.

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

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

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

25 **Sec. 67.** If it is proved that the owner of [any] a building or premises knowingly has [suffered
26 the same to be used or] **used the building or premises or allowed the building or premises to**
27 **be** occupied for the manufacture, sale or possession of marijuana items[,] contrary to the provisions
28 of sections 3 to [30 of this Act or sections 45 to] 70, **chapter 1, Oregon Laws 2015 [of this Act],**
29 [such] **the** building or premises are subject to a lien for, and may be sold to pay all fines and costs
30 assessed against their occupants for, any violation of sections 3 to [30 of this Act or sections 45 to]
31 70, **chapter 1, Oregon Laws 2015 [of this Act].** The lien [shall] **must** be enforced immediately by
32 civil action in any court [having] **that has** jurisdiction, by the district attorney of the county
33 [wherein] **in which** the building or premises are located.

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

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

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

41 **Sec. 69.** (1) Except where other punishment is specifically provided for in sections 3 to 70,
42 **chapter 1, Oregon Laws 2015 [of this Act],** violation of any provision of sections 3 to 70, **chapter**
43 **1, Oregon Laws 2015, [of this Act]** is a Class A misdemeanor.

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

45 [(3) (2) Subject to ORS 153.022, violation of [any regulation promulgated] a rule adopted under

1 **section 7 (2)(d), chapter 1, Oregon Laws 2015**, [paragraph (e) of subsection (2) of section 7 of this
2 Act] is a Class C violation.

3 **SECTION 67.** Section 70, chapter 1, Oregon Laws 2015, is amended to read:
4

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

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

18 **Sec. 72.** As used in the following statutes and any rule adopted [thereunder] **under the follow-**
19 **ing statutes**, the term "controlled substance" [shall] **does** not include marijuana:

20 (1) ORS 475.125 [to ORS], **475.135, 475.145, 475.155 and 475.165** [(registration with the State
21 Board of Pharmacy)].

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

23 **SECTION 69.** Section 32, chapter 1, Oregon Laws 2015, is amended to read:

24 **Sec. 32.** (1) As used in sections 31 to 44, **chapter 1, Oregon Laws 2015** [of this Act], "sale" or
25 "sold" means any transfer, exchange or barter, in any manner or by any means, for a consideration,
26 and includes [and means] all sales made by any person. It includes a gift by a person engaged in the
27 business of selling marijuana, for advertising, as a means of evading sections 31 to 44, **chapter 1,**
28 **Oregon Laws 2015** [of this Act], or for any other purpose.

29 (2) If a marijuana producer also holds one or more processor licenses, one or more wholesale
30 licenses[,] or one or more retail licenses, a sale of marijuana flowers, marijuana leaves[,] or immat-
31 ure marijuana plants will be deemed to occur if and when the marijuana producer processes or
32 takes any other action with respect to [such] **the** marijuana flowers, marijuana leaves[,] or immature
33 marijuana plants for which a processor license, wholesale license[,] or retail license is required, re-
34 gardless of whether the marijuana producer continues to own or possess the marijuana flowers,
35 marijuana leaves[,] or immature marijuana plants.

36 **SECTION 70.** Section 33, chapter 1, Oregon Laws 2015, is amended to read:

37 **Sec. 33.** (1) A tax is imposed upon the privilege of engaging in business as a marijuana producer
38 at the rate of:

- 39 (a) \$35 per ounce on all marijuana flowers;
40 (b) \$10 per ounce on all marijuana leaves; and
41 (c) \$5 per immature marijuana plant.

42 (2) The rates of tax imposed by this section upon marijuana flowers and marijuana leaves apply
43 proportionately to quantities of less than one ounce.

44 (3) The tax imposed by this section [shall] **must** be measured by the quantities of marijuana
45 flowers, marijuana leaves[,] and immature marijuana plants produced and sold by any marijuana
producer. The taxes specified in this section [shall] **must** be levied and assessed to the marijuana

1 producer at the time of the first sale of the marijuana flowers, marijuana leaves[,] and immature
2 marijuana plants by the marijuana producer.

3 (4) For reporting periods beginning on or after July 1, 2017, the rates of tax under subsection
4 (1) of this section [*shall*] **must** be adjusted for each biennium according to the cost-of-living adjust-
5 ment for the calendar year. The Oregon Liquor Control Commission shall recompute the rates for
6 each biennium by adding to each rate in subsection (1) of this section the product obtained by
7 multiplying the rate by a factor that is equal to 0.25 multiplied by the percentage (if any) by which
8 the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending
9 August 31 of the prior calendar year exceeds the monthly averaged U.S. City Average Consumer
10 Price Index for the 12 consecutive months ending August 31, 2015.

11 (5) The commission shall regularly review the rates of tax under subsection (1) of this section
12 and make recommendations to the Legislative Assembly regarding appropriate adjustments to the
13 rates that will further the purposes of:

- 14 (a) Maximizing net revenue;
- 15 (b) Minimizing the illegal marijuana industry under [*Oregon law*] **the laws of this state**; and
- 16 (c) Discouraging the use of marijuana by minors under 21 years of age.

17 **SECTION 71.** Section 34, chapter 1, Oregon Laws 2015, is amended to read:

18 **Sec. 34.** (1) The privilege tax imposed by section 33, **chapter 1, Oregon Laws 2015**, [*of this*
19 *Act shall*] **must** be paid to the Oregon Liquor Control Commission. The taxes covering the periods
20 for which statements are required to be rendered by section 35, **chapter 1, Oregon Laws 2015**, [*of*
21 *this Act shall*] **must** be paid before the time for filing such statements expires. If not so paid, a
22 penalty of 10 percent and interest at the rate of one percent a month or fraction of a month
23 [*shall*] **must** be added and collected. The commission may refund any tax payment imposed upon or
24 paid in error by any licensee.

25 (2) The commission may waive any interest or penalty assessed to a marijuana producer subject
26 to the tax imposed under section 33, **chapter 1, Oregon Laws 2015**, [*of this Act*] if the commission,
27 in its discretion, determines that the marijuana producer has made a good faith attempt to comply
28 with the requirements of sections 31 to 44, **chapter 1, Oregon Laws 2015** [*of this Act*].

29 (3) Except in the case of fraud, the commission may not assess any interest or penalty on any
30 tax due under section 33, **chapter 1, Oregon Laws 2015**, [*of this Act*] following the expiration of
31 36 months from the date on which was filed the statement required under section 35, **chapter 1,**
32 **Oregon Laws 2015**, [*of this Act*] reporting the quantities of marijuana flowers, marijuana leaves[,] and
33 immature marijuana plants upon which the tax is due.

34 (4) A marijuana producer may appeal a tax imposed under section 33, **chapter 1, Oregon Laws**
35 **2015**, [*of this Act*] in the manner of a contested case under ORS chapter 183.

36 **SECTION 72.** Section 35, chapter 1, Oregon Laws 2015, is amended to read:

37 **Sec. 35.** On or before the 20th day of each month, every marijuana producer shall file with the
38 Oregon Liquor Control Commission a statement of the quantities of marijuana flowers, marijuana
39 leaves[,] and immature marijuana plants sold by the marijuana producer during the preceding cal-
40 endar month.

41 **SECTION 73.** Section 36, chapter 1, Oregon Laws 2015, is amended to read:

42 **Sec. 36.** If any marijuana producer fails, neglects or refuses to file a statement required by
43 section 35, **chapter 1, Oregon Laws 2015**, [*of this Act*] or files a false statement, the Oregon Liquor
44 Control Commission shall estimate the quantities of marijuana flowers, marijuana leaves[,] and im-
45 mature marijuana plants sold by the marijuana producer and assess the privilege taxes [*thereon*] **on**

1 **the estimated quantities.** The marijuana producer *[shall]* **must** be estopped from complaining of
2 the quantities so estimated.

3 **SECTION 74.** Section 37, chapter 1, Oregon Laws 2015, is amended to read:

4 **Sec. 37.** The privilege tax required to be paid by section 33, **chapter 1, Oregon Laws 2015,**
5 *[of this Act]* constitutes a lien upon, and has the effect of an execution duly levied against, any and
6 all property of the marijuana producer, attaching at the time the marijuana flowers, marijuana
7 leaves[,] and immature marijuana plants subject to the tax were sold, and remaining until the tax
8 is paid. The lien created by this section is paramount to all private liens or encumbrances.

9 **SECTION 75.** Section 38, chapter 1, Oregon Laws 2015, is amended to read:

10 **Sec. 38.** Every marijuana producer shall keep a complete and accurate record of all sales of
11 marijuana flowers, marijuana leaves[,] and immature marijuana plants, and a complete and accurate
12 record of the number of ounces of marijuana flowers produced, the number of ounces of marijuana
13 leaves produced, the number of immature marijuana plants produced[,] and the dates of production.
14 The records *[shall]* **must** be in such form and contain such other information as the Oregon Liquor
15 Control Commission may prescribe.

16 **SECTION 76.** Section 39, chapter 1, Oregon Laws 2015, is amended to read:

17 **Sec. 39.** (1) The Oregon Liquor Control Commission may, at any time, examine the books and
18 records of any marijuana producer[,] and may appoint auditors, investigators and other employees
19 that the commission considers necessary to enforce its powers and perform its duties under sections
20 31 to 44, **chapter 1, Oregon Laws 2015** *[of this Act]*.

21 (2) Every marijuana producer shall maintain and keep for two years all records, books and ac-
22 counts required by sections 31 to 44, **chapter 1, Oregon Laws 2015,** *[of this Act]* and shall provide
23 copies of those records, books and accounts to the commission when requested by the commission.

24 **SECTION 77.** Section 40, chapter 1, Oregon Laws 2015, is amended to read:

25 **Sec. 40.** (1) *[No]* **A** marijuana producer *[shall]* **may not:**

26 (a) Fail to pay the privilege tax prescribed in section 33, **chapter 1, Oregon Laws 2015,** *[of this*
27 *Act]* when it is due; or

28 (b) Falsify the statement required by section 35, **chapter 1, Oregon Laws 2015** *[of this Act]*.

29 (2) *[No]* **A** person *[shall]* **may not:**

30 (a) Refuse to permit the Oregon Liquor Control Commission or any of its representatives to
31 make an inspection of the books and records authorized by sections 38 and 39, **chapter 1, Oregon**
32 **Laws 2015** *[of this Act]*;

33 (b) Fail to keep books of account prescribed by the commission or required by sections 31 to
34 44, **chapter 1, Oregon Laws 2015** *[of this Act]*;

35 (c) Fail to preserve the books for two years for inspection of the commission; or

36 (d) Alter, cancel or obliterate entries in the books of account for the purpose of falsifying any
37 record required by sections 31 to 44, **chapter 1, Oregon Laws 2015,** *[of this Act]* to be made,
38 maintained or preserved.

39 **SECTION 78.** Section 41, chapter 1, Oregon Laws 2015, is amended to read:

40 **Sec. 41.** Sections 31 to 44, **chapter 1, Oregon Laws 2015,** *[of this Act]* do not apply to com-
41 merce with foreign nations or commerce with the several states, except *[in so far]* **insofar** as the
42 same may be permitted under the Constitution and laws of the United States.

43 **SECTION 79.** Section 43, chapter 1, Oregon Laws 2015, is amended to read:

44 **Sec. 43.** (1) All money collected by the Oregon Liquor Control Commission under sections **31**
45 **to 44, chapter 1, Oregon Laws 2015,** *[3 to 70 of this Act shall]* **must** be remitted to the State

1 Treasurer, who shall credit it to a suspense account of the commission. Whenever the commission
2 determines that moneys have been received by it in excess of the amount legally due and payable
3 to the commission or that it has received money [to] in which it has no legal interest, or that any
4 license fee or deposit is properly refundable, the commission is authorized and directed to refund
5 such money by check drawn upon the State Treasurer and charged to the suspense account of the
6 commission. After withholding refundable license fees and such sum, not to exceed \$250,000, as it
7 considers necessary as a revolving fund for a working cash balance for the purpose of paying travel
8 expenses, advances, other miscellaneous bills and extraordinary items [which] that are payable in
9 cash immediately upon presentation, the commission shall direct the State Treasurer to transfer the
10 money remaining in the suspense account to the Oregon Marijuana Account established under sec-
11 tion 44, **chapter 1, Oregon Laws 2015** [of this Act]. Moneys in the Oregon Marijuana Account are
12 continuously appropriated to the commission to be distributed and used as required or allowed by
13 [Oregon law] **the laws of this state.**

14 (2) All necessary expenditures of the commission incurred in carrying out sections 3 to 70,
15 **chapter 1, Oregon Laws 2015** [of this Act], including [such] sums necessary to reimburse the
16 \$250,000 revolving fund, [shall] **must** be paid from the Oregon Marijuana Account.

17
18 **OREGON MEDICAL MARIJUANA ACT**
19 **OPERATIVE MARCH 1, 2016**

20
21 **(Definitions)**

22
23 **SECTION 80.** ORS 475.302 is amended to read:

24 475.302. As used in ORS 475.300 to 475.346:

25 (1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary
26 responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

27 [(2) "Authority" means the Oregon Health Authority.]

28 (2) "Cannabinoid" means any of the chemical compounds that are the active constituents
29 of marijuana.

30 (3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids
31 from marijuana by:

32 (a) A mechanical extraction process;

33 (b) A chemical extraction process using a nonhydrocarbon-based solvent, such as vege-
34 table glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;

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

37 (d) Any other process identified by the Oregon Health Authority, in consultation with the
38 Oregon Liquor Control Commission, by rule.

39 (4) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concen-
40 trate, cannabinoid extract or dried leaves or flowers of marijuana have been incorporated.

41 (5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from
42 marijuana by:

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

45 (b) A chemical extraction process using the hydrocarbon-based solvent carbon dioxide,

1 **if the process uses high heat or pressure; or**

2 **(c) Any other process identified by the Oregon Health Authority, in consultation with the**
3 **Oregon Liquor Control Commission, by rule.**

4 [(3)] (6) "Debilitating medical condition" means:

5 (a) Cancer, glaucoma, agitation incident to Alzheimer's disease, positive status for human
6 immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the
7 treatment of *[these] those* medical conditions;

8 (b) A medical condition or treatment for a medical condition that produces, for a specific pa-
9 tient, one or more of the following:

10 (A) Cachexia;

11 (B) Severe pain;

12 (C) Severe nausea;

13 (D) Seizures, including seizures caused by epilepsy; or

14 (E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

15 (c) Post-traumatic stress disorder; or

16 (d) Any other medical condition or side effect related to the treatment of a medical condition
17 adopted by the **Oregon Health** Authority by rule or approved by the authority pursuant to a peti-
18 tion *[submitted]* filed under ORS 475.334.

19 [(4)(a)] (7)(a) "Delivery" has the meaning given that term in ORS 475.005.

20 (b) "Delivery" does not include transfer of[:]

21 *[(A)]* marijuana by a registry identification cardholder to another registry identification
22 cardholder if no consideration is paid for the transfer[;].

23 *[(B)] Usable marijuana or immature marijuana plants from a registry identification cardholder, the*
24 *designated primary caregiver of a registry identification cardholder or a marijuana grow site to a*
25 *medical marijuana facility registered under ORS 475.314; or]*

26 *[(C)] Usable marijuana or immature marijuana plants from a medical marijuana facility registered*
27 *under ORS 475.314 to a registry identification cardholder or the designated primary caregiver of a*
28 *registry identification cardholder.]*

29 [(5)] (8)(a) "Designated primary caregiver" means an individual:

30 (A) **Who is 18 years of age or older;**

31 (B) Who has significant responsibility for managing the well-being of a person who has been
32 diagnosed with a debilitating medical condition; and

33 (C) Who is designated as *[such on that]* **the person responsible for managing the well-being**
34 **of a person who has been diagnosed with a debilitating medical condition on that** person's
35 application for a registry identification card or in other written notification **submitted** to the au-
36 thority.

37 (b) "Designated primary caregiver" does not include *[the]* a person's attending physician.

38 [(6)] "Marijuana" has the meaning given that term in ORS 475.005.]

39 (9) **"High heat" means a temperature exceeding 180 degrees.**

40 (10) **"Immature marijuana plant" means a marijuana plant that is not flowering.**

41 (11)(a) **"Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant**
42 **Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.**

43 (b) **"Marijuana" does not include industrial hemp, as defined in ORS 571.300.**

44 [(7)] (12) "Marijuana grow site" means a location registered under ORS 475.304 where marijuana
45 is produced for use by a registry identification cardholder.

1 (13) "Marijuana processing site" means a marijuana processing site registered under
2 section 85 of this 2015 Act or a site for which an applicant has submitted an application for
3 registration under section 85 of this 2015 Act.

4 (14) "Mature marijuana plant" means a marijuana plant that is not an immature
5 marijuana plant.

6 (15)(a) "Medical cannabinoid product" means a cannabinoid edible and any other product
7 intended for human consumption or use, including a product intended to be applied to a
8 person's skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

9 (b) "Medical cannabinoid product" does not include:

10 (A) Usable marijuana by itself;

11 (B) A cannabinoid concentrate by itself;

12 (C) A cannabinoid extract by itself; or

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

14 (16) "Medical marijuana dispensary" means a medical marijuana dispensary registered
15 under ORS 475.314 or a site for which an applicant has submitted an application for regis-
16 tration under ORS 475.314.

17 [(8)] (17) "Medical use of marijuana" means the production, **processing**, possession, delivery[,
18 *distribution*] or administration of marijuana, or **use of** paraphernalia used to administer marijuana,
19 [*as necessary for the exclusive benefit of a person*] to mitigate the symptoms or effects of [*the*
20 *person's*] a debilitating medical condition.

21 [(9) "Production" has the meaning given that term in ORS 475.005.]

22 (18) "Person designated to produce marijuana by a registry identification cardholder"
23 means a person designated to produce marijuana by a registry identification cardholder un-
24 der ORS 475.304 who produces marijuana for a registry identification cardholder at an ad-
25 dress other than the address where the registry identification cardholder resides or at an
26 address where more than 12 mature marijuana plants are produced.

27 (19) "Process" means the compounding or conversion of marijuana into medical
28 cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

29 (20) "Production" means:

30 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

31 (b) Drying marijuana leaves or flowers.

32 [(10)] (21) "Registry identification card" means a document issued by the **Oregon Health Au-**
33 **thority under ORS 475.309** that identifies a person authorized to engage in the medical use of
34 marijuana and, if the person has a designated primary caregiver under ORS 475.312, the person's
35 designated primary caregiver.

36 (22) "Registry identification cardholder" means a person to whom a registry identification
37 card has been issued under ORS 475.309.

38 [(11)] (23)(a) "Usable marijuana" means the dried leaves and flowers of [*the plant Cannabis*
39 *family Moraceae, and any mixture or preparation thereof, that are appropriate for medical use as al-*
40 *lowed in ORS 475.300 to 475.346*] **marijuana**.

41 (b) "Usable marijuana" does not include:

42 (A) The seeds, stalks and roots of [*the plant.*] **marijuana; or**

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

44 [(12)] (24) "Written documentation" means a statement signed by the attending physician of a
45 person diagnosed with a debilitating medical condition or copies of the person's relevant medical

1 records.

2
3 **(Registry Identification Cardholders**
4 **and Designated Primary Caregivers)**
5

6 **SECTION 80a.** ORS 475.309 is amended to read:

7 475.309. [(1) Except as provided in ORS 475.316, 475.320 and 475.342, a person engaged in or as-
8 sisting in the medical use of marijuana is excepted from the criminal laws of the state for possession,
9 delivery or production of marijuana, aiding and abetting another in the possession, delivery or pro-
10 duction of marijuana or any other criminal offense in which possession, delivery or production of
11 marijuana is an element if the following conditions have been satisfied:]

12 [(a)(A) The person holds a registry identification card issued pursuant to this section, has applied
13 for a registry identification card pursuant to subsection (9) of this section, is the designated primary
14 caregiver of the cardholder or applicant, or is the person responsible for a marijuana grow site that
15 is producing marijuana for the cardholder and is registered under ORS 475.304; and]

16 [(B) The person who has a debilitating medical condition, the person's primary caregiver and the
17 person responsible for a marijuana grow site that is producing marijuana for the cardholder and is
18 registered under ORS 475.304 are collectively in possession of, delivering or producing marijuana for
19 medical use in amounts allowed under ORS 475.320; or]

20 [(b) The person is responsible for or employed by a medical marijuana facility registered under
21 ORS 475.314 and does not commit any of the acts described in this subsection anywhere other than at
22 the medical marijuana facility.]

23 [(2) The Oregon Health Authority shall establish and maintain a program for the issuance of reg-
24 istry identification cards to persons who meet the requirements of this section. Except as provided in
25 subsection (3) of this section, the authority shall issue a registry identification card to any person who
26 pays a fee in the amount established by the authority and provides the following:]

27 [(a) Valid, written documentation from the person's attending physician stating that the person has
28 been diagnosed with a debilitating medical condition and that the medical use of marijuana may miti-
29 gate the symptoms or effects of the person's debilitating medical condition;]

30 [(b) The name, address and date of birth of the person;]

31 [(c) The name, address and telephone number of the person's attending physician;]

32 [(d) The name and address of the person's designated primary caregiver, if the person has desig-
33 nated a primary caregiver at the time of application; and]

34 [(e) A written statement that indicates whether the marijuana used by the cardholder will be
35 produced at a location where the cardholder or designated primary caregiver is present or at another
36 location.]

37 [(3) The authority shall issue a registry identification card to a person who is under 18 years of
38 age if the person submits the materials required under subsection (2) of this section, and the custodial
39 parent or legal guardian with responsibility for health care decisions for the person under 18 years of
40 age signs a written statement that:]

41 [(a) The attending physician of the person under 18 years of age has explained to that person and
42 to the custodial parent or legal guardian with responsibility for health care decisions for the person
43 under 18 years of age the possible risks and benefits of the medical use of marijuana;]

44 [(b) The custodial parent or legal guardian with responsibility for health care decisions for the
45 person under 18 years of age consents to the use of marijuana by the person under 18 years of age for

1 *medical purposes;]*

2 *[(c) The custodial parent or legal guardian with responsibility for health care decisions for the*
3 *person under 18 years of age agrees to serve as the designated primary caregiver for the person under*
4 *18 years of age; and]*

5 *[(d) The custodial parent or legal guardian with responsibility for health care decisions for the*
6 *person under 18 years of age agrees to control the acquisition of marijuana and the dosage and fre-*
7 *quency of use by the person under 18 years of age.]*

8 *[(4) A person applying for a registry identification card pursuant to this section may submit the*
9 *information required in this section to a county health department for transmittal to the authority. A*
10 *county health department that receives the information pursuant to this subsection shall transmit the*
11 *information to the authority within five days of receipt of the information. Information received by a*
12 *county health department pursuant to this subsection shall be confidential and not subject to disclosure,*
13 *except as required to transmit the information to the authority.]*

14 *[(5)(a) The authority shall verify the information contained in an application submitted pursuant*
15 *to this section and shall approve or deny an application within thirty days of receipt of the*
16 *application.]*

17 *[(b) In addition to the authority granted to the authority under ORS 475.316 to deny an application,*
18 *the authority may deny an application for the following reasons:]*

19 *[(A) The applicant did not provide the information required pursuant to this section to establish*
20 *the applicant's debilitating medical condition and to document the applicant's consultation with an at-*
21 *tending physician regarding the medical use of marijuana in connection with such condition, as pro-*
22 *vided in subsections (2) and (3) of this section;]*

23 *[(B) The authority determines that the information provided was falsified; or]*

24 *[(C) The applicant has been prohibited by a court order from obtaining a registry identification*
25 *card.]*

26 *[(c) Denial of a registry identification card shall be considered a final authority action, subject to*
27 *judicial review. Only the person whose application has been denied, or, in the case of a person under*
28 *the age of 18 years of age whose application has been denied, the person's parent or legal guardian,*
29 *shall have standing to contest the authority's action.]*

30 *[(d) Any person whose application has been denied may not reapply for six months from the date*
31 *of the denial, unless so authorized by the authority or a court of competent jurisdiction.]*

32 *[(6)(a) If the authority has verified the information submitted pursuant to subsections (2) and (3)*
33 *of this section and none of the reasons for denial listed in subsection (5)(b) of this section is applicable,*
34 *the authority shall issue a serially numbered registry identification card within five days of verification*
35 *of the information. The registry identification card shall state:]*

36 *[(A) The cardholder's name, address and date of birth;]*

37 *[(B) The date of issuance and expiration date of the registry identification card;]*

38 *[(C) The name and address of the person's designated primary caregiver, if any;]*

39 *[(D) Whether the marijuana used by the cardholder will be produced at a location where the*
40 *cardholder or designated primary caregiver is present or at another location; and]*

41 *[(E) Any other information that the authority may specify by rule.]*

42 *[(b) When the person to whom the authority has issued a registry identification card pursuant to*
43 *this section has specified a designated primary caregiver, the authority shall issue an identification*
44 *card to the designated primary caregiver. The primary caregiver's registry identification card shall*
45 *contain the information provided in paragraph (a) of this subsection.]*

1 [(7)(a) A person who possesses a registry identification card shall:]

2 [(A) Notify the authority of any change in the person's name, address, attending physician or des-
3 ignated primary caregiver.]

4 [(B) If applicable, notify the designated primary caregiver of the cardholder, the person responsible
5 for the marijuana grow site that produces marijuana for the cardholder and any person responsible for
6 a medical marijuana facility that transfers usable marijuana or immature marijuana plants to the
7 cardholder under ORS 475.314 of any change in status including, but not limited to:]

8 [(i) The assignment of another individual as the designated primary caregiver of the cardholder;]

9 [(ii) The assignment of another individual as the person responsible for a marijuana grow site
10 producing marijuana for the cardholder; or]

11 [(iii) The end of the eligibility of the cardholder to hold a valid registry identification card.]

12 [(C) Annually submit to the authority:]

13 [(i) Updated written documentation from the cardholder's attending physician of the person's de-
14 bilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects
15 of the person's debilitating medical condition; and]

16 [(ii) The name of the person's designated primary caregiver if a primary caregiver has been des-
17 ignated for the upcoming year.]

18 [(b) If a person who possesses a registry identification card fails to comply with this subsection,
19 the card shall be deemed expired. If a registry identification card expires, the identification card of any
20 designated primary caregiver of the cardholder shall also expire.]

21 [(8)(a) A person who possesses a registry identification card pursuant to this section and who has
22 been diagnosed by the person's attending physician as no longer having a debilitating medical condi-
23 tion or whose attending physician has determined that the medical use of marijuana is contraindicated
24 for the person's debilitating medical condition shall return the registry identification card and any
25 other associated Oregon Medical Marijuana Program cards to the authority within 30 calendar days
26 of notification of the diagnosis or notification of the contraindication.]

27 [(b) If, due to circumstances beyond the control of the registry identification cardholder, a
28 cardholder is unable to obtain a second medical opinion about the cardholder's continuing eligibility
29 to use medical marijuana before the 30-day period specified in paragraph (a) of this subsection has
30 expired, the authority may grant the cardholder additional time to obtain a second opinion before re-
31 quiring the cardholder to return the registry identification card and any associated cards.]

32 [(9) A person who has applied for a registry identification card pursuant to this section but whose
33 application has not yet been approved or denied, and who is contacted by any law enforcement officer
34 in connection with the person's administration, possession, delivery or production of marijuana for
35 medical use may provide to the law enforcement officer a copy of the written documentation submitted
36 to the authority pursuant to subsection (2) or (3) of this section and proof of the date of mailing or other
37 transmission of the documentation to the authority. This documentation shall have the same legal effect
38 as a registry identification card until such time as the person receives notification that the application
39 has been approved or denied.]

40 [(10)(a) A registry identification cardholder has the primary responsibility of notifying the desig-
41 nated primary caregiver, the person responsible for the marijuana grow site that produces marijuana
42 for the cardholder and any person responsible for a medical marijuana facility that transfers usable
43 marijuana or immature marijuana plants to the cardholder under ORS 475.314 of any change in status
44 of the cardholder.]

45 [(b) If the authority is notified by the cardholder that a primary caregiver or person responsible

1 for a marijuana grow site has changed, the authority shall notify the primary caregiver or the person
2 responsible for the marijuana grow site by mail at the address of record confirming the change in
3 status and informing the caregiver or person responsible for the marijuana grow site that their card
4 is no longer valid and must be returned to the authority.]

5 [(11) The authority shall revoke the registry identification card of a cardholder if a court has is-
6 sued an order that prohibits the cardholder from participating in the medical use of marijuana or
7 otherwise participating in the Oregon Medical Marijuana Program under ORS 475.300 to 475.346. The
8 cardholder shall return the registry identification card to the authority within seven calendar days of
9 notification of the revocation. If the cardholder is a patient, the patient shall return the patient's card
10 and all other associated Oregon Medical Marijuana Program cards.]

11 [(12) The authority shall revoke the registration of a medical marijuana facility registered under
12 ORS 475.314 if a court has issued an order that prohibits the person responsible for the medical
13 marijuana facility from participating in the Oregon Medical Marijuana Program under ORS 475.300
14 to 475.346.]

15 [(13) The authority and employees and agents of the authority acting within the course and scope
16 of their employment are immune from any civil liability that might be incurred or imposed for the
17 performance of or failure to perform duties required by this section.]

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

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

23 **(a) Written documentation from the applicant's attending physician stating that the at-
24 tending physician has diagnosed the applicant as having a debilitating medical condition and
25 that the medical use of marijuana may mitigate the symptoms or effects of the applicant's
26 debilitating medical condition;**

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

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

29 **(d) Proof of residency, as required by the authority by rule;**

30 **(e) The name and address of the applicant's designated primary caregiver, if the applicant
31 is designating a primary caregiver under ORS 475.312; and**

32 **(f) The information described in ORS 475.304 (2), if the applicant is applying to produce
33 marijuana or designate another person under ORS 475.304 to produce marijuana.**

34 **(3)(a) The authority shall issue a registry identification card to an applicant who is under
35 18 years of age if:**

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

38 **(B) The custodial parent or legal guardian who is responsible for the health care deci-
39 sions of the applicant signs and submits to the authority a written statement that:**

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

42 **(ii) The custodial parent or legal guardian consents to the medical use of marijuana by
43 the applicant;**

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

1 (iv) The custodial parent or legal guardian agrees to control the acquisition, dosage and
2 frequency of the medical use of marijuana by the applicant.

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

5 (4) The authority shall approve or deny an application within 30 days after receiving the
6 application.

7 (5)(a) If the authority approves an application, the authority shall issue a serially num-
8 bered registry identification card to the applicant within five days after approving the appli-
9 cation. The registry identification card must include the following information:

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

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

12 (C) If the registry identification cardholder designated a primary caregiver under ORS
13 475.312, the name and address of the registry identification cardholder's designated primary
14 caregiver; and

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

16 (b) If the registry identification cardholder designated a primary caregiver under ORS
17 475.312, the authority shall issue an identification card to the designated primary caregiver.
18 The identification card must contain the information required by paragraph (a) of this sub-
19 section.

20 (6) A registry identification cardholder shall:

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

23 (A) Name, address or attending physician;

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

27 (C) Person responsible for a marijuana grow site, including the designation of a person
28 responsible for a marijuana grow site made at a time other than at the time of applying for
29 or renewing a registry identification card.

30 (b) Annually renew the registry identification card by paying a fee in an amount estab-
31 lished by the authority by rule and submitting to the authority an application that contains
32 the following information:

33 (A) Updated written documentation from the registry identification cardholder's attend-
34 ing physician stating that the registry identification cardholder still has a debilitating med-
35 ical condition and that the medical use of marijuana may mitigate the symptoms or effects
36 of the registry identification cardholder's debilitating medical condition;

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

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

41 (7)(a) If the registry identification cardholder's attending physician determines that the
42 registry identification cardholder no longer has a debilitating medical condition or deter-
43 mines that the medical use of marijuana is contraindicated for the registry identification
44 cardholder's debilitating medical condition, the registry identification cardholder shall return
45 the registry identification card to the authority within 30 calendar days after receiving notice

1 of the determination.

2 (b) If, because of circumstances beyond the control of the registry identification
3 cardholder, a registry identification cardholder is unable to obtain a second medical opinion
4 about the registry identification cardholder's continuing eligibility for the medical use of
5 marijuana before having to return the registry identification card to the authority, the au-
6 thority may grant the registry identification cardholder additional time to obtain a second
7 medical opinion.

8 (8)(a) The authority may deny an application for a registry identification card or an ap-
9 plication to renew a registry identification card, or may suspend or revoke a registry iden-
10 tification card, if:

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

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

15 (C) The authority determines that the applicant or registry identification cardholder vi-
16 olated a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300 to 475.346.

17 (b) If a registry identification card is revoked, any associated identification card issued
18 under subsection (5)(b) of this section, or marijuana grow site registration card issued under
19 ORS 475.304 (6), shall also be revoked.

20 (c) A person whose application is denied, or whose registry identification card is revoked,
21 under this subsection may not reapply for a registry identification card for six months from
22 the date of the denial or revocation unless otherwise authorized by the authority.

23 (9)(a) The authority may deny a designation of a primary caregiver made under ORS
24 475.312, or suspend or revoke an associated identification card issued under subsection (5)(b)
25 of this section, if the authority determines that the designee or the registry identification
26 cardholder violated a provision of ORS 475.300 to 475.346 or a rule adopted under ORS 475.300
27 to 475.346.

28 (b) A person whose designation has been denied, or whose identification card has been
29 revoked, under this subsection may not be designated as a primary caregiver under ORS
30 475.312 for six months from the date of the denial or revocation unless otherwise authorized
31 by the authority.

32 (10) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry
33 identification card, or a registry identification cardholder applying for renewal of a registry
34 identification card, submits to the authority proof of having served in the Armed Forces of
35 the United States and of having been diagnosed with post-traumatic stress disorder, the au-
36 thority may not impose a fee that is greater than \$20 for the issuance or renewal of the
37 registry identification card.

38 SECTION 80b. ORS 475.312 is amended to read:

39 475.312. (1) If a person who [*possesses a registry identification card issued pursuant to ORS*
40 *475.309*] is applying for a registry identification card under ORS 475.309, or who is a registry
41 identification cardholder, chooses to [*have a designated*] designate, or to change the designation
42 of, a primary caregiver, the person must [*designate the primary caregiver by including*] include the
43 primary caregiver's name and address:

44 (a) On the person's application for a registry identification card;

45 [(b) In the annual updated information required under ORS 475.309; or]

1 (b) On the person's application to renew a registry identification card; or

2 (c) In a *[written,]* form and manner prescribed by the authority, in a signed statement *[sub-*
3 *mitted to]* notifying the Oregon Health Authority of the designation.

4 (2) A *[person described in this section]* registry identification cardholder may have only one
5 designated primary caregiver at any given time.

6 (3) If a registry identification cardholder who previously designated a primary caregiver
7 chooses to designate a different primary caregiver, the authority shall notify the previous
8 designee of the new designation and issue an identification card to the newly designated
9 primary caregiver.

10 **SECTION 80c.** The amendments to ORS 475.309 and 475.312 by sections 80a and 80b of this
11 2015 Act apply to:

12 (1) Applications received by the Oregon Health Authority for a registry identification
13 card on or after the operative date specified in section 179 of this 2015 Act;

14 (2) Applications received by the authority to renew a registry identification card on or
15 after the operative date specified in section 179 of this 2015 Act; and

16 (3) Registry identification cards updated by the authority on or after the operative date
17 specified in section 179 of this 2015 Act.

18
19 (Medical Marijuana Producers)

20
21 **SECTION 81.** ORS 475.304 is amended to read:

22 475.304. *[(1) The Oregon Health Authority shall establish by rule a marijuana grow site registra-*
23 *tion system to authorize production of marijuana by a registry identification cardholder, a designated*
24 *primary caregiver who grows marijuana for the cardholder or a person who is responsible for a*
25 *marijuana grow site. The marijuana grow site registration system adopted must require a registry*
26 *identification cardholder to submit an application to the authority that includes:]*

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

28 *[(b) The address of the marijuana grow site;]*

29 *[(c) The registry identification card number of the registry cardholder for whom the marijuana is*
30 *being produced; and]*

31 *[(d) Any other information the authority considers necessary.]*

32 *[(2) The authority shall issue a marijuana grow site registration card to a registry identification*
33 *cardholder who has met the requirements of subsection (1) of this section.]*

34 *[(3) A person who has been issued a marijuana grow site registration card under this section must*
35 *display the registration card at the marijuana grow site at all times when marijuana is being*
36 *produced.]*

37 *[(4) A marijuana grow site registration card must be obtained and posted for each registry iden-*
38 *tification cardholder for whom marijuana is being produced at a marijuana grow site.]*

39 *[(5) All usable marijuana, plants, seedlings and seeds associated with the production of marijuana*
40 *for a registry identification cardholder by a person responsible for a marijuana grow site are the*
41 *property of the registry identification cardholder and must be provided to the registry identification*
42 *cardholder, or, if the marijuana is usable marijuana or an immature marijuana plant, transferred to*
43 *a medical marijuana facility registered under ORS 475.314, upon request.]*

44 *[(6)(a) The authority shall conduct a criminal records check under ORS 181.534 of any person*
45 *whose name is submitted as a person responsible for a marijuana grow site.]*

1 *[(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the*
2 *manufacture or delivery of a controlled substance in Schedule I or Schedule II may not be issued a*
3 *marijuana grow site registration card or produce marijuana for a registry identification cardholder for*
4 *five years from the date of conviction.]*

5 *[(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to*
6 *475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not*
7 *be issued a marijuana grow site registration card or produce marijuana for a registry identification*
8 *cardholder.]*

9 *[(7) A registry identification cardholder or the designated primary caregiver of the cardholder may*
10 *reimburse the person responsible for a marijuana grow site for the costs of supplies and utilities as-*
11 *sociated with the production of marijuana for the registry identification cardholder. No other costs as-*
12 *sociated with the production of marijuana for the registry identification cardholder, including the cost*
13 *of labor, may be reimbursed.]*

14 *[(8) The authority may adopt rules imposing a fee in an amount established by the authority for*
15 *registration of a marijuana grow site under this section.]*

16 **(1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site regis-**
17 **tration system to track and regulate the production of marijuana by a registry identification**
18 **cardholder or a person designated by the registry identification cardholder to produce**
19 **marijuana for the registry identification cardholder.**

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

22 **(c) Paragraph (b) of this subsection does not apply to a the production of marijuana as**
23 **provided in sections 3 to 70, chapter 1, Oregon Laws 2015, or as otherwise provided for by the**
24 **statutory laws of this state.**

25 **(2) Rules adopted under this section must require an applicant for a registry identifica-**
26 **tion card, or a registry identification cardholder who produces marijuana or who designates**
27 **another person to produce marijuana, to submit an application to the authority containing**
28 **the following information at the time of making an application under ORS 475.309 (2), re-**
29 **newing a registry identification card under ORS 475.309 (6)(b), or notifying the authority of**
30 **a change under ORS 475.309 (6)(a):**

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

32 **(b) Proof, until January 1, 2020, that the person responsible for the marijuana grow site**
33 **has been a resident of this state for two or more years, and proof that the person is 21 years**
34 **of age or older;**

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

36 **(d) Any other information that the authority considers necessary to track the production**
37 **of marijuana under ORS 475.300 to 475.346.**

38 **(3)(a) The authority shall conduct a criminal records check under ORS 181.534 of any**
39 **person whose name is submitted under this section as the person responsible for a marijuana**
40 **grow site.**

41 **(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for**
42 **the manufacture or delivery of a controlled substance in Schedule I or Schedule II may not**
43 **act as or be designated a person responsible for a marijuana grow site for two years from**
44 **the date of conviction.**

45 **(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752**

1 to 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule
2 II may not act as or be designated a person responsible for a marijuana grow site.

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

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

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

9 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable
10 marijuana associated with the production of marijuana for a registry identification
11 cardholder by a person responsible for a marijuana grow site are the property of the registry
12 identification cardholder.

13 (b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana
14 associated with the production of marijuana for a registry identification cardholder by a
15 person responsible for a marijuana grow site must be transferred to the registry identifica-
16 tion cardholder upon the request of the registry identification cardholder.

17 (c) All usable marijuana associated with the production of marijuana for a registry
18 identification cardholder by a person responsible for a marijuana grow site must be trans-
19 ferred to a marijuana processing site upon the request of the registry identification
20 cardholder. For purposes of this paragraph, a request to transfer usable marijuana consti-
21 tutes an assignment of the right to possess the usable marijuana.

22 (d) All seeds, immature marijuana plants and usable marijuana associated with the pro-
23 duction of marijuana for a registry identification cardholder by a person responsible for a
24 marijuana grow site must be transferred to a medical marijuana dispensary upon request of
25 the registry identification cardholder. For purposes of this paragraph, a request to transfer
26 seeds, immature marijuana plants or usable marijuana constitutes an assignment of the
27 right to possess the seeds, immature marijuana plants or usable marijuana.

28 (e) Information related to transfers made under this subsection must be submitted to the
29 authority in the manner required by section 81a of this 2015 Act.

30 (8) A registry identification cardholder, or the designated caregiver of a registry iden-
31 tification cardholder, may reimburse a person responsible for a marijuana grow site for all
32 costs associated with the production of marijuana for the registry identification cardholder.

33 (9) The authority may inspect:

34 (a) The marijuana grow site of a person designated to produce marijuana by a registry
35 identification cardholder to ensure compliance with this section and section 81a of this 2015
36 Act and ORS 475.320 and any rule adopted under this section and section 81a of this 2015 Act
37 and ORS 475.320; and

38 (b) The records of the marijuana grow site of a person designated to produce marijuana
39 by a registry identification cardholder to ensure compliance with this section and section 81a
40 of this 2015 Act and any rule adopted under this section and section 81a of this 2015 Act.

41 (10) The authority may refuse to register a registry identification cardholder or a
42 designee under this section or may suspend or revoke the registration of a person responsi-
43 ble for a marijuana grow site if the authority determines that the applicant or the person
44 responsible for a marijuana grow site violated a provision of ORS 475.300 to 475.346, a rule
45 adopted under ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2, chapter

1 79, Oregon Laws 2014.

2 (11) The authority may require a person responsible for a marijuana grow site, prior to
3 issuing a marijuana grow site registration card under subsection (4) of this section, to pay
4 a fee reasonably calculated to pay costs incurred under this section and sections 81a and 85e
5 of this 2015 Act.

6 **SECTION 81a.** (1) A person designated to produce marijuana by a registry identification
7 cardholder must submit to the Oregon Health Authority, in a form and manner established
8 by the authority by rule, the following information related to the production of marijuana:

9 (a) The number of mature marijuana plants and immature marijuana plants, the amount
10 of marijuana leaves and flowers being dried, and the amount of usable marijuana, in the
11 person's possession;

12 (b) The number of mature marijuana plants and immature marijuana plants, and the
13 amount of usable marijuana, that the person transfers to each registry identification
14 cardholder for whom the person produces marijuana;

15 (c) The amount of usable marijuana that the person transfers to each marijuana pro-
16 cessing site; and

17 (d) The number of immature marijuana plants, and the amount of usable marijuana, that
18 the person transfers to each medical marijuana dispensary.

19 (2) The authority shall by rule require a person designated to produce marijuana by a
20 registry identification cardholder to submit the information described in subsection (1) of
21 this section once each month. The authority may not employ any method other than that
22 described in this section to obtain information related to the production of marijuana from
23 a person designated to produce marijuana by a registry identification cardholder.

24 (3) In addition to submitting the information as required by subsection (1) of this section,
25 a person designated to produce marijuana by a registry identification cardholder must keep
26 a record of the information described in subsection (1) of this section for two years after the
27 date on which the person submits the information to the authority.

28 **SECTION 81b.** (1) Except as provided in subsection (2) of this section, section 81a of this
29 2015 Act and the amendments to ORS 475.304 by section 81 of this 2015 Act apply to persons
30 who have registered with the Oregon Health Authority under ORS 475.304 before, on or after
31 the operative date specified in section 179 of this 2015 Act.

32 (2) The amendments to ORS 475.304 by section 81 of this 2015 Act pertaining to the sub-
33 mission of information necessary to register a person as a person responsible for a
34 marijuana grow site apply to applications for registry identification cards, applications to
35 renew registry identification cards, and designations made under ORS 475.304, on or after the
36 operative date specified in section 179 of this 2015 Act.

37

38 (Grow Site Possession Limits)

39

40 **SECTION 82.** ORS 475.320 is amended to read:

41 475.320. [(1)(a) A registry identification cardholder or the designated primary caregiver of the
42 cardholder may possess up to six mature marijuana plants and 24 ounces of usable marijuana.]

43 [(b) Notwithstanding paragraph (a) of this subsection, if a registry identification cardholder has
44 been convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the manufacture or
45 delivery of a controlled substance in Schedule I or Schedule II, the registry identification cardholder

1 *or the designated primary caregiver of the cardholder may possess one ounce of usable marijuana at*
2 *any given time for a period of five years from the date of the conviction.]*

3 *[(2) A person authorized under ORS 475.304 to produce marijuana at a marijuana grow site:]*

4 *[(a) May produce marijuana for and provide marijuana:]*

5 *[(A) To a registry identification cardholder or a cardholder's designated primary caregiver as au-*
6 *thorized under this section; or]*

7 *[(B) If the marijuana is usable marijuana or an immature marijuana plant and the registry iden-*
8 *tification cardholder authorizes the person responsible for the marijuana grow site to transfer the us-*
9 *able marijuana or immature marijuana plant to a medical marijuana facility registered under ORS*
10 *475.314, to the medical marijuana facility.]*

11 *[(b) May possess up to six mature plants and up to 24 ounces of usable marijuana for each*
12 *cardholder or caregiver for whom marijuana is being produced.]*

13 *[(c) May produce marijuana for no more than four registry identification cardholders or designated*
14 *primary caregivers concurrently.]*

15 *[(d) Must obtain and display a marijuana grow site registration card issued under ORS 475.304*
16 *for each registry identification cardholder or designated primary caregiver for whom marijuana is be-*
17 *ing produced.]*

18 *[(e) Must provide all marijuana produced for a registry identification cardholder or designated*
19 *primary caregiver to the cardholder or caregiver at the time the person responsible for a marijuana*
20 *grow site ceases producing marijuana for the cardholder or caregiver.]*

21 *[(f) Must return the marijuana grow site registration card to the registry identification cardholder*
22 *to whom the card was issued when requested to do so by the cardholder or when the person responsible*
23 *for a marijuana grow site ceases producing marijuana for the cardholder or caregiver.]*

24 *[(3) Except as provided in subsections (1) and (2) of this section, a registry identification*
25 *cardholder, the designated primary caregiver of the cardholder and the person responsible for a*
26 *marijuana grow site producing marijuana for the registry identification cardholder may possess a*
27 *combined total of up to six mature plants and 24 ounces of usable marijuana for that registry iden-*
28 *tification cardholder.]*

29 *[(4)(a) A registry identification cardholder and the designated primary caregiver of the cardholder*
30 *may possess a combined total of up to 18 marijuana seedlings or starts as defined by rule of the Oregon*
31 *Health Authority.]*

32 *[(b) A person responsible for a marijuana grow site may possess up to 18 marijuana seedlings or*
33 *starts as defined by rule of the authority for each registry identification cardholder for whom the per-*
34 *son responsible for the marijuana grow site is producing marijuana.]*

35 **(1) Subject to subsection (2) of this section, a registry identification cardholder and the**
36 **designated primary caregiver of the registry identification cardholder may jointly possess six**
37 **or fewer mature marijuana plants.**

38 **(2)(a) A person may be designated to produce marijuana under ORS 475.304 by no more**
39 **than four registry identification cardholders.**

40 **(b) A person who is designated to produce marijuana by a registry identification**
41 **cardholder may produce no more than six mature marijuana plants per registry identification**
42 **cardholder.**

43 **(3) If the address of a person responsible for a marijuana grow site under ORS 475.304 is**
44 **located within city limits in an area zoned for residential use:**

45 **(a) Except as provided in paragraph (b) of this subsection, no more than 12 mature**

1 marijuana plants may be produced at the address; or

2 (b) Subject to subsection (5) of this section, if each person responsible for a marijuana
3 grow site located at the address first registered with the Oregon Health Authority under
4 ORS 475.304 before January 1, 2015, no more than the amount of mature marijuana plants
5 located at that address on December 31, 2014, in excess of 12 mature marijuana plants, not
6 to exceed 24 mature marijuana plants, may be produced at the address.

7 (4) If the address of a person responsible for a marijuana grow site under ORS 475.304 is
8 located in an area other than an area described in subsection (3) of this section:

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

11 (b) Subject to subsections (5) and (6) of this section, if each person responsible for a
12 marijuana grow site located at the address first registered with the authority under ORS
13 475.304 before January 1, 2015, no more than the amount of mature marijuana plants located
14 at that address on December 31, 2014, in excess of 48 mature marijuana plants, not to exceed
15 96 mature marijuana plants, may be produced at the address.

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

19 (a) No more than 12 mature marijuana plants may be subsequently produced at any ad-
20 dress described in subsection (3) of this section at which the person responsible for that
21 marijuana grow site produces marijuana.

22 (b) No more than 48 mature marijuana plants may be subsequently produced at any ad-
23 dress described in subsection (4) of this section at which the person responsible for that
24 marijuana grow site produces marijuana.

25 (6) If a registry identification cardholder who designated a person to produce marijuana
26 for the registry identification cardholder pursuant to ORS 475.304 terminates the designation,
27 the person responsible for the marijuana grow site whose designation has been terminated
28 may not be designated to produce marijuana by another registry identification cardholder,
29 except that the person may be designated by another registry identification cardholder if no
30 more than 48 mature marijuana plants are produced at the address for the marijuana grow
31 site at which the person produces marijuana.

32 (7) If a law enforcement officer determines that a registry identification cardholder, the
33 designated primary caregiver of a registry identification cardholder, or a person responsible
34 for a marijuana grow site under ORS 475.304 who grows marijuana for a registry identifica-
35 tion cardholder, possesses a number of mature marijuana plants in excess of the quantities
36 specified in this section, the law enforcement officer may confiscate only the excess number
37 of mature marijuana plants.

38 **SECTION 82a.** (1) Except as provided in subsection (2) of this section, a registry iden-
39 tification cardholder and the designated primary caregiver of the registry identification
40 cardholder may jointly possess no more than 24 ounces of usable marijuana.

41 (2) Subject to subsection (3) of this section, a person designated to produce marijuana
42 by a registry identification cardholder may possess the amount of usable marijuana that the
43 person harvests from the person's mature marijuana plants, provided that the person may
44 not possess usable marijuana in excess of the amount of usable marijuana in the person's
45 possession as reported to the Oregon Health Authority under section 81a of this 2015 Act.

1 (3) A person designated to produce marijuana by a registry identification cardholder may
2 not possess usable marijuana in excess of:

3 (a) For a marijuana grow site located outdoors, 12 pounds of usable marijuana per mature
4 marijuana plant; or

5 (b) For a marijuana grow site located indoors, six pounds of usable marijuana per mature
6 marijuana plant.

7 **SECTION 82b.** The amendments to ORS 475.320 by section 82 of this 2015 Act apply to
8 persons who registered with the Oregon Health Authority under ORS 475.304 before, on or
9 after the operative date specified in section 179 of this 2015 Act.

10
11 (Personal Agreements)

12
13 **SECTION 83.** Notwithstanding ORS 475.304 (7), a person responsible for a marijuana grow
14 site may enter into an agreement with a registry identification cardholder under which the
15 registry identification cardholder assigns, to the person responsible for the marijuana grow
16 site, a portion of the right to possess the seeds, immature marijuana plants and usable
17 marijuana that are the property of the registry identification cardholder.

18
19 (Proof of Issuance)

20
21 **SECTION 84.** ORS 475.306 is amended to read:

22 475.306. [(1) A person who possesses a registry identification card issued pursuant to ORS 475.309
23 may engage in, and a designated primary caregiver of such a person may assist in, the medical use
24 of marijuana only as justified to mitigate the symptoms or effects of the person's debilitating medical
25 condition.]

26 [(2) A person who is a registry identification cardholder must possess the registry identification
27 card when using or transporting marijuana in a location other than the residence of the cardholder.]

28 [(3) The Oregon Health Authority shall define by rule when a marijuana plant is mature and when
29 it is immature. The rule shall provide that a plant that has no flowers and that is less than 12 inches
30 in height and less than 12 inches in diameter is a seedling or a start and is not a mature plant.]

31 A person to whom a registry identification card has been issued under ORS 475.309 (5)(a),
32 an identification card has been issued under ORS 475.309 (5)(b), or a marijuana grow site
33 registration card has been issued under ORS 475.304, may not possess marijuana, usable
34 marijuana, medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts
35 in a location other than the address on file with the Oregon Health Authority unless the
36 person is carrying the card.

37
38 (Medical Marijuana Processors)

39
40 **SECTION 85.** (1)(a) The Oregon Health Authority shall establish by rule a marijuana
41 processing site registration system to track and regulate the processing of marijuana by a
42 person responsible for a marijuana processing site.

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

45 (c) Paragraph (b) of this subsection does not apply to the processing of marijuana as

1 provided in sections 3 to 70, chapter 1, Oregon Laws 2015, or as otherwise provided for by the
2 statutory laws of this state.

3 (2) The registration system established under subsection (1) of this section must require
4 an applicant for a marijuana processing site to submit an application to the authority that
5 includes:

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

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

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

12 (d) Proof, until January 1, 2020, that each individual responsible for the marijuana pro-
13 cessing site has been a resident of this state for two or more years, and proof that each in-
14 dividual responsible for the marijuana processing site is 21 years of age or older;

15 (e) Documentation, as required by the authority by rule, that demonstrates the
16 marijuana processing site meets the requirements of subsection (3) of this section; and

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

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

19 (a) May not be located in an area that is zoned for residential use if the marijuana pro-
20 cessing site processes cannabinoid extracts;

21 (b) Must be registered as a business, or have filed an application to register as a busi-
22 ness, with the office of the Secretary of State; and

23 (c) Must meet the requirements of any rule adopted by the authority under subsection
24 (10) of this section.

25 (4)(a) The authority shall conduct a criminal records check under ORS 181.534 for each
26 individual named in an application under subsection (2) of this section.

27 (b) An individual convicted for the manufacture or delivery of a controlled substance in
28 Schedule I or Schedule II may not own or be responsible for a marijuana processing site for
29 two years from the date the individual is convicted.

30 (c) An individual convicted more than once for the manufacture or delivery of a con-
31 trolled substance in Schedule I or Schedule II may not own or be responsible for a marijuana
32 processing site.

33 (5) If a person submits the application required under subsection (2) of this section, if the
34 marijuana processing site identified in the application meets the requirements of this section
35 and any rules adopted under this section and if each individual named in the application
36 passes the criminal records check required under subsection (4) of this section, the authority
37 shall register the marijuana processing site and issue proof of registration. Proof of regis-
38 tration must be displayed on the premises of the marijuana processing site at all times.

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

41 (7) The individual or individuals responsible for a marijuana processing site shall main-
42 tain documentation of each transfer of usable marijuana, medical cannabinoid products,
43 cannabinoid concentrates and cannabinoid extracts.

44 (8) The authority may inspect:

45 (a) The premises of a proposed marijuana processing site or a registered marijuana pro-

1 cessing site to ensure compliance with this section and sections 85a and 85b of this 2015 Act
2 and any rules adopted under this section and sections 85a and 85b of this 2015 Act; and

3 (b) The records of a registered marijuana processing site to ensure compliance with
4 subsection (7) of this section.

5 (9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an
6 applicant under this section or may suspend or revoke the registration of a marijuana pro-
7 cessing site if the authority determines that the applicant, the owner of the marijuana pro-
8 cessing site, a person responsible for the marijuana processing site, or an employee of the
9 marijuana processing site, violated a provision of ORS 475.300 to 475.346, a rule adopted under
10 ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2, chapter 79, Oregon
11 Laws 2014.

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

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

15 (b) Establish fees for registering, and renewing the registration of, a marijuana process-
16 ing site;

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

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

22 SECTION 85a. (1) A marijuana processing site must meet any public health and safety
23 standards established by the Oregon Health Authority by rule related to:

24 (a) Cannabinoid edibles, if the marijuana processing site processes marijuana into
25 cannabinoid edibles;

26 (b) Cannabinoid concentrates, if the marijuana processing site processes marijuana into
27 cannabinoid concentrates;

28 (c) Cannabinoid extracts, if the marijuana processing site processes marijuana into
29 cannabinoid extracts; or

30 (d) Any other type of medical cannabinoid product identified by the authority by rule, if
31 the marijuana processing site processes marijuana into that type of medical cannabinoid
32 product.

33 (2) The authority shall adopt rules to implement this section.

34 SECTION 85b. (1) The Oregon Health Authority shall require by rule a marijuana pro-
35 cessing site to submit to the authority for inclusion in the database developed and main-
36 tained pursuant to section 85e of this 2015 Act the following information:

37 (a) The amount of usable marijuana transferred to the marijuana processing site;

38 (b) The amount and type of medical cannabinoid products transferred by the marijuana
39 processing site;

40 (c) The amount and type of cannabinoid concentrates transferred by the marijuana pro-
41 cessing site; and

42 (d) The amount and type of cannabinoid extracts transferred by the marijuana processing
43 site.

44 (2) The authority by rule may require a marijuana processing site to submit to the au-
45 thority for inclusion in the database developed and maintained pursuant to section 85e of this

1 2015 Act information that is in addition to the information described in subsection (1) of this
2 section as the authority considers necessary to fulfill the authority's duties under section
3 85 (1) of this 2015 Act. The authority may not employ any method other than that described
4 in this section to obtain information from a marijuana processing site.

5 **SECTION 85c.** (1) A marijuana processing site may not transfer medical cannabinoid
6 products, cannabinoid concentrates or cannabinoid extracts to a person other than a registry
7 identification cardholder, a designated primary caregiver or a medical marijuana dispensary.

8 (2) A person other than a marijuana processing site may not transfer medical
9 cannabinoid products, cannabinoid concentrates or cannabinoid extracts to a medical
10 marijuana dispensary.

11 **SECTION 85d.** Section 85 of this 2015 Act does not apply to a registry identification
12 cardholder or a person who has been designated as a primary caregiver under ORS 475.312
13 who processes a medical cannabinoid product or a cannabinoid concentrate for a registry
14 identification cardholder.

15
16 (Database)
17

18 **SECTION 85e.** (1) The Oregon Health Authority shall develop and maintain a database
19 of information related to the production of marijuana by persons designated to produce
20 marijuana by a registry identification cardholder, the processing of marijuana by a marijuana
21 processing site under section 85 of this 2015 Act and the transfer of usable marijuana, med-
22 ical cannabinoid products, cannabinoid concentrates and cannabinoid extracts by medical
23 marijuana dispensaries under ORS 475.314. At a minimum, the database must include the
24 information submitted to the authority under sections 81a, 85b and 86b of this 2015 Act.

25 (2)(a) Subject to paragraph (c) of this subsection, the authority may provide information
26 that is stored in the database developed and maintained under this section to a law
27 enforcement agency.

28 (b) Subject to paragraph (c) of this subsection, the authority may provide information
29 that is stored in the database developed and maintaining under this section to the regulatory
30 agencies of a city or county.

31 (c) The authority may not disclose:

32 (A) Any personally identifiable information related to a registry identification cardholder
33 or a designated primary caregiver that is stored in the database developed and maintained
34 under this section.

35 (B) Any information related to the amount and type of usable marijuana, medical
36 cannabinoid products, cannabinoid concentrates and cannabinoid extracts transferred to or
37 by persons designated to produce marijuana by a registry identification cardholder,
38 marijuana processing sites or medical marijuana dispensaries.

39 (3) Nothing in this section prevents a law enforcement agency from lawfully obtaining
40 information that is stored in the database developed and maintained under this section by
41 subpoena.

42
43 (Medical Marijuana Dispensaries)
44

45 **SECTION 86.** ORS 475.314, as amended by section 5, chapter 79, Oregon Laws 2014, is amended

1 to read:

2 475.314. *[(1) The Oregon Health Authority shall establish by rule a medical marijuana facility*
3 *registration system to authorize the transfer of usable marijuana and immature marijuana plants*
4 *from:]*

5 *[(a) A registry identification cardholder, the designated primary caregiver of a registry identifica-*
6 *tion cardholder, or a person responsible for a marijuana grow site to the medical marijuana facility;*
7 *or]*

8 *[(b) A medical marijuana facility to a registry identification cardholder or the designated primary*
9 *caregiver of a registry identification cardholder.]*

10 **(1)(a) The Oregon Health Authority shall establish by rule a medical marijuana**
11 **dispensary registration system for the purpose of tracking and regulating the transfer of:**

12 **(A) Usable marijuana, immature marijuana plants and seeds from registry identification**
13 **cardholders, designated primary caregivers and persons responsible for marijuana grow sites**
14 **to medical marijuana dispensaries;**

15 **(B) Medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts**
16 **from persons responsible for marijuana processing sites to medical marijuana dispensaries;**
17 **and**

18 **(C) Usable marijuana, immature marijuana plants, seeds, medical cannabinoid products,**
19 **cannabinoid concentrates and cannabinoid extracts from medical marijuana dispensaries to**
20 **registry identification cardholders and designated primary caregivers.**

21 **(b) A person may not operate an establishment for the purpose of providing the services**
22 **described in paragraph (a) of this subsection unless the person is registered under this sec-**
23 **tion.**

24 **(2) The registration system established under subsection (1) of this section must require an ap-**
25 **plicant for a medical marijuana [facility] dispensary to submit an application to the authority that**
26 **includes:**

27 **(a) The name of the individual who owns the medical marijuana dispensary or, if a busi-**
28 **ness entity owns the medical marijuana dispensary, the name of each individual who has a**
29 **financial interest in the medical marijuana dispensary;**

30 **[(a)] (b) The name of the [person] individual or individuals responsible for the medical**
31 **marijuana [facility] dispensary, if different from the name of the individual who owns the**
32 **medical marijuana dispensary;**

33 **[(b)] (c) The address of the medical marijuana [facility] dispensary;**

34 **[(c)] (d) Proof, until January 1, 2020, that [the person] each individual responsible for the**
35 **medical marijuana [facility is a resident of Oregon] dispensary has been a resident of this state**
36 **for two or more years, and proof that each individual responsible for the medical marijuana**
37 **dispensary is 21 years of age or older;**

38 **[(d)] (e) Documentation, as required by the authority by rule, that demonstrates the medical**
39 **marijuana [facility] dispensary meets the [qualifications for a medical marijuana facility as described**
40 **in] requirements of subsection (3) of this section; and**

41 **[(e)] (f) Any other information that the authority considers necessary.**

42 **(3) To qualify for registration under this section, a medical marijuana [facility] dispensary:**

43 **[(a) Must be located in an area that is zoned for commercial, industrial or mixed use or as agri-**
44 **cultural land;]**

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

- 1 (b) May not be located at the same address as a marijuana grow site;
- 2 (c) Must be registered as a business, or have filed *[a pending]* **an** application to register as a
- 3 business, with the office of the Secretary of State;

4 *[(d) Must not be located within 1,000 feet of the real property comprising a public or private ele-*

5 *mentary, secondary or career school attended primarily by minors;]*

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

7 **(A) A public elementary or secondary school for which attendance is compulsory under**

8 **ORS 339.020; or**

9 **(B) A private or parochial elementary or secondary school, teaching children as described**

10 **in ORS 339.030 (1)(a);**

11 (e) Must not be located within 1,000 feet of another medical marijuana *[facility]* **dispensary**; and

12 *[(f) Must comport with rules adopted by the authority related to:]*

13 *[(A) Installing a minimum security system, including a video surveillance system, alarm system and*

14 *safe; and]*

15 *[(B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and*

16 *immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the*

17 *registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's*

18 *registered grower.]*

19 **(f) Must meet the requirements of any rule adopted by the authority under subsection**

20 **(10) of this section.**

21 (4)(a) The authority shall conduct a criminal records check under ORS 181.534 *[of a person*

22 *whose name is submitted as the person responsible for a medical marijuana facility]* **for each indi-**

23 **vidual named in an application submitted** under subsection (2) of this section.

24 (b) *[A person]* **An individual** convicted for the manufacture or delivery of a controlled substance

25 in Schedule I or Schedule II may not *[be the person]* **own or be** responsible for a medical marijuana

26 *[facility]* **dispensary** for *[five]* **two** years from the date the *[person]* **individual** is convicted.

27 (c) *[A person]* **An individual** convicted more than once for the manufacture or delivery of a

28 controlled substance in Schedule I or Schedule II may not *[be the person]* **own or be** responsible for

29 a medical marijuana *[facility]* **dispensary**.

30 (5) If a person submits the application required under subsection (2) of this section, **if** the med-

31 ical marijuana *[facility]* **dispensary** identified in the application meets the *[qualifications for a med-*

32 *ical marijuana facility described in subsection (3) of this section and the person responsible for the*

33 *medical marijuana facility]* **requirements of this section and any rules adopted under this sec-**

34 **tion and if each individual named in the application** passes the criminal records check required

35 **under subsection (4) of this section, the authority shall register the medical marijuana [facility]**

36 **dispensary** and issue *[the person responsible for the medical marijuana facility]* proof of registration.

37 *[The person responsible for the medical marijuana facility shall display the]* Proof of registration

38 **must be displayed** on the premises of the medical marijuana *[facility at all times when usable*

39 *marijuana or immature marijuana plants are being transferred as described in subsection (1) of this*

40 *section]* **dispensary at all times.**

41 **(6) A medical marijuana dispensary that is registered under this section is not required**

42 **to register with the State Board of Pharmacy under ORS 475.125.**

43 *[(6)(a) A registered medical marijuana facility may receive usable marijuana or immature*

44 *marijuana plants only from a registry identification cardholder, designated primary caregiver or person*

45 *responsible for a marijuana grow site if the registered medical marijuana facility obtains authorization,*

1 on a form prescribed by the authority by rule and signed by a registry identification cardholder, to
2 receive the usable marijuana or immature marijuana plants.]

3 [(b) A registered medical marijuana facility shall maintain:]

4 [(A) A copy of each authorization form described in paragraph (a) of this subsection; and]

5 [(B) Documentation of each transfer of usable marijuana or immature marijuana plants.]

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

9 [(7) A medical marijuana facility registered under this section may possess usable marijuana and
10 immature marijuana plants in excess of the limits imposed on registry identification cardholders and
11 designated primary caregivers under ORS 475.320.]

12 [(8)(a) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused
13 product that is meant to be swallowed or inhaled, unless the product is packaged in child-resistant
14 safety packaging that meets standards established by the authority by rule.]

15 [(b) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-infused
16 product that is manufactured or packaged in a manner that is attractive to minors, as determined by
17 the authority by rule.]

18 [(9)] **(8)** The authority may inspect:

19 [(a) The premises of an applicant for a medical marijuana facility or a registered medical
20 marijuana facility to ensure compliance with the qualifications for a medical marijuana facility de-
21 scribed in subsection (3) of this section; and]

22 **(a) The premises of a proposed medical marijuana dispensary or a registered medical**
23 **marijuana dispensary to ensure compliance with this section and section 86b of this 2015 Act**
24 **and any rules adopted under this section or section 86b of this 2015 Act; and**

25 (b) The records of a registered medical marijuana [facility] **dispensary** to ensure compliance
26 with subsection [(6)(b)] **(7)** of this section.

27 [(10)(a) A registry identification cardholder or the designated primary caregiver of a registry
28 identification cardholder may reimburse a medical marijuana facility registered under this section for
29 the normal and customary costs of doing business, including costs related to transferring, handling,
30 securing, insuring, testing, packaging and processing usable marijuana and immature marijuana plants
31 and the cost of supplies, utilities and rent or mortgage.]

32 [(b) A medical marijuana facility may reimburse a person responsible for a marijuana grow site
33 under this section for the normal and customary costs of doing business, including costs related to
34 transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and
35 immature marijuana plants and the cost of supplies, utilities and rent or mortgage.]

36 [(11) the authority may revoke the registration of a medical marijuana facility registered under this
37 section for failure to comply with ORS 475.300 to 475.346, rules adopted under ORS 475.300 to 475.346
38 or ordinances adopted pursuant to section 2, chapter 79, Oregon Laws 2014. The authority may release
39 to the public a final order revoking a medical marijuana facility registration.]

40 **(9) Subject to the provisions of ORS chapter 183, the authority may refuse to register an**
41 **applicant under this section or may suspend or revoke the registration of a medical**
42 **marijuana dispensary if the authority determines that the applicant, the owner of the med-**
43 **ical marijuana dispensary, a person responsible for the medical marijuana dispensary, or an**
44 **employee of the medical marijuana dispensary, violated a provision of ORS 475.300 to 475.346,**
45 **a rule adopted under ORS 475.300 to 475.346 or an ordinance adopted pursuant to section 2,**

1 **chapter 79, Oregon Laws 2014.**

2 [(12)] (10) The authority shall adopt rules to implement this section, including rules that:

3 (a) Require a **registered** medical marijuana [*facility registered under this section*] **dispensary** to
4 annually renew [*that registration; and*] **the registration for that dispensary;**

5 (b) Establish fees for registering, and renewing **the registration** [*for*] **of, a medical marijuana**
6 [*facility under this section.*] **dispensary;**

7 (c) **Require that each medical marijuana dispensary install and maintain a minimum se-**
8 **curity system that includes video surveillance, an alarm system and a safe;**

9 (d) **Require that usable marijuana, medical cannabinoid products, cannabinoid concen-**
10 **trates, cannabinoid extracts and immature marijuana plants transferred by a medical**
11 **marijuana dispensary be tested to ensure the public health and safety; and**

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

14 **SECTION 86a.** If a school described in ORS 475.314 (3)(d) that has not previously been
15 attended by children is established within 1,000 feet of a medical marijuana dispensary, the
16 medical marijuana dispensary may remain at its current location unless the Oregon Health
17 Authority revokes the registration of the medical marijuana dispensary.

18 **SECTION 86b.** (1) The Oregon Health Authority shall require by rule a medical marijuana
19 dispensary to submit to the authority for inclusion in the database developed and maintained
20 pursuant to section 85e of this 2015 Act the following information:

21 (a) The amount of usable marijuana transferred to and by the medical marijuana
22 dispensary;

23 (b) The amount and type of medical cannabinoid products transferred to and by the
24 medical marijuana dispensary;

25 (c) The amount and type of cannabinoid concentrates transferred to and by the medical
26 marijuana dispensary;

27 (d) The amount and type of cannabinoid extracts transferred to and by the medical
28 marijuana dispensary; and

29 (e) The quantity of immature marijuana plants transferred to and by the medical
30 marijuana dispensary.

31 (2) The authority by rule may require a medical marijuana dispensary to submit to the
32 authority for inclusion in the database developed and maintained pursuant to section 85e of
33 this 2015 Act information that is in addition to the information described in subsection (1)
34 of this section as the authority considers necessary to fulfill the authority's duties under
35 ORS 475.314 (1). The authority may not employ any method other than that described in this
36 section to obtain information from a medical marijuana dispensary.

37
38 (Designation, Assignment and Foreclosure)

39
40 **SECTION 86c.** (1) A person responsible for a marijuana processing site, or a person re-
41 sponsible for a medical marijuana dispensary, may designate that responsibility to another
42 person.

43 (2) If a designation is made under this section, the designee must submit to the Oregon
44 Health Authority proof that the designee meets the requirements and restrictions set forth
45 in:

- 1 (a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or
- 2 (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).
- 3 (3) The authority may prescribe the form and manner of submitting proof under sub-
- 4 section (2) of this section.

5 **SECTION 86d.** (1) A person responsible for a marijuana processing site, or a person re-

6 sponsible for a medical marijuana dispensary, may assign that responsibility to another per-

7 son.

8 (2) If an assignment is made under this section, the assignee must submit to the Oregon

9 Health Authority proof that the assignee meets the requirements and restrictions set forth

10 in:

- 11 (a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or
- 12 (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).
- 13 (3) The authority may prescribe the form and manner of submitting proof under sub-
- 14 section (2) of this section.

15 **SECTION 86e.** (1) In the event that a marijuana processing site or a medical marijuana

16 dispensary is foreclosed or otherwise ceases operations as described in ORS chapter 79, a

17 secured party, as defined in ORS 79.0102, may continue operations at the marijuana pro-

18 cessing site or medical marijuana dispensary upon submitting to the Oregon Health Author-

19 ity proof that the secured party or, if the secured party is a business entity, any individual

20 who has a financial interest in the secured party, meets the requirements and restrictions

21 set forth in:

- 22 (a) For marijuana processing sites, section 85 (2)(d) and (4) of this 2015 Act; or
- 23 (b) For medical marijuana dispensaries, ORS 475.314 (2)(d) and (4).
- 24 (2) The authority may prescribe the form and manner of submitting proof under sub-
- 25 section (1) of this section.

26

27 (Exemptions from Criminal Liability

28 and Affirmative Defense)

29

30 **SECTION 87.** Except as provided in ORS 475.316, a person engaged in or assisting in the

31 medical use of marijuana is exempt from the criminal laws of this state for possession, de-

32 livery or manufacture of marijuana, aiding and abetting another in the possession, delivery

33 or manufacture of marijuana, or any other criminal offense in which possession, delivery or

34 manufacture of marijuana is an element if:

- 35 (1) The person holds a registry identification card.
- 36 (2) The person has applied for a registry identification card under ORS 475.309 and the
- 37 person has proof of written documentation described in ORS 475.309 (2)(a) and proof of the
- 38 date on which the person submitted the application to the Oregon Health Authority. An ex-
- 39 emption under this subsection applies only until the authority approves or denies the appli-
- 40 cation.
- 41 (3) The person is designated as a primary caregiver under ORS 475.312.
- 42 (4) The person is responsible for or is employed by a marijuana grow site registered un-
- 43 der ORS 475.304.
- 44 (5) The person owns, is responsible for, or is employed by, a marijuana processing site.
- 45 (6) The person owns, is responsible for, or is employed by, a medical marijuana

1 **dispensary.**

2 **SECTION 87a.** ORS 475.319 is amended to read:

3 475.319. (1) Except as provided in ORS 475.316 [*and 475.342, it is*], **a person has** an affirmative
4 defense to a criminal charge of possession [*or production*], **delivery or manufacture** of marijuana,
5 or any other criminal offense in which possession [*or production*], **delivery or manufacture** of
6 marijuana is an element, [*that*] **if** the person charged with the offense [*is a person who*]:

7 (a) [*Has been*] **Was** diagnosed with a debilitating medical condition within 12 months [*prior to*
8 *arrest and been*] **of the date on which the person was arrested and was** advised by the person's
9 attending physician that the medical use of marijuana may mitigate the symptoms or effects of that
10 debilitating medical condition;

11 (b) Is engaged in the medical use of marijuana; and

12 (c) Possesses [*or produces*], **delivers or manufactures** marijuana only in [*amounts*] **quantities**
13 permitted under ORS 475.320.

14 (2) [*It is not necessary for a person asserting an affirmative defense pursuant to this section to have*
15 *received*] **A person does not need to lawfully possess** a registry identification card [*in order*] to
16 assert the affirmative defense established in this section.

17 (3) [*No*] **A** person engaged in the medical use of marijuana who claims that marijuana provides
18 medically necessary benefits and who is charged with a crime pertaining to [*such*] **the** use of
19 marijuana [*shall be*] **is not** precluded from presenting a defense of choice of evils, as set forth in
20 ORS 161.200, or from presenting evidence supporting the necessity of marijuana for treatment of a
21 specific disease or medical condition, provided that [*the amount of marijuana at issue is no greater*
22 *than permitted under ORS 475.320 and the patient*]:

23 (a) **The person possesses, delivers or manufactures marijuana only as permitted under**
24 **ORS 475.320 (1); and**

25 (b) **The person** has taken a substantial step [*to comply*] **toward complying** with the provisions
26 of ORS 475.300 to 475.346.

27 (4) [*Any*] **A** defendant proposing to use the affirmative defense [*provided for by*] **established in**
28 this section in a criminal action shall, not less than five days before the trial of the cause, file and
29 serve upon the district attorney a written notice of the intention to [*offer such a*] **assert the affir-**
30 **mativ**e defense [*that*]. **The notice must** specifically [*states*] **state** the reasons why the defendant is
31 entitled to assert **the affirmative defense** and the factual basis for [*such*] **the** affirmative defense.
32 If the defendant fails to file and serve [*such*] **the** notice, the defendant is not permitted to assert the
33 affirmative defense at the trial of the cause unless the court [*for good cause*] orders, **for good cause,**
34 otherwise.

35 **SECTION 87b.** ORS 475.316 is amended to read:

36 475.316. [(1) *No person authorized to possess, deliver or produce marijuana for medical use pur-*
37 *suant to ORS 475.300 to 475.346 shall be excepted from the criminal laws of this state or shall be*
38 *deemed to have established an affirmative defense to criminal charges of which possession, delivery or*
39 *production of marijuana is an element if the person, in connection with the facts giving rise to such*
40 *charges:*] **A person is not exempt from the criminal laws of this state for possession, delivery or**
41 **or manufacture of marijuana, aiding and abetting another in the possession, delivery or**
42 **manufacture of marijuana, or any other criminal offense in which possession, delivery or**
43 **manufacture of marijuana is an element, and the person may not assert the affirmative de-**
44 **fense established in ORS 475.319, if the person, in connection with conduct constituting an**
45 **element of the offense:**

1 [(a)] (1) Drives under the influence of marijuana as provided in ORS 813.010;

2 [(b)] (2) Engages in the medical use of marijuana in a public place, as [that term is] defined in
3 ORS 161.015, [or] in public view or in a correctional facility, as defined in ORS 162.135 (2), or a
4 youth correction facility, as defined in ORS 162.135 (6); or

5 [(c)] (3) Delivers marijuana to any individual who the person knows is not in possession of a
6 registry identification card[;] or to any individual or entity that the person knows has not been
7 designated to receive marijuana or assigned a possessory interest in marijuana by an indi-
8 vidual in possession of a registry identification card.

9 [(d) Delivers marijuana for consideration to any individual, even if the individual is in possession
10 of a registry identification card;]

11 [(e) Manufactures or produces marijuana at a place other than a marijuana grow site authorized
12 under ORS 475.304; or]

13 [(f) Manufactures or produces marijuana at more than one address.]

14 [(2) In addition to any other penalty allowed by law, a person who the Oregon Health Authority
15 finds has willfully violated the provisions of ORS 475.300 to 475.346, or rules adopted under ORS
16 475.300 to 475.346, may be precluded from obtaining or using a registry identification card for the
17 medical use of marijuana for a period of up to six months, at the discretion of the authority.]

18
19 (General Powers)

20
21 **SECTION 88.** (1) In addition to any other liability or penalty provided by law, the Oregon
22 Health Authority may impose for each violation of a provision of ORS 475.300 to 475.346, or
23 for each violation of a rule adopted under a provision of ORS 475.300 to 475.346, a civil penalty
24 that does not exceed \$500 for each day that the violation occurs.

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

27 (3) All moneys collected pursuant to this section shall be deposited in the Oregon Health
28 Authority Fund established under ORS 413.101 and are continuously appropriated to the au-
29 thority for the purpose of carrying out the duties, functions and powers of the authority
30 under ORS 475.300 to 475.346.

31 **SECTION 88a.** Upon request the State Department of Agriculture and the Oregon Liquor
32 Control Commission, pursuant to an agreement or otherwise, shall assist the Oregon Health
33 Authority in implementing and enforcing the provisions of ORS 475.300 to 475.346 and rules
34 adopted under the provisions of ORS 475.300 to 475.346.

35 **SECTION 88b.** The Oregon Health Authority, the State Department of Agriculture and
36 the Oregon Liquor Control Commission may possess, seize or dispose of marijuana, usable
37 marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts
38 as is necessary for the authority to ensure compliance with and enforce the provisions of
39 ORS 475.300 to 475.346 and any rule adopted under ORS 475.300 to 475.346.

40
41 (Exemption from Civil Liability)

42
43 **SECTION 88c.** The Oregon Health Authority, the State Department of Agriculture and
44 the Oregon Liquor Control Commission, and the officers, employees and agents of the au-
45 thority, department and commission, are immune from any cause of action for the per-

1 formance of, or the failure to perform, duties required by ORS 475.300 to 475.346.

2
3
4

(Confidentiality)

5 **SECTION 88d.** (1) Any personally identifiable information, as defined in ORS 432.005,
6 other than a name of an individual or an address submitted with an application under ORS
7 475.314 or section 85 of this 2015 Act, that the Oregon Health Authority collects and main-
8 tains for purposes of registering a marijuana grow site under ORS 475.304, a marijuana pro-
9 cessing site under section 85 of this 2015 Act, or a medical marijuana dispensary under ORS
10 475.314, is confidential and not subject to public disclosure under ORS 192.410 to 192.505, ex-
11 cept that the authority may provide personally identifiable information to a person registered
12 under ORS 475.300 to 475.346 if the registrant requests the information and the information
13 is related to a designation made under ORS 475.300 to 475.346.

14 (2) Any personally identifiable information, as defined in ORS 432.005, submitted to the
15 authority under section 81a, 85b or 86b of this 2015 Act or pursuant to section 85e of this 2015
16 Act is confidential and not subject to public disclosure under ORS 192.410 to 192.505.

17 (3) Any record that the authority keeps or maintains for purposes related to the instal-
18 lation or maintenance of a security system by a medical marijuana dispensary pursuant to
19 rules adopted under ORS 475.314 (10) is confidential and not subject to public disclosure under
20 ORS 192.410 to 192.505.

21 **SECTION 88e.** Notwithstanding section 88d of this 2015 Act, if the Oregon Health Au-
22 thority suspends or revokes the registration of the marijuana grow site of a person desig-
23 nated to produce marijuana by a registry identification cardholder, a marijuana processing
24 site or a medical marijuana dispensary, or otherwise takes disciplinary action against the
25 marijuana grow site of a person designated to produce marijuana by a registry identification
26 cardholder, a marijuana processing site or a medical marijuana dispensary, the authority
27 shall provide that information to a law enforcement agency.

28
29
30

(Seeds)

31 **SECTION 88f.** (1) For purposes of ORS 475.300 to 475.346, seeds of the plant Cannabis
32 family Cannabaceae are a propagant of nursery stock as defined in ORS 571.005.

33 (2) Notwithstanding subsection (1) of this section, the production and processing of seeds
34 under ORS 475.300 to 475.346 is not subject to the labeling or other requirements of ORS
35 576.715 to 576.744 or 633.511 to 633.750.

36
37
38

(Ordinances)

39 **SECTION 89.** Section 2, chapter 79, Oregon Laws 2014, is amended to read:

40 **Sec. 2.** *[Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordi-*
41 *nances that impose reasonable regulations on the operation of medical marijuana facilities registered,*
42 *or applying for registration, under ORS 475.314 that are located in the area subject to the jurisdiction*
43 *of the city or county. For purposes of this section, "reasonable regulations" includes reasonable limi-*
44 *tations on the hours during which a medical marijuana facility may be operated, reasonable limitations*
45 *on where a medical marijuana facility may be located within a zone described in ORS 475.314 (3)(a)*

1 *and reasonable conditions on the manner in which a medical marijuana facility may dispense medical*
2 *marijuana.]*

3 (1) For purposes of this section, "reasonable regulations" includes:

4 (a) Reasonable limitations on the hours during which the marijuana grow site of a person
5 designated to produce marijuana by a registry identification cardholder, a marijuana pro-
6 cessing site or a medical marijuana dispensary may operate;

7 (b) Reasonable conditions on the manner in which a marijuana processing site or medical
8 marijuana dispensary may transfer usable marijuana, medical cannabinoid products,
9 cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds;

10 (c) Reasonable requirements related to the public's access to the marijuana grow site of
11 a person designated to produce marijuana by a registry identification cardholder, a marijuana
12 processing site or a medical marijuana dispensary; and

13 (d) Reasonable limitations on where the marijuana grow site of a person designated to
14 produce marijuana by a registry identification cardholder, a marijuana processing site or a
15 medical marijuana dispensary may be located.

16 (2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordi-
17 nances that impose reasonable regulations on the operation of marijuana grow sites of per-
18 sons designated to produce marijuana by registry identification cardholders, marijuana
19 processing sites and medical marijuana dispensaries that are located in the area subject to
20 the jurisdiction of the city or county.

21
22 (Other Amendments)

23
24 **SECTION 90.** ORS 475.300 is amended to read:

25 475.300. The people of the State of Oregon *[hereby]* find that:

26 (1) Patients and doctors have found marijuana to be an effective treatment for suffering caused
27 by debilitating medical conditions[,] and, therefore, marijuana *[should]* **must** be treated like other
28 medicines;

29 (2) Oregonians suffering from debilitating medical conditions should be allowed to use *[small*
30 *amounts of]* marijuana without fear of civil or criminal penalties when *[their doctors advise that such*
31 *use]* **a doctor advises that using marijuana** may provide a medical benefit *[to them]* and when
32 other reasonable restrictions are met regarding that use;

33 (3) ORS 475.300 to 475.346 are intended to allow Oregonians with debilitating medical conditions
34 who may benefit from the medical use of marijuana to be able to *[discuss freely with their]* **freely**
35 **discuss with** doctors the possible risks and benefits *[of]* **associated with the medical use of**
36 marijuana *[use]* and to have the benefit of *[their doctor's]* professional **medical** advice; and

37 (4) ORS 475.300 to 475.346 are intended *[to make only those changes to existing Oregon laws that*
38 *are necessary]* to protect patients and *[their]* doctors from criminal and civil penalties[,] and are not
39 intended to change current civil and criminal laws governing the use of marijuana for nonmedical
40 purposes.

41 **SECTION 90a.** ORS 475.303 is amended to read:

42 475.303. (1) There is *[created]* **established within the Oregon Health Authority** the Advisory
43 Committee on Medical Marijuana *[in the Oregon Health Authority]*, consisting of 11 members ap-
44 pointed by the Director of the Oregon Health Authority.

45 (2) The director shall appoint members of the committee from *[persons who possess registry*

1 *identification cards, designated primary caregivers of persons who possess registry identification cards*
2 *and advocates of the Oregon Medical Marijuana Act.] persons who are knowledgeable about*
3 **marijuana or who are registered with the authority under ORS 475.300 to 475.346 and who**
4 **are advocates for the medical use of marijuana, provided that a majority of the members of**
5 **the committee are registered with the authority under ORS 475.300 to 475.346 and are advo-**
6 **cates for the medical use of marijuana.**

7 (3) The committee shall advise the director on the administrative aspects of [*the Oregon Medical*
8 *Marijuana Program, review current and proposed administrative rules of the program and provide*
9 *annual input on the fee structure of the program.*] **ORS 475.300 to 475.346, including rules and fees**
10 **adopted, and proposed for adoption, under ORS 475.300 to 475.346.**

11 (4) The committee shall meet at least four times per year, at times and places specified by the
12 director.

13 (5) The authority shall provide staff support to the committee.

14 (6) All agencies of state government, as defined in ORS 174.111, are directed to assist the com-
15 mittee in the performance of its duties and, to the extent permitted by laws relating to
16 confidentiality, to furnish information and advice that the members of the committee consider nec-
17 essary to perform their duties.

18 **SECTION 90b.** ORS 475.323 is amended to read:

19 475.323. (1) [*Possession of a registry identification card, designated primary caregiver identification*
20 *card pursuant to ORS 475.309 or proof of registration as a medical marijuana facility under ORS*
21 *475.314]* **Registration under ORS 475.300 to 475.346 or possession of proof of registration under**
22 **ORS 475.300 to 475.346** does not [*alone*] constitute probable cause to search the person or property
23 of the [*cardholder*] **registrant** or otherwise subject the person or property of the [*cardholder*] **reg-**
24 **istrant** to inspection by [*any governmental*] **a government** agency. However, the Oregon Health
25 Authority may inspect a [*medical marijuana facility registered under ORS 475.314*] **marijuana grow**
26 **site registered under ORS 475.304, a marijuana processing site registered under section 85**
27 **of this 2015 Act, or a medical marijuana dispensary registered under ORS 475.314, at any**
28 **reasonable time to determine whether [*the facility*] the person responsible for the marijuana grow**
29 **site, the person responsible for the marijuana processing site, or the person responsible for**
30 **the medical marijuana dispensary, is in compliance with ORS 475.300 to 475.346 and rules**
31 **adopted under ORS 475.300 to 475.346.**

32 (2) Any property interest possessed, owned or used in connection with the medical use of
33 marijuana or acts incidental to the medical use of marijuana that has been seized by state or local
34 law enforcement officers may not be harmed, neglected, injured or destroyed while in the possession
35 of [*any*] **a law enforcement agency[.], except that** a law enforcement agency has no responsibility
36 to maintain live marijuana plants lawfully seized. [*No*] Such property interest may **not** be forfeited
37 under any provision of law providing for the forfeiture of property [*other than as*], **except pursuant**
38 **to a sentence imposed after conviction of a criminal offense. [*Usable*] Marijuana and equipment or**
39 **paraphernalia used to produce, process or administer marijuana that was seized by [*any*] a law**
40 **enforcement [*office*] officer shall be returned immediately [*upon a determination by*] if the district**
41 **attorney in whose county the property was seized, or the district attorney's designee, determines**
42 **that the person from whom the marijuana, equipment or paraphernalia [*used to administer***
43 **marijuana] was seized is entitled to the protections [*contained in*] provided by ORS 475.300 to**
44 **475.346. The determination may be evidenced[, for example,] by a decision not to prosecute, the dis-**
45 **missal of charges or acquittal.**

1 **SECTION 90c.** ORS 475.326 is amended to read:

2 475.326. [No attending physician may be subjected to civil penalty or discipline by the Oregon
3 Medical Board for:] **The Oregon Medical Board may not impose a civil penalty or take other**
4 **disciplinary action against an attending physician for:**

5 (1) Advising a person [whom the attending physician has] diagnosed as having a debilitating
6 medical condition[, or a person who the attending physician knows has been so diagnosed] by **the**
7 **attending physician or** another physician licensed under ORS chapter 677[,] about the risks and
8 benefits [of] **associated with the** medical use of marijuana or that the medical use of marijuana
9 may mitigate the symptoms or effects of the person's debilitating medical condition, provided **that**
10 the advice is based on the attending physician's personal assessment of the person's medical history
11 and current medical condition; or

12 (2) Providing the written documentation necessary for issuance **or renewal** of a registry identification
13 card under ORS 475.309, [if] **provided that the written** documentation is based on the
14 attending physician's personal assessment of the [applicant's] **person's** medical history and current
15 medical condition and the attending physician has discussed **with the person** the potential
16 [medical] risks and benefits [of] **associated with** the medical use of marijuana [with the applicant].

17 **SECTION 90d.** ORS 475.328 is amended to read:

18 475.328. (1) [No] **A** professional licensing board may **not** impose a civil penalty or take other
19 disciplinary action against a licensee based on the licensee's medical use of marijuana [in accordance
20 with] **under** the provisions of ORS 475.300 to 475.346 or actions taken by the licensee [that are
21 necessary to carry out the licensee's role as a designated primary caregiver to a person who possesses
22 a lawful registry identification card] **pursuant to the licensee's designation as a primary**
23 **caregiver under ORS 475.312.**

24 (2)(a) A licensed health care professional may administer medical marijuana to a person who
25 possesses a registry identification card and resides in a licensed health care facility if the adminis-
26 tration of pharmaceuticals is within the scope of practice of the licensed health care professional.
27 Administration of medical marijuana under this subsection may not take place in a public place as
28 defined in ORS 161.015 or in the presence of a person under 18 years of age. If the medical
29 marijuana administered under this subsection is smoked, adequate ventilation must be provided.

30 (b) Nothing in this subsection requires:

31 (A) A licensed health care professional to administer medical marijuana; or

32 (B) A licensed health care facility to make accommodations for the administration of medical
33 marijuana.

34 **SECTION 90e.** ORS 475.331 is amended to read:

35 475.331. (1)(a) The Oregon Health Authority shall [create] **establish** and maintain a list of [the
36 persons to whom the authority has issued registry identification cards, the names of any designated
37 primary caregivers, the names of persons responsible for a medical marijuana facility registered under
38 ORS 475.314, the addresses of authorized marijuana grow sites and the addresses of registered medical
39 marijuana facilities.]:

40 (A) **The names of persons to whom a registry identification card has been issued under**
41 **ORS 475.309;**

42 (B) **The names of persons designated as primary caregivers under ORS 475.312; and**

43 (C) **The addresses of marijuana grow sites registered under ORS 475.304.**

44 (b) Except as provided in subsection (2) of this section, the list [shall be] **is confidential and not**
45 subject to public disclosure **under ORS 192.410 to 192.505.**

1 [(b)] (c) The authority shall develop a system by which authorized employees of state and local
2 law enforcement agencies may verify *[at all times]* that:

3 (A) A person *[is a lawful possessor of]* **lawfully possesses** a registry identification card;

4 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
5 tion card; **or**

6 (C) A location is *[an authorized]* **a registered** marijuana grow site[;].

7 [(D) A location is a registered medical marijuana facility; or]

8 [(E) A person is the person listed as the person responsible for a registered medical marijuana
9 facility.]

10 (2) Names, **addresses** and other identifying information from the list established **and main-**
11 **tained** pursuant to subsection (1) of this section may be released to:

12 (a) Authorized employees of the authority as necessary to perform official duties of the author-
13 ity.

14 (b) Authorized employees of state or local law enforcement agencies[,] who provide to the au-
15 thority adequate identification, *[such as a badge number or similar authentication of authority,]* **but**
16 **only** as necessary to verify that:

17 (A) A person *[is a lawful possessor of]* **lawfully possesses** a registry identification card;

18 (B) A person is the designated primary caregiver of a lawful possessor of a registry identifica-
19 tion card; **or**

20 (C) A location is *[an authorized]* **a registered** marijuana grow site[;].

21 [(D) A location is a registered medical marijuana facility; or]

22 [(E) A person is the person listed as the person responsible for a registered medical marijuana
23 facility.]

24 (3) Authorized employees of state or local law enforcement agencies *[that]* **who** obtain identify-
25 ing information *[from the list]* as authorized *[under]* **by** this section may not release or use the in-
26 formation for any purpose other than *[verification]* **to verify** that:

27 (a) A person *[is a lawful possessor of]* **lawfully possesses** a registry identification card;

28 (b) A person is the designated primary caregiver of a lawful possessor of a registry identification
29 card; **or**

30 (c) A location is *[an authorized]* **a registered** marijuana grow site[;].

31 [(d) A location is a registered medical marijuana facility; or]

32 [(e) A person is the person listed as the person responsible for a registered medical marijuana fa-
33 cility.]

34 (4) **In addition to releasing information to authorized employees of state or local law**
35 **enforcement agencies for purposes of verifying information under subsection (2)(b) of this**
36 **section, the authority may release to authorized employees of state or local law enforcement**
37 **agencies the minimum amount of information necessary to enable an employee to determine**
38 **whether an individual or location is in compliance with a provision of ORS 475.300 to 475.346**
39 **or a rule adopted under ORS 475.300 to 475.346.**

40 (5) **If the authority determines, after conducting an investigation or receiving a com-**
41 **plaint of an alleged violation of a provision of ORS 475.300 to 475.346 or a rule adopted under**
42 **ORS 475.300 to 475.346, that a violation of a provision of ORS 475.300 to 475.346 or a rule**
43 **adopted under ORS 475.300 to 475.346 has occurred, the authority may provide information**
44 **obtained by the authority, except for information related to a registry identification**
45 **cardholder's debilitating condition, to authorized employees of state or local law enforcement**

1 **agencies, or to another state or local government agency with jurisdiction over the matter.**

2 **SECTION 90f.** ORS 475.334 is amended to read:

3 475.334. Any person may *[submit a petition to]* **petition** the Oregon Health Authority
4 *[requesting]* **to request** that a *[particular]* disease or condition be included among the diseases and
5 conditions that qualify as debilitating medical conditions under ORS *[475.302]* **475.300 to 475.346.**
6 The authority shall adopt rules establishing *[the manner in which the authority will evaluate petitions*
7 *submitted under this section]* **the procedure for filing a petition under this section and the**
8 **manner by which the authority evaluates a request made under this section.** *[Any]* Rules
9 adopted *[pursuant to]* **under** this section *[shall]* **must** require the authority to approve or deny a
10 petition within 180 days of *[receipt of]* **receiving** the petition *[by the authority]*. Denial of a petition
11 *[shall be considered]* **is** a final *[authority]* **agency** action subject to judicial review.

12 **SECTION 90g.** ORS 475.338 is amended to read:

13 475.338. (1) The Oregon Health Authority shall adopt *[all]* rules necessary for the implementa-
14 tion, *[and]* administration **and enforcement** of ORS 475.300 to 475.346.

15 (2) **The authority may adopt rules as the authority considers necessary to protect the**
16 **public health and safety.**

17 **SECTION 90h.** ORS 475.340 is amended to read:

18 475.340. Nothing in ORS 475.300 to 475.346 *[shall be construed to require]* **requires:**

19 (1) A government medical assistance program or private health insurer to reimburse a person
20 for costs associated with the medical use of marijuana; or

21 (2) An employer to accommodate the medical use of marijuana in *[any]* **the** workplace.

22 **SECTION 90i.** ORS 475.342 is amended to read:

23 475.342. *[Nothing in]* **The provisions of** ORS 475.300 to 475.346 *[shall protect]* **do not protect**
24 a person from a criminal cause of action based on possession, *[production, or]* delivery **or manu-**
25 **facture** of marijuana that is not *[authorized by]* **described in** ORS 475.300 to 475.346.

26
27 **TESTING**

28 **OPERATIVE JANUARY 1, 2016**

29
30 **SECTION 91.** As used in sections 91 to 99 of this 2015 Act:

31 (1) **“Cannabinoid”** means any of the chemical compounds that are the active constituents
32 of marijuana.

33 (2) **“Cannabinoid concentrate or extract”** means a substance obtained by separating
34 cannabinoids from marijuana by a mechanical, chemical or other process.

35 (3) **“Cannabinoid edible”** means food or potable liquid into which a cannabinoid concen-
36 trate or extract or the dried leaves or flowers of marijuana have been incorporated.

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

40 (b) **“Cannabinoid product”** does not include:

41 (A) Usable marijuana by itself;

42 (B) A cannabinoid concentrate or extract by itself; or

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

44 (5)(a) **“Marijuana”** means the plant Cannabis family Cannabaceae, any part of the plant
45 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

1 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

2 (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a
3 cannabinoid concentrate or extract.

4 (7) "Processing" means the compounding or conversion of marijuana into cannabinoid
5 products or cannabinoid concentrates or extracts.

6 (8) "Producing" means:

7 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

8 (b) Drying marijuana leaves and flowers.

9 (9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

10 (b) "Usable marijuana" does not include:

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

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

13 **SECTION 92.** (1) As is necessary to protect the public health and safety, and in consul-
14 tation with the Oregon Liquor Control Commission and the State Department of Agriculture,
15 the Oregon Health Authority shall adopt rules:

16 (a) Establishing standards for testing marijuana items.

17 (b) Identifying appropriate tests for marijuana items, depending on the type of marijuana
18 item and the manner in which the marijuana item was produced or processed, that are nec-
19 essary to protect the public health and safety, including, but not limited to, tests for:

20 (A) Microbiological contaminants;

21 (B) Pesticides;

22 (C) Other contaminants;

23 (D) Solvents or residual solvents; and

24 (E) Tetrahydrocannabinol and cannabidiol concentration.

25 (c) Establishing procedures for determining batch sizes and for sampling usable
26 marijuana, cannabinoid products and cannabinoid concentrates or extracts.

27 (d) Establishing different minimum standards for different varieties of usable marijuana
28 and different types of cannabinoid products and cannabinoid concentrates and extracts.

29 (2) In addition to the testing requirements established under subsection (1) of this sec-
30 tion, the authority or the commission may require cannabinoid edibles to be tested in ac-
31 cordance with any applicable law of this state, or any applicable rule adopted under a law of
32 this state, related to the production and processing of food products or commodities.

33 (3) In adopting rules under ORS 475.300 to 475.346, the authority may require:

34 (a) A person responsible for a marijuana grow site under ORS 475.304 to test usable
35 marijuana before transferring the usable marijuana to a registrant other than an individual
36 who holds a registry identification card under ORS 475.309; and

37 (b) A person processing marijuana to test cannabinoid products or cannabinoid concen-
38 trates or extracts before transferring the cannabinoid products or cannabinoid concentrates
39 or extracts to a registrant other than an individual who holds a registry identification card
40 under ORS 475.309.

41 (4) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission
42 may require:

43 (a) A marijuana producer that holds a license under section 19, chapter 1, Oregon Laws
44 2015, or a marijuana wholesaler that holds a license under section 21, chapter 1, Oregon Laws
45 2015, to test usable marijuana before selling or transferring the usable marijuana; and

1 (b) A marijuana processor that holds a license under section 20, chapter 1, Oregon Laws
2 2015, or a marijuana wholesaler that holds a license under section 21, chapter 1, Oregon Laws
3 2015, to test cannabinoid products or cannabinoid concentrates or extracts before selling or
4 transferring the cannabinoid products or cannabinoid concentrates or extracts.

5 (5) The authority and the commission may conduct random testing of marijuana items
6 for the purpose of determining whether a person subject to testing under subsection (3) of
7 this section or a licensee subject to testing under subsection (4) of this section is in compli-
8 ance with this section.

9 (6) In adopting rules to implement this section, the authority and commission may not
10 require a marijuana item to undergo the same test more than once unless the marijuana
11 item is processed into a different type of marijuana item or the condition of the marijuana
12 item has fundamentally changed.

13 (7) The testing of marijuana items as required by this section must be conducted by a
14 laboratory licensed by the commission under section 93 of this 2015 Act and accredited by
15 the authority under section 94 of this 2015 Act.

16 (8) In adopting rules under subsection (1) of this section, the authority:

17 (a) Shall consider the cost of a potential testing procedure and how that cost will affect
18 the cost to the ultimate consumer of the marijuana item; and

19 (b) May not adopt rules that are more restrictive than is reasonably necessary to protect
20 the public health and safety.

21 **SECTION 93.** (1) A laboratory that conducts testing of marijuana items as required by
22 section 92 of this 2015 Act must have a license to operate at the premises at which the
23 marijuana items are tested.

24 (2) For purposes of this section, the Oregon Liquor Control Commission shall adopt rules
25 establishing:

26 (a) Qualifications to be licensed under this section, including that an applicant for
27 licensure under this section must be accredited by the authority as described in section 94
28 of this 2015 Act;

29 (b) Processes for applying for and renewing a license under this section;

30 (c) Fees for applying for, receiving and renewing a license under this section; and

31 (d) Procedures for:

32 (A) Tracking usable marijuana, cannabinoid products and cannabinoid concentrates or
33 extracts to be tested;

34 (B) Documenting and reporting test results; and

35 (C) Disposing of samples of usable marijuana, cannabinoid products and cannabinoid
36 concentrates or extracts that have been tested.

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

38 (4) The commission may inspect premises licensed under this section to ensure compli-
39 ance with sections 91 to 99 of this 2015 Act and rules adopted under sections 91 to 99 of this
40 2015 Act.

41 (5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse
42 to issue or renew, or may suspend or revoke, a license issued under this section for violation
43 of:

44 (a) A provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision
45 of sections 91 to 99 of this 2015 Act; or

1 (b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under
2 a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

3 (6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to
4 pay the expenses incurred by the commission under sections 91 to 99 of this 2015 Act.

5 (7) Fee moneys collected under this section shall be deposited in the Marijuana Control
6 and Regulation Fund established under section 32 of this 2015 Act and are continuously ap-
7 propriated to the commission for the purpose of carrying out the duties, functions and pow-
8 ers of the commission under sections 91 to 99 of this 2015 Act.

9 **SECTION 94.** (1) A laboratory that conducts testing of marijuana items as required by
10 section 92 of this 2015 Act must be accredited under ORS 438.605 to 438.620 and meet other
11 qualifications as established by the Oregon Health Authority under this section.

12 (2) In addition to other qualifications required pursuant to ORS 438.605 to 438.620, the
13 authority shall require an applicant for accreditation under ORS 438.605 to 438.620 for pur-
14 poses related to the testing of marijuana items to:

15 (a) Complete an application;

16 (b) Undergo an onsite inspection; and

17 (c) Meet other applicable requirements, specifications and guidelines for testing
18 marijuana items, as determined to be appropriate by the authority by rule.

19 (3) The authority may inspect premises licensed under section 93 of this 2015 Act to en-
20 sure compliance with sections 91 to 99 of this 2015 Act and rules adopted under sections 91
21 to 99 of this 2015 Act.

22 (4) Subject to the applicable provisions of ORS chapter 183, the authority may refuse to
23 issue or renew, or may suspend or revoke, a laboratory's accreditation granted under this
24 section and ORS 438.605 to 438.620 for violation of:

25 (a) A provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision
26 of sections 91 to 99 of this 2015 Act; or

27 (b) A provision of sections 3 to 70, chapter 1, Oregon Laws 2015, or a rule adopted under
28 a provision of sections 3 to 70, chapter 1, Oregon Laws 2015.

29 (5) In establishing fees under ORS 438.620 for laboratories that test marijuana items, the
30 authority shall establish fees that are reasonably calculated to pay the expenses incurred by
31 the authority under this section and ORS 438.605 to 439.620 in accrediting laboratories that
32 test marijuana items.

33 **SECTION 95.** Sections 91 to 99 of this 2015 Act do not apply to:

34 (1) A person responsible for a marijuana grow site under ORS 475.304 if the person is
35 transferring usable marijuana or an immature marijuana plant, as defined in section 5,
36 chapter 1, Oregon Laws 2015, to:

37 (a) A person who holds a registry identification card under ORS 475.309 and who desig-
38 nated the person responsible for the marijuana grow site to grow marijuana for the person
39 who holds a registry identification card; or

40 (b) A person who has been designated as the primary caregiver under ORS 475.312 of a
41 person who holds a registry identification card under ORS 475.309 and who designated the
42 person responsible for the marijuana grow site to grow marijuana for the person who holds
43 a registry identification card; or

44 (2) A person who has been designated as the primary caregiver under ORS 475.312 of a
45 person who holds a registry identification card under ORS 475.309 if the person is trans-

1 ferring a marijuana item to the person who holds a registry identification card.

2 **SECTION 96.** Subject to the applicable provisions of ORS chapter 183, if an applicant or
3 licensee violates a provision of sections 91 to 99 of this 2015 Act or a rule adopted under a
4 provision of sections 91 to 99 of this 2015 Act, the Oregon Liquor Control Commission may
5 refuse to issue or renew, or may suspend or revoke, a license issued under section 19, 20,
6 21 or 22, chapter 1, Oregon Laws 2015.

7 **SECTION 97.** Subject to the applicable provisions of ORS chapter 183, if a person violates
8 a provision of sections 91 to 99 of this 2015 Act or a rule adopted under a provision of
9 sections 91 to 99 of this 2015 Act, the Oregon Health Authority may:

10 (1) Refuse to register the person under ORS 475.300 to 475.346;

11 (2) Suspend activities conducted by a registrant pursuant to ORS 475.300 to 475.346; or

12 (3) Remove a registrant from a registry kept pursuant to ORS 475.300 to 475.346.

13 **SECTION 98.** (1) In addition to any other liability or penalty provided by law, the Oregon
14 Health Authority may impose for each violation of a provision of sections 91 to 99 of this 2015
15 Act, or a rule adopted under a provision of sections 91 to 99 of this 2015 Act, a civil penalty
16 that does not exceed \$500 for each day that the violation occurs.

17 (2) The authority shall impose civil penalties under this section in the manner provided
18 by ORS 183.745.

19 (3) Moneys collected under this section shall be deposited in the Oregon Health Authority
20 Fund established under ORS 413.101 and are continuously appropriated to the authority for
21 the purpose of carrying out the duties, functions and powers of the authority under sections
22 91 to 99 of this 2015 Act.

23 **SECTION 99.** A person who holds a license under section 93 of this 2015 Act, and an
24 employee of or other person who performs work for a person who holds a license under
25 section 93 of this 2015 Act, are exempt from the criminal laws of this state for possession,
26 delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery
27 or manufacture of marijuana, or any other criminal offense in which possession, delivery or
28 manufacture of marijuana is an element, while performing activities related to testing as
29 described in sections 91 to 99 of this 2015 Act.

30
31 **PACKAGING, LABELING AND DOSAGE**
32 **OPERATIVE JANUARY 1, 2016**

33
34 **SECTION 100.** As used in sections 100 to 112 of this 2015 Act:

35 (1) "Cannabinoid" means any of the chemical compounds that are the active constituents
36 of marijuana.

37 (2) "Cannabinoid concentrate or extract" means a substance obtained by separating
38 cannabinoids from marijuana by a mechanical, chemical or other process.

39 (3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concen-
40 trate or extract or the dried leaves or flowers of marijuana have been incorporated.

41 (4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended
42 for human consumption or use, including a product intended to be applied to a person's skin
43 or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

44 (b) "Cannabinoid product" does not include:

45 (A) Usable marijuana by itself;

1 (B) A cannabinoid concentrate or extract by itself; or

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

3 (5)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant
4 Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

5 (b) "Marijuana" does not include industrial hemp, as defined in ORS 571.300.

6 (6) "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a
7 cannabinoid concentrate or extract.

8 (7) "Processing" means the compounding or conversion of marijuana into cannabinoid
9 products or cannabinoid concentrates or extracts.

10 (8) "Producing" means:

11 (a) Planting, cultivating, growing, trimming or harvesting marijuana; or

12 (b) Drying marijuana leaves and flowers.

13 (9)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

14 (b) "Usable marijuana" does not include:

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

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

17 **SECTION 101.** (1) As is necessary to protect the public health and safety, and in consul-
18 tation with the Oregon Liquor Control Commission and the State Department of Agriculture,
19 the Oregon Health Authority shall adopt rules establishing standards for the labeling of
20 marijuana items, including but not limited to:

21 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid
22 edibles and other cannabinoid products have labeling that communicates:

23 (A) Health and safety warnings;

24 (B) Activation time;

25 (C) Results of tests conducted pursuant to sections 91 to 99 of this 2015 Act;

26 (D) Potency;

27 (E) For cannabinoid products and cannabinoid concentrates and extracts, serving size
28 and the number of servings included in a cannabinoid product or cannabinoid concentrate
29 or extract package; and

30 (F) Content of the marijuana item; and

31 (b) Labeling that is in accordance with applicable state food labeling requirements for the
32 same type of food product or potable liquid when the food product or potable liquid does not
33 contain marijuana or cannabinoids.

34 (2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable
35 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by
36 a medical marijuana dispensary registered under ORS 475.314 to be labeled in accordance
37 with subsection (1) of this section and rules adopted under subsection (1) of this section.

38 (3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission
39 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
40 extracts sold or transferred by a marijuana retailer that holds a license under section 22,
41 chapter 1, Oregon Laws 2015, to be labeled in accordance with subsection (1) of this section
42 and rules adopted under subsection (1) of this section.

43 (4) In adopting rules under subsection (1) of this section, the authority:

44 (a) May establish different labeling standards for different varieties of usable marijuana
45 and for different types of cannabinoid products and cannabinoid concentrates and extracts;

1 (b) May establish different minimum labeling standards for persons registered under ORS
2 475.300 to 475.346 and persons licensed under sections 3 to 70, chapter 1, Oregon Laws 2015;

3 (c) Shall consider the cost of a potential requirement and how that cost will affect the
4 cost to the ultimate consumer of the marijuana item; and

5 (d) May not adopt rules that are more restrictive than is reasonably necessary to protect
6 the public health and safety.

7 **SECTION 102.** (1) As used in this section:

8 (a) "Licensee" has the meaning given that term in section 5, chapter 1, Oregon Laws
9 2015.

10 (b) "Registrant" means a person registered under ORS 475.300 to 475.346.

11 (2) The Oregon Liquor Control Commission may by rule require a licensee, and the
12 Oregon Health Authority may by rule require a registrant, to submit a label intended for use
13 on a marijuana item for preapproval by the commission before the licensee or registrant may
14 sell or transfer a marijuana item bearing the label. The commission shall determine whether
15 a label submitted under this section complies with section 101 of this 2015 Act and any rule
16 adopted under section 101 of this 2015 Act.

17 (3) The commission may impose a fee for submitting a label for preapproval under this
18 section that is reasonably calculated to not exceed the cost of administering this section.

19 **SECTION 103.** (1) As is necessary to protect the public health and safety, and in consul-
20 tation with the Oregon Health Authority and the State Department of Agriculture, the
21 Oregon Liquor Control Commission shall adopt rules establishing standards for the packag-
22 ing of marijuana items, including but not limited to:

23 (a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid
24 edibles and other cannabinoid products are:

25 (A) Packaged in child-resistant safety packaging; and

26 (B) Not marketed in a manner that:

27 (i) Is untruthful or misleading;

28 (ii) Is attractive to minors; or

29 (iii) Otherwise creates a significant risk of harm to public health and safety; and

30 (b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged
31 in a manner that is attractive to minors.

32 (2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable
33 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by
34 a medical marijuana dispensary registered under ORS 475.314 to be packaged in accordance
35 with subsection (1) of this section and rules adopted under subsection (1) of this section.

36 (3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the commission
37 shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and
38 extracts sold or transferred by a marijuana retailer that holds a license under section 22,
39 chapter 1, Oregon Laws 2015, to be packaged in accordance with subsection (1) of this section
40 and rules adopted under subsection (1) of this section.

41 (4) In adopting rules under subsection (1) of this section the commission:

42 (a) May establish different packaging standards for different varieties of usable
43 marijuana and for different types of cannabinoid products and cannabinoid concentrates and
44 extracts;

45 (b) May establish different minimum packaging standards for persons registered under

1 ORS 475.300 to 475.346 and persons licensed under sections 3 to 70, chapter 1, Oregon Laws
2 2015;

3 (c) May consider the effect on the environment of requiring certain packaging;

4 (d) Shall consider the cost of a potential requirement and how that cost will affect the
5 cost to the ultimate consumer of the marijuana item; and

6 (e) May not adopt rules that are more restrictive than is reasonably necessary to protect
7 the public health and safety.

8 SECTION 104. (1) As used in this section:

9 (a) "Licensee" has the meaning given that term in section 5, chapter 1, Oregon Laws
10 2015.

11 (b) "Registrant" means a person registered under ORS 475.300 to 475.346.

12 (2) The Oregon Liquor Control Commission may by rule require a licensee, and the
13 Oregon Health Authority may by rule require a registrant, to submit packaging intended for
14 a marijuana item for preapproval by the commission before the licensee or registrant may
15 sell or transfer a marijuana item packaged in the packaging. The commission shall deter-
16 mine whether packaging submitted under this section complies with section 103 of this 2015
17 Act and any rule adopted under section 103 of this 2015 Act.

18 (3) The commission may impose a fee for submitting packaging for preapproval under
19 this section that is reasonably calculated to not exceed the cost of administering this section.

20 SECTION 105. (1) The Oregon Health Authority shall adopt rules establishing:

21 (a) The maximum concentration of tetrahydrocannabinol that is permitted in a single
22 serving of a cannabinoid product or cannabinoid concentrate or extract; and

23 (b) The number of servings that are permitted in a cannabinoid product or cannabinoid
24 concentrate or extract package.

25 (2) In adopting rules under ORS 475.300 to 475.346, the authority shall require all usable
26 marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by
27 a medical marijuana dispensary registered under ORS 475.314 to meet the concentration
28 standards adopted by rule pursuant to subsection (1) of this section.

29 (3) In adopting rules under sections 3 to 70, chapter 1, Oregon Laws 2015, the Oregon
30 Liquor Control Commission shall require all usable marijuana, cannabinoid products and
31 cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds
32 a license under section 22, chapter 1, Oregon Laws 2015, to meet the concentration standards
33 adopted by rule pursuant to subsection (1) of this section.

34 SECTION 106. Sections 100 to 112 of this 2015 Act do not apply to:

35 (1) A person responsible for a marijuana grow site under ORS 475.304 if the person is
36 transferring usable marijuana or an immature marijuana plant, as defined in section 5,
37 chapter 1, Oregon Laws 2015, to:

38 (a) A person who holds a registry identification card under ORS 475.309 and who desig-
39 nated the person responsible for the marijuana grow site to grow marijuana for the person
40 who holds a registry identification card; or

41 (b) A person who has been designated as the primary caregiver under ORS 475.312 of a
42 person who holds a registry identification card under ORS 475.309, and who designated the
43 person responsible for the marijuana grow site to grow marijuana for the person who holds
44 a registry identification card; or

45 (2) A person who has been designated as the primary caregiver under ORS 475.312 of a

1 person who holds a registry identification card under ORS 475.309 if the person is trans-
2 ferring a marijuana item to the person who holds a registry identification card.

3 SECTION 107. To ensure compliance with sections 100 to 112 of this 2015 Act and any rule
4 adopted under sections 100 to 112 of this 2015 Act, the Oregon Health Authority may inspect
5 the premises of:

6 (1) A medical marijuana dispensary registered under ORS 475.314; and

7 (2) A person that processes marijuana to test cannabinoid products or cannabinoid con-
8 centrates or extracts for the purpose of transferring the cannabinoid products or
9 cannabinoid concentrates or extracts to a medical marijuana dispensary registered under
10 ORS 475.314.

11 SECTION 108. To ensure compliance with sections 100 to 112 of this 2015 Act and any rule
12 adopted under sections 100 to 112 of this 2015 Act, the Oregon Liquor Control Commission
13 may inspect the premises of a person that holds a license under section 19, 20, 21 or 22,
14 chapter 1, Oregon Laws 2015.

15 SECTION 109. Subject to the applicable provisions of ORS chapter 183, if a person violates
16 a provision of sections 100 to 112 of this 2015 Act or a rule adopted under a provision of
17 sections 100 to 112 of this 2015 Act, the Oregon Health Authority may:

18 (1) Refuse to register a person under ORS 475.300 to 475.346;

19 (2) Suspend activities conducted by a registrant pursuant to ORS 475.300 to 475.346; or

20 (3) Remove a registrant from a registry kept pursuant to ORS 475.300 to 475.346.

21 SECTION 110. Subject to the applicable provisions of ORS chapter 183, if the applicant
22 or licensee violates a provision of sections 100 to 112 of this 2015 Act or a rule adopted under
23 a provision of sections 100 to 112 of this 2015 Act, the Oregon Liquor Control Commission
24 may refuse to issue or renew, or may suspend or revoke, a license issued under section 19,
25 20, 21 or 22, chapter 1, Oregon Laws 2015.

26 SECTION 111. (1) In addition to any other liability or penalty provided by law, the Oregon
27 Health Authority may impose for each violation of a provision of sections 100 to 112 of this
28 2015 Act, or a rule adopted under a provision of sections 100 to 112 of this 2015 Act, a civil
29 penalty that does not exceed \$500 for each day that the violation occurs.

30 (2) The authority shall impose civil penalties under this subsection in the manner pro-
31 vided by ORS 183.745.

32 (3) Moneys collected under this section shall be deposited in the Oregon Health Authority
33 Fund established under ORS 413.101 and are continuously appropriated to the authority for
34 the purpose of carrying out the duties, functions and powers of the authority under sections
35 100 to 112 of this 2015 Act.

36 SECTION 112. The rules of the Oregon Health Authority adopted under ORS 475.314 (8)
37 as that statute was in effect before the operative date specified in section 178 of this 2015
38 Act continue in effect until superseded or repealed by rules of the authority or of the com-
39 mission adopted under sections 100 to 112 of this 2015 Act.

40
41 **RESEARCH CERTIFICATE**
42 **OPERATIVE NOVEMBER 15, 2015**

43
44 SECTION 113. (1) The Oregon Liquor Control Commission, in consultation with the
45 Oregon Health Authority and the State Department of Agriculture, shall establish a program

1 for the purpose of identifying and certifying private and public researchers of cannabis.

2 (2)(a) The authority shall assist the commission in identifying candidates for certification
3 under this section with respect to potential medical research.

4 (b) The department shall assist the commission in identifying candidates for certification
5 under this section with respect to potential agricultural research.

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

7 (a) Qualifications for certification under this section;

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

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

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

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

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

17 (a) A research applicant's access to funding and the overall cost of the proposed re-
18 search;

19 (b) The overall benefit of an applicant's proposed research to this state's cannabis in-
20 dustry or to public health and safety; and

21 (c) Legal barriers to conducting the proposed research or legal risks associated with
22 conducting the proposed research.

23 (5) A person certified under this section:

24 (a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concen-
25 trates and cannabinoid extracts from a licensee or a registrant under ORS 475.300 to 475.346;
26 and

27 (b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid pro-
28 ducts, cannabinoid concentrates or cannabinoid extracts to any other person, except as pro-
29 vided in rules adopted by the commission under subsection (3)(e) of this section.

30 (6) Except as otherwise provided by the commission by rule, rules adopted by the com-
31 mission for the purpose of administering and enforcing sections 3 to 70, chapter 1, Oregon
32 Laws 2015, with respect to licensees and licensee representatives apply to persons certified
33 under this section and persons employed by or who otherwise perform work for persons
34 certified under this section.

35 (7) A person who is certified under this section, and an employee of or other person who
36 performs work for a person certified under this section, is exempt from the criminal laws
37 of this state for possession, delivery or manufacture of marijuana, aiding and abetting an-
38 other in the possession, delivery and manufacture of marijuana, or any other criminal of-
39 fense in which possession, delivery or manufacture of marijuana is an element, while
40 performing activities related to conducting research as described in this section.

41
42 **CANNABINOID EDIBLES**
43 **OPERATIVE JANUARY 1, 2016**
44

45 **SECTION 114.** (1) Notwithstanding the authority granted to the State Department of

1 Agriculture under ORS chapters 571, 618 and 633 and ORS 632.206 to 632.260, 632.275 to
2 632.290, 632.450 to 632.490, 632.516 to 632.625, 632.705 to 632.815, 632.835 to 632.850 and 632.900
3 to 632.985, the department may not exercise authority over marijuana items or a licensee,
4 except that ORS 618.121 to 618.161, 618.991, 618.995, 633.311 to 633.479, 633.992 and 633.994 apply
5 to marijuana items or to a licensee.

6 (2) In exercising its authority under ORS chapter 616, the department may not:

7 (a) Establish standards for marijuana as a food additive, as defined in ORS 616.205;

8 (b) Consider marijuana to be an adulterant, unless the concentration of a cannabinoid in
9 a cannabinoid product, cannabinoid concentrate or cannabinoid extract exceeds acceptable
10 levels established by the Oregon Health Authority by rule; or

11 (c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles or enforce ORS
12 616.256, 616.265, 616.270 or 616.275 with respect to cannabinoid edibles.

13 SECTION 115. ORS 616.010 is amended to read:

14 616.010. The duty of administration and enforcement of all regulatory legislation applying to:

15 (1) The production, processing and distribution of all food products or commodities of agricul-
16 tural origin shall, in addition to such further legislation as shall specifically name the State De-
17 partment of Agriculture as the administering agency, be performed by the department to the
18 exclusion of any other department not so specifically named, **except as provided in section 114**
19 **of this 2015 Act.**

20 (2) The sanitation of establishments where food or drink is consumed on the premises where
21 sold, or to sanitary practices used in such establishments, shall be performed by the Oregon Health
22 Authority.

23
24 **MEDICAL MARIJUANA GROW SITE OPT-IN**
25 **OPERATIVE JANUARY 1, 2016**
26

27 SECTION 116. (1) A person responsible for a marijuana grow site under ORS 475.304 may
28 apply for a license under section 19, chapter 1, Oregon Laws 2015, to produce marijuana at
29 the address of the marijuana grow site, provided that all individuals registered with the
30 Oregon Health Authority to produce marijuana at the address are listed on the application
31 submitted to the Oregon Liquor Control Commission under section 28, chapter 1, Oregon
32 Laws 2015.

33 (2) Notwithstanding any other provision of sections 3 to 70, chapter 1, Oregon Laws 2015,
34 the commission may issue a license under section 19, chapter 1, Oregon Laws 2015, to a
35 person responsible for a marijuana grow site under ORS 475.304 if the person responsible for
36 the marijuana grow site:

37 (a) Meets any criminal background check requirements established by the commission
38 by rule;

39 (b) Agrees to be subject to the provisions of sections 3 to 70, chapter 1, Oregon Laws
40 2015, including section 59, chapter 1, Oregon Laws 2015, and section 34 of this 2015 Act, and
41 rules adopted under sections 3 to 70, chapter 1, Oregon Laws 2015, that apply to marijuana
42 producers; and

43 (c) Submits proof, in a form and manner prescribed by the commission, of having ob-
44 tained the permission to apply for licensure under section 19, chapter 1, Oregon Laws 2015,
45 of each individual who holds a registry identification card issued under ORS 475.309 for whom

1 the person produces marijuana at the address of the marijuana grow site.

2 (3) The commission by rule or order may waive the application of any rule adopted under
3 sections 3 to 70, chapter 1, Oregon Laws 2015, to a person responsible for a marijuana grow
4 site that holds a license under section 19, chapter 1, Oregon Laws 2015.

5 (4) A person responsible for a marijuana grow site that holds a license under section 19,
6 chapter 1, Oregon Laws 2015:

7 (a) May not possess more than the amount or number of marijuana plants permitted
8 pursuant to ORS 475.300 to 475.346;

9 (b) Must allow each marijuana plant to be tracked using the system developed and
10 maintained under section 23 of this 2015 Act;

11 (c) May sell immature marijuana plants and usable marijuana in excess of amounts
12 produced for individuals who hold a registry identification card issued under ORS 475.309 to
13 a person who holds a license under section 20, 21 or 22, chapter 1, Oregon Laws 2015, in ac-
14 cordance with rules adopted by the commission; and

15 (d) May transfer marijuana and usable marijuana to other registrants under ORS 475.300
16 to 475.346 in accordance with rules adopted by the authority.

17 (5) In a form and manner prescribed by the commission, a person responsible for a
18 marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015, may
19 surrender the person's license. If the person surrenders the person's license, the person is
20 no longer subject to the provisions of this section.

21 (6) Notwithstanding ORS 475.331, the authority may provide information to the commis-
22 sion as is necessary for the commission to determine whether a person responsible for a
23 marijuana grow site that holds a license under section 19, chapter 1, Oregon Laws 2015, is
24 in compliance with this section.

25 (7) This section does not prohibit or otherwise restrict the duties, functions and powers
26 of a person responsible for a marijuana grow site as set forth in ORS 475.300 to 475.346, ex-
27 cept that the person is not subject to any requirement related to the reporting or tracking
28 of mature marijuana plants and usable marijuana.

29
30 **CANNABIS EDUCATION PROGRAM**
31 **EFFECTIVE ON PASSAGE**
32

33 **SECTION 117.** (1) As part of the comprehensive alcohol and drug abuse policy and im-
34 plementation plan described in ORS 336.222, the Oregon Health Authority, State Board of
35 Education and Alcohol and Drug Policy Commission shall collaborate on developing
36 marijuana abuse prevention curricula and public information programs for students, parents,
37 teachers, administrators and school board members.

38 (2) In the manner provided by ORS 192.245, the authority shall report on the implemen-
39 tation of this section to the Legislative Assembly on or before February 1 of each odd-
40 numbered year.

41 **SECTION 118.** Notwithstanding section 117 (2) of this 2015 Act, the Oregon Health Au-
42 thority shall first report on the implementation of section 117 of this 2015 Act and may make
43 recommendations for legislation, including recommendations related to the use of moneys
44 collected as a tax from businesses involved in marijuana operations, to the Legislative As-
45 sembly on or before February 1, 2016.

CRIMES
EFFECTIVE ON PASSAGE

SECTION 119. ORS 475.858 is amended to read:

475.858. (1) It is unlawful for any person to manufacture marijuana within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors.

(2) Unlawful manufacture of marijuana within 1,000 feet of a school is a Class A felony.

(3) This section does not apply to:

(a) A licensee or licensee representative, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that is engaged in lawful activities; or

(b) A person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015.

SECTION 120. ORS 475.862 is amended to read:

475.862. (1) It is unlawful for any person to deliver marijuana within 1,000 feet of the real property comprising a public or private elementary, secondary or career school attended primarily by minors.

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

(3) This section does not apply to:

(a) A licensee or licensee representative, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that is engaged in lawful activities; or

(b) A person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015.

SECTION 121. ORS 475.856, as amended by section 77, chapter 1, Oregon Laws 2015, is amended to read:

475.856. (1) As used in this section, "homegrown," "household," "license" and "licensee representative" have the meanings given those terms in section 5, chapter 1, Oregon Laws 2015.

[(1)] (2) Except for licensees and licensee representatives that are engaged in lawful activities [as defined in subsections (10) and (11) of section 5 of this Act], and except for a person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of this Act], it is unlawful for any person to manufacture marijuana.

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

[(3)] (4) Notwithstanding subsection [(2)] (3) of this section, unlawful manufacture of marijuana is a Class B misdemeanor[,] if a person 21 years of age or older manufactures homegrown marijuana at a household and the total number of homegrown marijuana plants at the household exceeds four marijuana plants but does not exceed eight marijuana plants.

[(4) As used in subsection (3) of this section, the terms "homegrown" and "household" have the meanings given to them in section 5 of this Act.]

SECTION 122. ORS 475.860, as amended by section 78, chapter 1, Oregon Laws 2015, is amended to read:

475.860. (1) Except for licensees and licensee representatives, as those terms are defined in section 5, chapter 1, Oregon Laws 2015, that are engaged in lawful activities [as defined in subsections (10) and (11) of section 5 of this Act], and except for a person acting within the scope of and in compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of

1 *this Act*], it is unlawful for any person to deliver marijuana.

2 (2) Unlawful delivery of marijuana is a[.] **Class A misdemeanor.**

3 [(a) *Class B felony if the delivery is for consideration.*]

4 [(b) *Class C felony if the delivery is for no consideration.*]

5 (3) Notwithstanding subsection (2) of this section, unlawful delivery of marijuana is a:

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

9 (b) Violation, if the delivery is for no consideration and consists of less than five grams of the
10 dried leaves, stems and flowers of the plant Cannabis family Moraceae. A violation under this par-
11 agraph is a specific fine violation. The presumptive fine for a violation under this paragraph is \$650.

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

15 [(a) *Class A felony, if the delivery is to a person under 18 years of age and the defendant is at least*
16 *18 years of age and is at least three years older than the person to whom the marijuana is delivered;*
17 *or]*

18 [(b) *Class C misdemeanor, if the delivery:*]

19 [(A) *Is for no consideration;*]

20 [(B) *Consists of less than five grams of the dried leaves, stems and flowers of the plant Cannabis*
21 *family Moraceae;*]

22 [(C) *Takes place in a public place, as defined in ORS 161.015, that is within 1,000 feet of the real*
23 *property comprising a public or private elementary, secondary or career school attended primarily by*
24 *minors; and]*

25 [(D) *Is to a person who is 18 years of age or older.*]

26 **SECTION 123.** ORS 475.864, as amended by section 79, chapter 1, Oregon Laws 2015, is
27 amended to read:

28 475.864. (1) As used in subsections (2) to (4) of this section:

29 (a) "Marijuana" means the leaves, stems[,] and flowers of the plant Cannabis family Moraceae.

30 (b) "Marijuana product" has the meaning given the term "marijuana" in ORS 475.005 (16), but
31 does not include the leaves, stems and flowers of the plant Cannabis family Moraceae.

32 (2) It is unlawful for any person under 21 years of age knowingly or intentionally to possess
33 marijuana or marijuana product.

34 (3)(a) Unlawful possession of [*four*] **more than eight** avoirdupois ounces [*or more*] of marijuana
35 by a person under 21 years of age is a Class [*C felony*] **A misdemeanor.**

36 (b) Unlawful possession of **more than** one avoirdupois ounce of marijuana [*or more*], but less
37 than [*four*] **eight** avoirdupois ounces, by a person under 21 years of age is a Class B misdemeanor.

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

41 (4)(a) Unlawful possession of [*one-quarter avoirdupois ounce or more*] **more than 16 avoirdupois**
42 **ounces** of marijuana product **in a solid form or more than 72 ounces of marijuana product in**
43 **a liquid form** by a person under 21 years of age is a Class [*C felony*] **A misdemeanor.**

44 (b) Unlawful possession of [*less than one-quarter avoirdupois ounce*] **16 avoirdupois ounces or**
45 **less** of marijuana product **in a solid form or 72 ounces or less of marijuana product in a liquid**

1 form by a person under 21 years of age is a Class B misdemeanor.

2 (5) As used in subsections (6) to (8) of this section, [the terms] "cannabinoid concentrate,"
3 "cannabinoid extract," "cannabinoid product," "licensee," "licensee representative,"
4 "marijuana," ["marijuana extracts," "marijuana products,"] "marijuana retailer," "public place[,] and
5 "usable marijuana" have the meanings given [to them] those terms in section 5, chapter 1, Oregon
6 Laws 2015 [of this Act].

7 (6) Except for licensees and licensee representatives acting in accordance with sections 3 to
8 70, chapter 1, Oregon Laws 2015, and any rule adopted under sections 3 to 70, chapter 1,
9 Oregon Laws 2015, it is unlawful for any person 21 years of age or older knowingly or intentionally
10 to possess:

- 11 (a) More than one ounce of usable marijuana in a public place.
- 12 (b) More than eight ounces of usable marijuana.
- 13 (c) More than [sixteen] 16 ounces of [marijuana] cannabinoid products in solid form or
14 cannabinoid concentrates.
- 15 (d) More than [seventy-two] 72 ounces of [marijuana] cannabinoid products in liquid form.
- 16 (e) More than one ounce of [marijuana extracts] cannabinoid extracts.
- 17 (f) [Any marijuana extracts that were] A cannabinoid extract that was not purchased from a
18 [licensed] marijuana retailer that holds a license under section 22, chapter 1, Oregon Laws
19 2015.

20 (7) A violation of [paragraphs (a) to (e) of] subsection (6)(a) to (e) of this section is a:

- 21 (a) Class [C felony] A misdemeanor, if the amount possessed is more than four times the ap-
22 plicable maximum amount specified in subsection (6)(a) to (e) of this section;
- 23 (b) Class B misdemeanor, if the amount possessed is more than two times, but not more than
24 four times, the applicable maximum amount specified in subsection (6)(a) to (e) of this section; or
- 25 (c) Class B violation, if the amount possessed is not more than two times the applicable maxi-
26 mum amount specified in subsection (6)(a) to (e) of this section.

27 (8) A violation of [paragraph (f) of] subsection (6)(f) of this section is a:

- 28 (a) Class C felony, if the amount possessed is more than one-quarter ounce of [such marijuana
29 extracts] the cannabinoid extract; or
- 30 (b) Class B misdemeanor, if the amount possessed is not more than one-quarter ounce of [such
31 marijuana extracts] the cannabinoid extract.

32 **SECTION 124.** ORS 475.752, as amended by section 76, chapter 1, Oregon Laws 2015, is
33 amended to read:

34 475.752. (1) Except for licensees and licensee representatives, as those terms are defined in
35 section 5, chapter 1, Oregon Laws 2015, that are engaged in lawful activities [as defined in
36 subsections (10) and (11) of section 5 of this Act], and except for a person acting within the scope of
37 and in compliance with section 6 (1), chapter 1, Oregon Laws 2015 [subsection (1) of section 6 of
38 this Act], and except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful
39 for any person to manufacture or deliver a controlled substance. Any person who violates this sub-
40 section with respect to:

- 41 (a) A controlled substance in Schedule I, is guilty of a Class A felony, except as otherwise pro-
42 vided in ORS 475.886 and 475.890.
- 43 (b) A controlled substance in Schedule II, is guilty of a Class B felony, except as otherwise
44 provided in ORS 475.858, 475.860, 475.862, 475.878, 475.880, 475.882, 475.904 and 475.906.
- 45 (c) A controlled substance in Schedule III, is guilty of a Class C felony, except as otherwise

1 provided in ORS 475.904 and 475.906.

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

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

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

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

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

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

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

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

12 (3) It is unlawful for any person knowingly or intentionally to possess a controlled substance,
13 other than marijuana, unless the substance was obtained directly from, or pursuant to a valid pre-
14 scription or order of, a practitioner while acting in the course of professional practice, or except
15 as otherwise authorized by ORS 475.005 to 475.285 and 475.752 to 475.980. Any person who violates
16 this subsection with respect to:

17 (a) A controlled substance in Schedule I, is guilty of a Class B felony, except as otherwise pro-
18 vided in ORS 475.894.

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

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

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

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

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

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

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

29 (c) In a manner that is not dangerous to the health of the user or others who are in the prox-
30 imity of the user.

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

33 (6)(a) Notwithstanding subsection (1) of this section, a person who unlawfully manufactures or
34 delivers a controlled substance in Schedule IV and who thereby causes death to another person is
35 guilty of a Class C felony.

36 (b) For purposes of this subsection, causation is established when the controlled substance plays
37 a substantial role in the death of the other person.

38 **SECTION 125.** ORS 161.705, as amended by section 2, chapter ___, Oregon Laws 2015 (Enrolled
39 Senate Bill 364), is amended to read:

40 161.705. Notwithstanding ORS 161.525, the court may enter judgment of conviction for a Class
41 A misdemeanor and make disposition accordingly when:

42 (1)(a) A person is convicted of any Class C felony; **or**

43 [(b) A person is convicted of a Class B felony pursuant to ORS 475.860 (2)(a); or]

44 [(c)] (b) A person convicted of a felony described in paragraph (a) [or (b)] of this subsection, of
45 possession **or delivery** of marijuana constituting a Class B felony, or of a Class A felony pursuant

1 to ORS 166.720, has successfully completed a sentence of probation; and

2 (2) The court, considering the nature and circumstances of the crime and the history and char-
3 acter of the defendant, believes that it would be unduly harsh to sentence the defendant for a felony.

4 **SECTION 126.** ORS 475.900 is amended to read:

5 475.900. (1) A violation of ORS 475.752, 475.806 to 475.894, 475.904 or 475.906 shall be classified
6 as crime category 8 of the sentencing guidelines grid of the Oregon Criminal Justice Commission if:

7 (a) The violation constitutes delivery or manufacture of a controlled substance and involves
8 substantial quantities of a controlled substance. For purposes of this paragraph, the following
9 amounts constitute substantial quantities of the following controlled substances:

10 (A) Five grams or more of a mixture or substance containing a detectable amount of heroin;

11 (B) Ten grams or more of a mixture or substance containing a detectable amount of cocaine;

12 (C) Ten grams or more of a mixture or substance containing a detectable amount of metham-
13 phetamine, its salts, isomers or salts of its isomers;

14 (D) Two hundred or more user units of a mixture or substance containing a detectable amount
15 of lysergic acid diethylamide;

16 (E) Sixty grams or more of a mixture or substance containing a detectable amount of psilocybin
17 or psilocin; or

18 (F) Five grams or more or 25 or more pills, tablets or capsules of a mixture or substance con-
19 taining a detectable amount of:

20 (i) 3,4-methylenedioxyamphetamine;

21 (ii) 3,4-methylenedioxymethamphetamine; or

22 (iii) 3,4-methylenedioxy-N-ethylamphetamine.

23 (b) The violation constitutes possession, delivery or manufacture of a controlled substance and
24 the possession, delivery or manufacture is a commercial drug offense. A possession, delivery or
25 manufacture is a commercial drug offense for purposes of this subsection if it is accompanied by at
26 least three of the following factors:

27 (A) The delivery was of heroin, cocaine, methamphetamine, lysergic acid diethylamide,
28 psilocybin or psilocin and was for consideration;

29 (B) The offender was in possession of \$300 or more in cash;

30 (C) The offender was unlawfully in possession of a firearm or other weapon as described in ORS
31 166.270 (2), or the offender used, attempted to use or threatened to use a deadly or dangerous
32 weapon as defined in ORS 161.015, or the offender was in possession of a firearm or other deadly
33 or dangerous weapon as defined in ORS 161.015 for the purpose of using it in connection with a
34 controlled substance offense;

35 (D) The offender was in possession of materials being used for the packaging of controlled sub-
36 stances such as scales, wrapping or foil, other than the material being used to contain the substance
37 that is the subject of the offense;

38 (E) The offender was in possession of drug transaction records or customer lists;

39 (F) The offender was in possession of stolen property;

40 (G) Modification of structures by painting, wiring, plumbing or lighting to facilitate a controlled
41 substance offense;

42 (H) The offender was in possession of manufacturing paraphernalia, including recipes, precursor
43 chemicals, laboratory equipment, lighting, ventilating or power generating equipment;

44 (I) The offender was using public lands for the manufacture of controlled substances;

45 (J) The offender had constructed fortifications or had taken security measures with the potential

1 of injuring persons; or

2 (K) The offender was in possession of controlled substances in an amount greater than:

3 (i) Three grams or more of a mixture or substance containing a detectable amount of heroin;

4 (ii) Eight grams or more of a mixture or substance containing a detectable amount of cocaine;

5 (iii) Eight grams or more of a mixture or substance containing a detectable amount of metham-
6 phetamine;

7 (iv) Twenty or more user units of a mixture or substance containing a detectable amount of
8 lysergic acid diethylamide;

9 (v) Ten grams or more of a mixture or substance containing a detectable amount of psilocybin
10 or psilocin; or

11 (vi) Four grams or more or 20 or more pills, tablets or capsules of a mixture or substance con-
12 taining a detectable amount of:

13 (I) 3,4-methylenedioxyamphetamine;

14 (II) 3,4-methylenedioxymethamphetamine; or

15 (III) 3,4-methylenedioxy-N-ethylamphetamine.

16 (c) The violation constitutes a violation of ORS 475.848, 475.852, 475.862, 475.868, 475.872,
17 475.878, 475.882, 475.888, 475.892 or 475.904.

18 (d) The violation constitutes manufacturing methamphetamine and the manufacturing consists
19 of:

20 (A) A chemical reaction involving one or more precursor substances for the purpose of manu-
21 facturing methamphetamine; or

22 (B) Grinding, soaking or otherwise breaking down a precursor substance for the purpose of
23 manufacturing methamphetamine.

24 (e) The violation constitutes [a violation of ORS 475.860 (4)(a) or] a violation of ORS 475.906 (1)
25 or (2) that is not described in ORS 475.907.

26 (2) A violation of ORS 475.752 or 475.806 to 475.894 shall be classified as crime category 6 of
27 the sentencing guidelines grid of the Oregon Criminal Justice Commission if:

28 (a) The violation constitutes delivery of heroin, cocaine, methamphetamine or
29 3,4-methylenedioxyamphetamine, 3,4-methylenedioxymethamphetamine or
30 3,4-methylenedioxy-N-ethylamphetamine and is for consideration.

31 (b) The violation constitutes possession of:

32 (A) Five grams or more of a mixture or substance containing a detectable amount of heroin;

33 (B) Ten grams or more of a mixture or substance containing a detectable amount of cocaine;

34 (C) Ten grams or more of a mixture or substance containing a detectable amount of metham-
35 phetamine;

36 (D) Two hundred or more user units of a mixture or substance containing a detectable amount
37 of lysergic acid diethylamide;

38 (E) Sixty grams or more of a mixture or substance containing a detectable amount of psilocybin
39 or psilocin; or

40 (F) Five grams or more or 25 or more pills, tablets or capsules of a mixture or substance con-
41 taining a detectable amount of:

42 (i) 3,4-methylenedioxyamphetamine;

43 (ii) 3,4-methylenedioxymethamphetamine; or

44 (iii) 3,4-methylenedioxy-N-ethylamphetamine.

45 (3) Any felony violation of ORS 475.752 or 475.806 to 475.894 not contained in subsection (1) or

1 (2) of this section shall be classified as:

2 (a) Crime category 4 of the sentencing guidelines grid of the Oregon Criminal Justice Commis-
3 sion if the violation involves delivery or manufacture of a controlled substance; or

4 (b) Crime category 1 of the sentencing guidelines grid of the Oregon Criminal Justice Commis-
5 sion if the violation involves possession of a controlled substance.

6 (4) In order to prove a commercial drug offense, the state shall plead in the accusatory instru-
7 ment sufficient factors of a commercial drug offense under subsections (1) and (2) of this section.
8 The state has the burden of proving each factor beyond a reasonable doubt.

9 (5) As used in this section, "mixture or substance" means any mixture or substance, whether
10 or not the mixture or substance is in an ingestible or marketable form at the time of the offense.

11 **SECTION 127.** ORS 475.904 is amended to read:

12 475.904. (1) Except as authorized by ORS 475.005 to 475.285 and 475.752 to 475.980, it is unlawful
13 for any person to manufacture or deliver a schedule I, II or III controlled substance within 1,000 feet
14 of the real property comprising a public or private elementary, secondary or career school attended
15 primarily by minors.

16 (2) Unlawful manufacture or delivery of a controlled substance within 1,000 feet of a school is
17 a Class A felony[, *except as otherwise provided in ORS 475.860*].

18 (3) **This section does not apply to:**

19 (a) A licensee or licensee representative, as those terms are defined in section 5, chapter
20 1, Oregon Laws 2015, that is engaged in lawful activities; or

21 (b) A person acting within the scope of and in compliance with section 6 (1), chapter 1,
22 Oregon Laws 2015.

23 **SECTION 128.** The amendments to statutes by sections 119 to 127 of this 2015 Act apply
24 to conduct occurring on or after the effective date of this 2015 Act.

25 **SECTION 129.** When a person convicted of a marijuana offense based on conduct that
26 occurs before the effective date of this 2015 Act files a motion for a court order setting aside
27 the conviction pursuant to ORS 137.225, the court shall consider the offense to be classified
28 under ORS 161.535 or 161.555 as if the conduct occurred on or after the effective date of this
29 2015 Act, or if the offense is no longer a crime, the court shall consider the offense to be
30 classified as a Class C misdemeanor, when determining if the person is eligible for the order.

31
32 **RETAIL DRUG OUTLETS**
33 **EFFECTIVE ON PASSAGE**
34

35 **SECTION 130.** Section 131 of this 2015 Act is added to and made a part of ORS chapter
36 689.

37 **SECTION 131.** (1) The State Board of Pharmacy shall establish by rule instructions for
38 the disposal of marijuana left behind by individuals visiting retail drug outlets.

39 (2) At a minimum, the instructions established under subsection (1) of this section must:

40 (a) Require an employee or supervisor of the retail drug outlet to notify law enforcement
41 upon discovering marijuana at the site; and

42 (b) Include procedures for destroying the marijuana so that it can no longer be used for
43 human consumption.

44 (3) A person acting under and in accordance with this section is exempt from the crimi-
45 nal laws of this state for any criminal offense in which possession of marijuana is an ele-

1 ment.

2

3

**TASK FORCE
EFFECTIVE ON PASSAGE**

4

5

6 **SECTION 132.** (1)(a) The Task Force on Cannabis Environmental Best Practices is es-
7 tablished, consisting of 13 members appointed as follows:

8 (A) The President of the Senate shall appoint one member from among members of the
9 Senate;

10 (B) The Senate Minority Leader shall appoint one member from among members of the
11 Senate;

12 (C) The Speaker of the House shall appoint one members from among members of the
13 House of Representatives;

14 (D) The House Minority Leader shall appoint one member from among members of the
15 House of Representatives; and

16 (E) The Governor shall appoint nine representatives from among the following:

17 (i) One individual who represents utilities;

18 (ii) One individual who represents electricians;

19 (iii) Two individuals who represent the cannabis industry;

20 (iv) One individual who represents the State Department of Agriculture;

21 (v) One individual who represents the Water Resources Department;

22 (vi) One individual who represents the Public Utility Commission;

23 (vii) One individual who represents the State Department of Energy; and

24 (viii) One individual who the Energy Trust of Oregon.

25 (b) In making appointments under paragraph (a) of this subsection, the President of the
26 Senate, the Senate Minority Leader, the Speaker of the House and the House Minority
27 Leader shall appoint, if available, members of the Senate and members of the House of
28 Representatives who served on the Joint Committee on Implementing Measure 91 during the
29 2015 regular session of the Legislative Assembly.

30 (2) The task force shall study the use of electricity and water by, and the agricultural
31 practices associated with, the growing of cannabis by persons who hold a license under sec-
32 tion 19, chapter 1, Oregon Laws 2015, and by persons who are responsible for a marijuana
33 grow site under ORS 475.304. As part of the report submitted under subsection (9) of this
34 section, the task force shall include suggestions related to environmental best practices for
35 the propogating, producing and harvesting of cannabis.

36 (3) A majority of the voting members of the task force constitutes a quorum for the
37 transaction of business.

38 (4) Official action by the task force requires the approval of a majority of the voting
39 members of the task force.

40 (5) The task force shall elect one of its members to serve as chairperson.

41 (6) If there is a vacancy for any cause, the appointing authority shall make an appoint-
42 ment to become immediately effective.

43 (7) The task force shall meet at times and places specified by the call of the chairperson
44 or of a majority of the voting members of the task force.

45 (8) The task force may adopt rules necessary for the operation of the task force.

1 (9) The task force shall submit a report in the manner provided by ORS 192.245, and may
2 include recommendations for legislation, to an interim committee of the Legislative Assem-
3 bly related to the regulation of cannabis as appropriate no later than September 15, 2016.

4 (10) The Oregon Liquor Control Commission shall provide staff support to the task force.

5 (11) Members of the task force who are not members of the Legislative Assembly are not
6 entitled to compensation, but may be reimbursed for actual and necessary travel and other
7 expenses incurred by them in the performance of their official duties in the manner and
8 amounts provided for in ORS 292.495. Claims for expenses incurred in performing functions
9 of the task force shall be paid out of funds appropriated to Oregon Liquor Control Commis-
10 sion for purposes of the task force.

11 (12) All agencies of state government, as defined in ORS 174.111, are directed to assist
12 the task force in the performance of its duties and, to the extent permitted by laws relating
13 to confidentiality, to furnish such information and advice as the members of the task force
14 consider necessary to perform their duties.

15
16 LOCAL OPTION
17 EFFECTIVE ON PASSAGE
18

19 SECTION 133. (1) As used in this section, "qualifying city or county" means a county,
20 or a city located in a county, in which not less than 55 percent of votes cast in the county
21 during the statewide general election held on November 4, 2014, on Ballot Measure 91 (chap-
22 ter 1, Oregon Laws 2015) were in opposition to the ballot measure.

23 (2)(a) The governing body of a qualifying city or county may adopt ordinances that pro-
24 hibit the establishment of any one or more of the following in the area subject to the juris-
25 diction of the city or the unincorporated area subject to the jurisdiction of the county:

- 26 (A) Marijuana processing sites registered under section 85 of this 2015 Act;
27 (B) Medical marijuana dispensaries registered under ORS 475.314;
28 (C) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
29 (D) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
30 (E) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;
31 (F) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or
32 (G) Any combination of the entities described in this subsection.

33 (b) The governing body of a qualifying city or county may not adopt an ordinance under
34 this section later than 180 days after the effective date of this 2015 Act.

35 (3) If the governing body of a qualifying city or county adopts an ordinance under this
36 section, the governing body must provide the text of the ordinance:

37 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority,
38 if the ordinance concerns a medical marijuana dispensary registered under ORS 475.314 or a
39 marijuana processing site registered under section 85 of this 2015 Act; or

40 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for
41 which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

42 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the au-
43 thority shall discontinue registering those entities to which the prohibition applies.

44 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the com-
45 mission shall discontinue licensing those premises to which the prohibition applies.

1 (5) Notwithstanding any other provisions of law, a qualifying city or county that adopts
2 an ordinance under this section may not impose a tax or fee on the production, processing
3 or sale of marijuana or any product into which marijuana has been incorporated.

4 (6) Notwithstanding subsection (2) of this section, a medical marijuana dispensary is not
5 subject to an ordinance adopted under this section if the medical marijuana dispensary:

6 (a) Is registered under ORS 475.314 on or before the date on which the governing body
7 adopts the ordinance; and

8 (b) Has successfully completed a city or county land use application process.

9 (7) Notwithstanding subsection (2) of this section, a marijuana processing site is not
10 subject to an ordinance adopted under this section if the marijuana processing site:

11 (a) Is registered under section 85 of this 2015 Act 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 process.

14 **SECTION 134.** (1) The governing body of a city or county may adopt ordinances to be
15 referred to the electors of the city or county as described in subsection (2) of this section
16 that prohibit or allow the establishment of any one or more of the following in the area
17 subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction
18 of the county:

19 (a) Marijuana processing sites registered under section 85 of this 2015 Act;

20 (b) Medical marijuana dispensaries registered under ORS 475.314;

21 (c) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;

22 (d) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;

23 (e) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;

24 (f) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or

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

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

29 (3) If the governing body of a city or county adopts an ordinance under this section, the
30 governing body must provide the text of the ordinance:

31 (a) To the Oregon Health Authority, in a form and manner prescribed by the authority,
32 if the ordinance concerns a medical marijuana dispensary registered under ORS 475.314 or a
33 marijuana processing site registered under section 85 of this 2015 Act; or

34 (b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for
35 which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

36 (4)(a) Upon receiving notice of a prohibition under subsection (3) of this section, the au-
37 thority shall discontinue registering those entities to which the prohibition applies until the
38 date of the next statewide general election.

39 (b) Upon receiving notice of a prohibition under subsection (3) of this section, the com-
40 mission shall discontinue licensing those premises to which the prohibition applies until the
41 date of the next statewide general election.

42 (5) Notwithstanding any other provisions of law, a city or county that adopts an ordi-
43 nance under this section that prohibits the establishment of an entity described in subsection
44 (1) of this section may not impose a tax or fee on the production, processing or sale of
45 marijuana or any product into which marijuana has been incorporated.

1 (6) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not
2 subject to an ordinance adopted under this section if the medical marijuana dispensary:

3 (a) Is registered under ORS 475.314 on or before the date on which the governing body
4 adopts the ordinance; and

5 (b) Has successfully completed a city or county land use application process.

6 (7) Notwithstanding subsection (1) of this section, a marijuana processing site is not
7 subject to an ordinance adopted under this section if the marijuana processing site:

8 (a) Is registered under section 85 of this 2015 Act on or before the date on which the
9 governing body adopts the ordinance; and

10 (b) Has successfully completed a city or county land use application process.

11 **SECTION 135.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a medical
12 marijuana dispensary is not subject to an ordinance adopted pursuant to section 133 or 134
13 of this 2015 Act if the medical marijuana dispensary:

14 (a) Was registered under ORS 475.314, or has applied to be registered under ORS 475.314,
15 on or before July 1, 2015; and

16 (b) Has successfully completed a city or county land use application process.

17 (2) This section does not apply to a medical marijuana dispensary if the Oregon Health
18 Authority revokes the registration of the medical marijuana dispensary.

19 **SECTION 136.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a marijuana
20 processing site is not subject to an ordinance adopted pursuant to section 133 or 134 of this
21 2015 Act if the person responsible for the marijuana processing site or applying to be the
22 person responsible for the marijuana processing site:

23 (a) Was registered under ORS 475.300 to 475.346 on or before July 1, 2015;

24 (b) Was processing usable marijuana as described in section 85 (1) of this 2015 Act on or
25 before July 1, 2015; and

26 (c) Has successfully completed a city or county land use application process.

27 (2) This section does not apply to a marijuana processing site if the Oregon Health Au-
28 thority revokes the registration of the marijuana processing site.

29
30 **OTHER AMENDMENTS**

31
32 **(Operative January 1, 2016)**

33
34 **SECTION 137.** ORS 133.005 is amended to read:

35 133.005. As used in ORS 133.005 to 133.400 and 133.410 to 133.450, unless the context requires
36 otherwise:

37 (1) "Arrest" means to place a person under actual or constructive restraint or to take a person
38 into custody for the purpose of charging that person with an offense. A "stop" as authorized under
39 ORS 131.605 to 131.625 is not an arrest.

40 (2) "Federal officer" means a special agent or law enforcement officer employed by a federal
41 agency who is empowered to effect an arrest with or without a warrant for violations of the United
42 States Code and who is authorized to carry firearms in the performance of duty.

43 (3) "Peace officer" means:

44 (a) A member of the Oregon State Police;

45 (b) A sheriff, constable, marshal, municipal police officer or reserve officer or a police officer

1 commissioned by a university under ORS 352.383 or 353.125;

2 (c) An investigator of a district attorney's office if the investigator is or has been certified as
3 a peace officer in this or any other state;

4 (d) An investigator of the Criminal Justice Division of the Department of Justice of the State
5 of Oregon;

6 (e) A humane special agent as defined in ORS 181.435;

7 (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
8 471.775 (2);

9 (g) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;
10 or

11 (h) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

12 (4) "Reserve officer" means an officer or member of a law enforcement agency who is:

13 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,
14 school district, mass transit district, county, county service district authorized to provide law
15 enforcement services under ORS 451.010, the Criminal Justice Division of the Department of Justice,
16 the Oregon State Lottery Commission or the Governor or a member of the Department of State
17 Police;

18 (b) Armed with a firearm; and

19 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
20 nances relating to airport security.

21 **SECTION 138.** ORS 133.005, as amended by section 39, chapter 644, Oregon Laws 2011, section
22 7, chapter 54, Oregon Laws 2012, section 4, chapter 67, Oregon Laws 2012, section 5, chapter 154,
23 Oregon Laws 2013, and section 9, chapter 180, Oregon Laws 2013, is amended to read:

24 133.005. As used in ORS 133.005 to 133.400 and 133.410 to 133.450, unless the context requires
25 otherwise:

26 (1) "Arrest" means to place a person under actual or constructive restraint or to take a person
27 into custody for the purpose of charging that person with an offense. A "stop" as authorized under
28 ORS 131.605 to 131.625 is not an arrest.

29 (2) "Federal officer" means a special agent or law enforcement officer employed by a federal
30 agency who is empowered to effect an arrest with or without a warrant for violations of the United
31 States Code and who is authorized to carry firearms in the performance of duty.

32 (3) "Peace officer" means:

33 (a) A member of the Oregon State Police;

34 (b) A sheriff, constable, marshal, municipal police officer or reserve officer or a police officer
35 commissioned by a university under ORS 352.383 or 353.125;

36 (c) An investigator of a district attorney's office if the investigator is or has been certified as
37 a peace officer in this or any other state;

38 (d) An investigator of the Criminal Justice Division of the Department of Justice of the State
39 of Oregon;

40 (e) A humane special agent as defined in ORS 181.435;

41 (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
42 471.775 (2); or

43 (g) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

44 (4) "Reserve officer" means an officer or member of a law enforcement agency who is:

45 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,

1 school district, mass transit district, county, county service district authorized to provide law
2 enforcement services under ORS 451.010, the Criminal Justice Division of the Department of Justice,
3 the Oregon State Lottery Commission or the Governor or a member of the Department of State
4 Police;

5 (b) Armed with a firearm; and

6 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
7 nances relating to airport security.

8 **SECTION 139.** ORS 133.525 is amended to read:

9 133.525. As used in ORS 133.525 to 133.703, unless the context requires otherwise:

10 (1) "Judge" means any judge of the circuit court, the Court of Appeals, the Supreme Court, any
11 justice of the peace or municipal judge authorized to exercise the powers and perform the duties
12 of a justice of the peace.

13 (2) "Police officer" means:

14 (a) A member of the Oregon State Police;

15 (b) A sheriff or municipal police officer, a police officer commissioned by a university under ORS
16 352.383 or 353.125 or an authorized tribal police officer as defined in section 1, chapter 644, Oregon
17 Laws 2011;

18 (c) An investigator of a district attorney's office if the investigator is or has been certified as
19 a peace officer in this or any other state;

20 (d) An investigator of the Criminal Justice Division of the Department of Justice;

21 (e) A humane special agent as defined in ORS 181.435; or

22 (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
23 471.775 (2).

24 **SECTION 140.** ORS 133.525, as amended by section 40, chapter 644, Oregon Laws 2011, section
25 9, chapter 54, Oregon Laws 2012, section 6, chapter 67, Oregon Laws 2012, and section 11, chapter
26 180, Oregon Laws 2013, is amended to read:

27 133.525. As used in ORS 133.525 to 133.703, unless the context requires otherwise:

28 (1) "Judge" means any judge of the circuit court, the Court of Appeals, the Supreme Court, any
29 justice of the peace or municipal judge authorized to exercise the powers and perform the duties
30 of a justice of the peace.

31 (2) "Police officer" means:

32 (a) A member of the Oregon State Police;

33 (b) A sheriff or municipal police officer or a police officer commissioned by a university under
34 ORS 352.383 or 353.125;

35 (c) An investigator of a district attorney's office if the investigator is or has been certified as
36 a peace officer in this or any other state;

37 (d) An investigator of the Criminal Justice Division of the Department of Justice;

38 (e) A humane special agent as defined in ORS 181.435; or

39 (f) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
40 471.775 (2).

41 **SECTION 141.** ORS 133.721 is amended to read:

42 133.721. As used in ORS 41.910 and 133.721 to 133.739, unless the context requires otherwise:

43 (1) "Aggrieved person" means a person who was a party to any wire, electronic or oral com-
44 munication intercepted under ORS 133.724 or 133.726 or a person against whom the interception was
45 directed and who alleges that the interception was unlawful.

1 (2) "Contents," when used with respect to any wire, electronic or oral communication, includes
2 any information concerning the identity of the parties to such communication or the existence,
3 substance, purport or meaning of that communication.

4 (3) "Electronic communication" means any transfer of signs, signals, writing, images, sounds,
5 data or intelligence of any nature transmitted in whole or in part by a radio, electromagnetic,
6 photoelectronic or photo-optical system, or transmitted in part by wire, but does not include:

7 (a) Any oral communication or any communication that is completely by wire; or

8 (b) Any communication made through a tone-only paging device.

9 (4) "Electronic, mechanical or other device" means any device or apparatus that can be used
10 to intercept a wire, electronic or oral communication other than:

11 (a) Any telephone or telegraph instrument, equipment or facility, or any component thereof that
12 is furnished to the subscriber or user by a telecommunications carrier in the ordinary course of its
13 business and that is being used by the subscriber or user in the ordinary course of its business or
14 being used by a telecommunications carrier in the ordinary course of its business, or by an investi-
15 gative or law enforcement officer in the ordinary course of official duties; or

16 (b) A hearing aid or similar device being used to correct subnormal hearing to not better than
17 normal.

18 (5) "Intercept" means the acquisition, by listening or recording, of the contents of any wire,
19 electronic or oral communication through the use of any electronic, mechanical or other device.

20 (6) "Investigative or law enforcement officer" means:

21 (a) An officer or other person employed to investigate or enforce the law by:

22 (A) A county sheriff or municipal police department, or a police department established by a
23 university under ORS 352.383 or 353.125;

24 (B) The Oregon State Police, the Department of Corrections, the Attorney General or a district
25 attorney; or

26 (C) Law enforcement agencies of other states or the federal government;

27 (b) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;
28 or

29 (c) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
30 471.775 (2).

31 (7) "Oral communication" means:

32 (a) Any oral communication, other than a wire or electronic communication, uttered by a person
33 exhibiting an expectation that such communication is not subject to interception under circum-
34 stances justifying such expectation; or

35 (b) An utterance by a person who is participating in a wire or electronic communication, if the
36 utterance is audible to another person who, at the time the wire or electronic communication oc-
37 curs, is in the immediate presence of the person participating in the communication.

38 (8) "Telecommunications carrier" means:

39 (a) A telecommunications utility as defined in ORS 759.005; or

40 (b) A cooperative corporation organized under ORS chapter 62 that provides telecommunications
41 services.

42 (9) "Telecommunications service" has the meaning given that term in ORS 759.005.

43 (10) "Wire communication" means any communication made in whole or in part through the use
44 of facilities for the transmission of communications by the aid of wire, cable or other like connection
45 between the point of origin and the point of reception, whether furnished or operated by a public

1 utility or privately owned or leased.

2 **SECTION 142.** ORS 133.721, as amended by section 70, chapter 644, Oregon Laws 2011, section
3 11, chapter 54, Oregon Laws 2012, and section 13, chapter 180, Oregon Laws 2013, is amended to
4 read:

5 133.721. As used in ORS 41.910 and 133.721 to 133.739, unless the context requires otherwise:

6 (1) "Aggrieved person" means a person who was a party to any wire, electronic or oral com-
7 munication intercepted under ORS 133.724 or 133.726 or a person against whom the interception was
8 directed and who alleges that the interception was unlawful.

9 (2) "Contents," when used with respect to any wire, electronic or oral communication, includes
10 any information concerning the identity of the parties to such communication or the existence,
11 substance, purport or meaning of that communication.

12 (3) "Electronic communication" means any transfer of signs, signals, writing, images, sounds,
13 data or intelligence of any nature transmitted in whole or in part by a radio, electromagnetic,
14 photoelectronic or photo-optical system, or transmitted in part by wire, but does not include:

15 (a) Any oral communication or any communication that is completely by wire; or

16 (b) Any communication made through a tone-only paging device.

17 (4) "Electronic, mechanical or other device" means any device or apparatus that can be used
18 to intercept a wire, electronic or oral communication other than:

19 (a) Any telephone or telegraph instrument, equipment or facility, or any component thereof that
20 is furnished to the subscriber or user by a telecommunications carrier in the ordinary course of its
21 business and that is being used by the subscriber or user in the ordinary course of its business or
22 being used by a telecommunications carrier in the ordinary course of its business, or by an investi-
23 gative or law enforcement officer in the ordinary course of official duties; or

24 (b) A hearing aid or similar device being used to correct subnormal hearing to not better than
25 normal.

26 (5) "Intercept" means the acquisition, by listening or recording, of the contents of any wire,
27 electronic or oral communication through the use of any electronic, mechanical or other device.

28 (6) "Investigative or law enforcement officer" means:

29 (a) An officer or other person employed to investigate or enforce the law by:

30 (A) A county sheriff or municipal police department, or a police department established by a
31 university under ORS 352.383 or 353.125;

32 (B) The Oregon State Police, the Department of Corrections, the Attorney General or a district
33 attorney; or

34 (C) Law enforcement agencies of other states or the federal government; or

35 (b) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
36 471.775 (2).

37 (7) "Oral communication" means:

38 (a) Any oral communication, other than a wire or electronic communication, uttered by a person
39 exhibiting an expectation that such communication is not subject to interception under circum-
40 stances justifying such expectation; or

41 (b) An utterance by a person who is participating in a wire or electronic communication, if the
42 utterance is audible to another person who, at the time the wire or electronic communication oc-
43 curs, is in the immediate presence of the person participating in the communication.

44 (8) "Telecommunications carrier" means:

45 (a) A telecommunications utility as defined in ORS 759.005; or

1 (b) A cooperative corporation organized under ORS chapter 62 that provides telecommunications
2 services.

3 (9) "Telecommunications service" has the meaning given that term in ORS 759.005.

4 (10) "Wire communication" means any communication made in whole or in part through the use
5 of facilities for the transmission of communications by the aid of wire, cable or other like connection
6 between the point of origin and the point of reception, whether furnished or operated by a public
7 utility or privately owned or leased.

8 **SECTION 143.** ORS 133.726 is amended to read:

9 133.726. (1) Notwithstanding ORS 133.724, under the circumstances described in this section, a
10 law enforcement officer is authorized to intercept an oral communication to which the officer or a
11 person under the direct supervision of the officer is a party, without obtaining an order for the in-
12 terception of a wire, electronic or oral communication under ORS 133.724.

13 (2) For purposes of this section and ORS 133.736, a person is a party to an oral communication
14 if the oral communication is made in the person's immediate presence and is audible to the person
15 regardless of whether the communication is specifically directed to the person.

16 (3) An ex parte order for intercepting an oral communication in any county of this state under
17 this section may be issued by any judge as defined in ORS 133.525 upon written application made
18 upon oath or affirmation of the district attorney or a deputy district attorney authorized by the
19 district attorney for the county in which the order is sought or upon the oath or affirmation of any
20 peace officer as defined in ORS 133.005. The application shall include:

21 (a) The name of the applicant and the applicant's authority to make the application;

22 (b) A statement demonstrating that there is probable cause to believe that a person whose oral
23 communication is to be intercepted is engaged in committing, has committed or is about to commit
24 a particular felony, or a misdemeanor under ORS 167.007 or 167.008, and that intercepting the oral
25 communication will yield evidence thereof; and

26 (c) The identity of the person, if known, suspected of committing the crime and whose oral
27 communication is to be intercepted.

28 (4) The judge may require the applicant to furnish further testimony or documentary evidence
29 in support of the application.

30 (5) Upon examination of the application and evidence, the judge may enter an ex parte order,
31 as requested or as modified, authorizing or approving the interception of an oral communication
32 within the state if the judge determines on the basis of the facts submitted by the applicant that:

33 (a) There is probable cause to believe that a person is engaged in committing, has committed
34 or is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008; and

35 (b) There is probable cause to believe that the oral communication to be obtained will contain
36 evidence concerning that crime.

37 (6) An order authorizing or approving the interception of an oral communication under this
38 section must specify:

39 (a) The identity of the person, if known, whose oral communication is to be intercepted;

40 (b) A statement identifying the particular crime to which the oral communication is expected
41 to relate;

42 (c) The agency authorized under the order to intercept the oral communication;

43 (d) The name and office of the applicant and the signature and title of the issuing judge;

44 (e) A period of time after which the order shall expire; and

45 (f) A statement that the order authorizes only the interception of an oral communication to

1 which a law enforcement officer or a person under the direct supervision of a law enforcement of-
2 ficer is a party.

3 (7) An order under ORS 133.724 or this section is not required when a law enforcement officer
4 intercepts an oral communication to which the officer or a person under the direct supervision of
5 the officer is a party if the oral communication is made by a person whom the officer has probable
6 cause to believe has committed, is engaged in committing or is about to commit:

7 (a) A crime punishable as a felony under ORS 475.752, 475.806 to 475.894 or 475.906 or as a
8 misdemeanor under ORS 167.007 or 167.008; or

9 (b) Any other crime punishable as a felony if the circumstances at the time the oral communi-
10 cation is intercepted are of such exigency that it would be unreasonable to obtain a court order
11 under ORS 133.724 or this section.

12 (8) A law enforcement officer who intercepts an oral communication pursuant to this section
13 may not intentionally fail to record and preserve the oral communication in its entirety. A law
14 enforcement officer, or a person under the direct supervision of the officer, who is authorized under
15 this section to intercept an oral communication is not required to exclude from the interception an
16 oral communication made by a person for whom probable cause does not exist if the officer or the
17 person under the officer's direct supervision is a party to the oral communication.

18 (9) A law enforcement officer may not divulge the contents of an oral communication intercepted
19 under this section before a preliminary hearing or trial in which an oral communication is going to
20 be introduced as evidence against a person except:

21 (a) To a superior officer or other official with whom the law enforcement officer is cooperating
22 in the enforcement of the criminal laws of this state or the United States;

23 (b) To a magistrate;

24 (c) In a presentation to a federal or state grand jury; or

25 (d) In compliance with a court order.

26 (10) A law enforcement officer may intercept an oral communication under this section only
27 when acting within the scope of the officer's employment and as a part of assigned duties.

28 (11) As used in this section, "law enforcement officer" means:

29 (a) An officer employed to enforce criminal laws by:

30 (A) The United States, this state or a municipal government within this state;

31 (B) A political subdivision, agency, department or bureau of the governments described in sub-
32 paragraph (A) of this paragraph; or

33 (C) A police department established by a university under ORS 352.383 or 353.125;

34 (b) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;

35 or

36 (c) A [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001.

37 (12) Violation of subsection (9) of this section is a Class A misdemeanor.

38 **SECTION 144.** ORS 133.726, as amended by section 71, chapter 644, Oregon Laws 2011, section
39 13, chapter 54, Oregon Laws 2012, and section 15, chapter 180, Oregon Laws 2013, is amended to
40 read:

41 133.726. (1) Notwithstanding ORS 133.724, under the circumstances described in this section, a
42 law enforcement officer is authorized to intercept an oral communication to which the officer or a
43 person under the direct supervision of the officer is a party, without obtaining an order for the in-
44 terception of a wire, electronic or oral communication under ORS 133.724.

45 (2) For purposes of this section and ORS 133.736, a person is a party to an oral communication

1 if the oral communication is made in the person's immediate presence and is audible to the person
2 regardless of whether the communication is specifically directed to the person.

3 (3) An ex parte order for intercepting an oral communication in any county of this state under
4 this section may be issued by any judge as defined in ORS 133.525 upon written application made
5 upon oath or affirmation of the district attorney or a deputy district attorney authorized by the
6 district attorney for the county in which the order is sought or upon the oath or affirmation of any
7 peace officer as defined in ORS 133.005. The application shall include:

8 (a) The name of the applicant and the applicant's authority to make the application;

9 (b) A statement demonstrating that there is probable cause to believe that a person whose oral
10 communication is to be intercepted is engaged in committing, has committed or is about to commit
11 a particular felony, or a misdemeanor under ORS 167.007 or 167.008, and that intercepting the oral
12 communication will yield evidence thereof; and

13 (c) The identity of the person, if known, suspected of committing the crime and whose oral
14 communication is to be intercepted.

15 (4) The judge may require the applicant to furnish further testimony or documentary evidence
16 in support of the application.

17 (5) Upon examination of the application and evidence, the judge may enter an ex parte order,
18 as requested or as modified, authorizing or approving the interception of an oral communication
19 within the state if the judge determines on the basis of the facts submitted by the applicant that:

20 (a) There is probable cause to believe that a person is engaged in committing, has committed
21 or is about to commit a particular felony, or a misdemeanor under ORS 167.007 or 167.008; and

22 (b) There is probable cause to believe that the oral communication to be obtained will contain
23 evidence concerning that crime.

24 (6) An order authorizing or approving the interception of an oral communication under this
25 section must specify:

26 (a) The identity of the person, if known, whose oral communication is to be intercepted;

27 (b) A statement identifying the particular crime to which the oral communication is expected
28 to relate;

29 (c) The agency authorized under the order to intercept the oral communication;

30 (d) The name and office of the applicant and the signature and title of the issuing judge;

31 (e) A period of time after which the order shall expire; and

32 (f) A statement that the order authorizes only the interception of an oral communication to
33 which a law enforcement officer or a person under the direct supervision of a law enforcement of-
34 ficer is a party.

35 (7) An order under ORS 133.724 or this section is not required when a law enforcement officer
36 intercepts an oral communication to which the officer or a person under the direct supervision of
37 the officer is a party if the oral communication is made by a person whom the officer has probable
38 cause to believe has committed, is engaged in committing or is about to commit:

39 (a) A crime punishable as a felony under ORS 475.752, 475.806 to 475.894 or 475.906 or as a
40 misdemeanor under ORS 167.007 or 167.008; or

41 (b) Any other crime punishable as a felony if the circumstances at the time the oral communi-
42 cation is intercepted are of such exigency that it would be unreasonable to obtain a court order
43 under ORS 133.724 or this section.

44 (8) A law enforcement officer who intercepts an oral communication pursuant to this section
45 may not intentionally fail to record and preserve the oral communication in its entirety. A law

1 enforcement officer, or a person under the direct supervision of the officer, who is authorized under
2 this section to intercept an oral communication is not required to exclude from the interception an
3 oral communication made by a person for whom probable cause does not exist if the officer or the
4 person under the officer's direct supervision is a party to the oral communication.

5 (9) A law enforcement officer may not divulge the contents of an oral communication intercepted
6 under this section before a preliminary hearing or trial in which an oral communication is going to
7 be introduced as evidence against a person except:

8 (a) To a superior officer or other official with whom the law enforcement officer is cooperating
9 in the enforcement of the criminal laws of this state or the United States;

10 (b) To a magistrate;

11 (c) In a presentation to a federal or state grand jury; or

12 (d) In compliance with a court order.

13 (10) A law enforcement officer may intercept an oral communication under this section only
14 when acting within the scope of the officer's employment and as a part of assigned duties.

15 (11) As used in this section, "law enforcement officer" means:

16 (a) An officer employed to enforce criminal laws by:

17 (A) The United States, this state or a municipal government within this state;

18 (B) A political subdivision, agency, department or bureau of the governments described in sub-
19 paragraph (A) of this paragraph; or

20 (C) A police department established by a university under ORS 352.383 or 353.125; or

21 (b) A [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001.

22 (12) Violation of subsection (9) of this section is a Class A misdemeanor.

23 **SECTION 145.** ORS 153.005 is amended to read:

24 153.005. As used in this chapter:

25 (1) "Enforcement officer" means:

26 (a) A member of the Oregon State Police.

27 (b) A sheriff or deputy sheriff.

28 (c) A city marshal or a member of the police of a city, municipal or quasi-municipal corporation.

29 (d) A police officer commissioned by a university under ORS 352.383 or 353.125.

30 (e) An investigator of a district attorney's office if the investigator is or has been certified as
31 a peace officer in this or any other state.

32 (f) An investigator of the Criminal Justice Division of the Department of Justice of the State
33 of Oregon.

34 (g) A Port of Portland peace officer.

35 (h) A humane special agent as defined in ORS 181.435.

36 (i) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
37 471.775 (2).

38 (j) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

39 (k) Any other person specifically authorized by law to issue citations for the commission of vi-
40 olations.

41 (2) "Traffic offense" has the meaning given that term in ORS 801.555.

42 (3) "Violation" means an offense described in ORS 153.008.

43 (4) "Violation proceeding" means a judicial proceeding initiated by issuance of a citation that
44 charges a person with commission of a violation.

45 **SECTION 146.** ORS 153.005, as amended by section 45, chapter 644, Oregon Laws 2011, section

1 15, chapter 54, Oregon Laws 2012, section 8, chapter 67, Oregon Laws 2012, and section 22, chapter
2 180, Oregon Laws 2013, is amended to read:

3 153.005. As used in this chapter:

4 (1) "Enforcement officer" means:

5 (a) A member of the Oregon State Police.

6 (b) A sheriff or deputy sheriff.

7 (c) A city marshal or a member of the police of a city, municipal or quasi-municipal corporation.

8 (d) A police officer commissioned by a university under ORS 352.383 or 353.125.

9 (e) An investigator of a district attorney's office if the investigator is or has been certified as
10 a peace officer in this or any other state.

11 (f) An investigator of the Criminal Justice Division of the Department of Justice of the State
12 of Oregon.

13 (g) A Port of Portland peace officer.

14 (h) A humane special agent as defined in ORS 181.435.

15 (i) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
16 471.775 (2).

17 (j) Any other person specifically authorized by law to issue citations for the commission of vio-
18 lations.

19 (2) "Traffic offense" has the meaning given that term in ORS 801.555.

20 (3) "Violation" means an offense described in ORS 153.008.

21 (4) "Violation proceeding" means a judicial proceeding initiated by issuance of a citation that
22 charges a person with commission of a violation.

23 **SECTION 147.** ORS 161.015 is amended to read:

24 161.015. As used in chapter 743, Oregon Laws 1971, and ORS 166.635, unless the context requires
25 otherwise:

26 (1) "Dangerous weapon" means any weapon, device, instrument, material or substance which
27 under the circumstances in which it is used, attempted to be used or threatened to be used, is
28 readily capable of causing death or serious physical injury.

29 (2) "Deadly weapon" means any instrument, article or substance specifically designed for and
30 presently capable of causing death or serious physical injury.

31 (3) "Deadly physical force" means physical force that under the circumstances in which it is
32 used is readily capable of causing death or serious physical injury.

33 (4) "Peace officer" means:

34 (a) A member of the Oregon State Police;

35 (b) A sheriff, constable, marshal, municipal police officer or reserve officer as defined in ORS
36 133.005, or a police officer commissioned by a university under ORS 352.383 or 353.125;

37 (c) An investigator of the Criminal Justice Division of the Department of Justice or investigator
38 of a district attorney's office;

39 (d) A humane special agent as defined in ORS 181.435;

40 (e) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
41 471.775 (2);

42 (f) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011;
43 and

44 (g) Any other person designated by law as a peace officer.

45 (5) "Person" means a human being and, where appropriate, a public or private corporation, an

1 unincorporated association, a partnership, a government or a governmental instrumentality.

2 (6) "Physical force" includes, but is not limited to, the use of an electrical stun gun, tear gas
3 or mace.

4 (7) "Physical injury" means impairment of physical condition or substantial pain.

5 (8) "Serious physical injury" means physical injury which creates a substantial risk of death or
6 which causes serious and protracted disfigurement, protracted impairment of health or protracted
7 loss or impairment of the function of any bodily organ.

8 (9) "Possess" means to have physical possession or otherwise to exercise dominion or control
9 over property.

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

15 **SECTION 148.** ORS 161.015, as amended by section 46, chapter 644, Oregon Laws 2011, section
16 17, chapter 54, Oregon Laws 2012, section 10, chapter 67, Oregon Laws 2012, and section 24, chapter
17 180, Oregon Laws 2013, is amended to read:

18 161.015. As used in chapter 743, Oregon Laws 1971, and ORS 166.635, unless the context requires
19 otherwise:

20 (1) "Dangerous weapon" means any weapon, device, instrument, material or substance which
21 under the circumstances in which it is used, attempted to be used or threatened to be used, is
22 readily capable of causing death or serious physical injury.

23 (2) "Deadly weapon" means any instrument, article or substance specifically designed for and
24 presently capable of causing death or serious physical injury.

25 (3) "Deadly physical force" means physical force that under the circumstances in which it is
26 used is readily capable of causing death or serious physical injury.

27 (4) "Peace officer" means:

28 (a) A member of the Oregon State Police;

29 (b) A sheriff, constable, marshal, municipal police officer or reserve officer as defined in ORS
30 133.005, or a police officer commissioned by a university under ORS 352.383 or 353.125;

31 (c) An investigator of the Criminal Justice Division of the Department of Justice or investigator
32 of a district attorney's office;

33 (d) A humane special agent as defined in ORS 181.435;

34 (e) A [*liquor enforcement inspector*] **regulatory specialist** exercising authority described in ORS
35 471.775 (2); and

36 (f) Any other person designated by law as a peace officer.

37 (5) "Person" means a human being and, where appropriate, a public or private corporation, an
38 unincorporated association, a partnership, a government or a governmental instrumentality.

39 (6) "Physical force" includes, but is not limited to, the use of an electrical stun gun, tear gas
40 or mace.

41 (7) "Physical injury" means impairment of physical condition or substantial pain.

42 (8) "Serious physical injury" means physical injury which creates a substantial risk of death or
43 which causes serious and protracted disfigurement, protracted impairment of health or protracted
44 loss or impairment of the function of any bodily organ.

45 (9) "Possess" means to have physical possession or otherwise to exercise dominion or control

1 over property.

2 (10) "Public place" means a place to which the general public has access and includes, but is
3 not limited to, hallways, lobbies and other parts of apartment houses and hotels not constituting
4 rooms or apartments designed for actual residence, and highways, streets, schools, places of
5 amusement, parks, playgrounds and premises used in connection with public passenger transporta-
6 tion.

7 **SECTION 149.** ORS 163.095 is amended to read:

8 163.095. As used in ORS 163.105 and this section, "aggravated murder" means murder as defined
9 in ORS 163.115 which is committed under, or accompanied by, any of the following circumstances:

10 (1)(a) The defendant committed the murder pursuant to an agreement that the defendant receive
11 money or other thing of value for committing the murder.

12 (b) The defendant solicited another to commit the murder and paid or agreed to pay the person
13 money or other thing of value for committing the murder.

14 (c) The defendant committed murder after having been convicted previously in any jurisdiction
15 of any homicide, the elements of which constitute the crime of murder as defined in ORS 163.115
16 or manslaughter in the first degree as defined in ORS 163.118.

17 (d) There was more than one murder victim in the same criminal episode as defined in ORS
18 131.505.

19 (e) The homicide occurred in the course of or as a result of intentional maiming or torture of
20 the victim.

21 (f) The victim of the intentional homicide was a person under the age of 14 years.

22 (2)(a) The victim was one of the following and the murder was related to the performance of the
23 victim's official duties in the justice system:

24 (A) A police officer as defined in ORS 181.610;

25 (B) A correctional, parole and probation officer or other person charged with the duty of cus-
26 tody, control or supervision of convicted persons;

27 (C) A member of the Oregon State Police;

28 (D) A judicial officer as defined in ORS 1.210;

29 (E) A juror or witness in a criminal proceeding;

30 (F) An employee or officer of a court of justice;

31 (G) A member of the State Board of Parole and Post-Prison Supervision; or

32 (H) A [*liquor enforcement inspector*] **regulatory specialist**.

33 (b) The defendant was confined in a state, county or municipal penal or correctional facility or
34 was otherwise in custody when the murder occurred.

35 (c) The defendant committed murder by means of an explosive as defined in ORS 164.055.

36 (d) Notwithstanding ORS 163.115 (1)(b), the defendant personally and intentionally committed the
37 homicide under the circumstances set forth in ORS 163.115 (1)(b).

38 (e) The murder was committed in an effort to conceal the commission of a crime, or to conceal
39 the identity of the perpetrator of a crime.

40 (f) The murder was committed after the defendant had escaped from a state, county or municipal
41 penal or correctional facility and before the defendant had been returned to the custody of the fa-
42 cility.

43 **SECTION 150.** ORS 165.805 is amended to read:

44 165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

45 (a) Being less than a certain, specified age, the person knowingly purports to be of any age other

1 than the true age of the person with the intent of securing a right, benefit or privilege which by law
2 is denied to persons under that certain, specified age; or

3 (b) Being unmarried, the person knowingly represents that the person is married with the intent
4 of securing a right, benefit or privilege which by law is denied to unmarried persons.

5 (2) Misrepresentation of age by a minor is a Class C misdemeanor.

6 (3) In addition to and not in lieu of any other penalty established by law, a person who, using
7 a driver permit or license or other identification issued by the Department of Transportation of this
8 state or its equivalent in another state, commits the crime of misrepresentation of age by a minor
9 in order to purchase or consume alcoholic liquor may be required to perform community service and
10 the court shall order that the person's driving privileges and right to apply for driving privileges
11 be suspended for a period not to exceed one year. If a court has issued an order suspending driving
12 privileges under this section, the court, upon petition of the person, may withdraw the order at any
13 time the court deems appropriate. The court notification to the department under this subsection
14 may include a recommendation that the person be granted a hardship permit under ORS 807.240 if
15 the person is otherwise eligible for the permit.

16 (4) The prohibitions of this section do not apply to any person acting under the direction of the
17 Oregon Liquor Control Commission or a [*liquor enforcement inspector*] **regulatory specialist** or un-
18 der the direction of state or local law enforcement agencies for the purpose of investigating possible
19 violations of laws prohibiting sales of alcoholic beverages to persons who are under a certain,
20 specified age.

21 (5) The prohibitions of this section do not apply to a person under the age of 21 years who is
22 acting under the direction of a licensee for the purpose of investigating possible violations by em-
23 ployees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the
24 age of 21 years.

25 **SECTION 151.** ORS 166.070 is amended to read:

26 166.070. (1) A person commits the crime of aggravated harassment if the person, knowing that
27 the other person is a:

28 (a) Staff member, knowingly propels saliva, blood, urine, semen, feces or other dangerous sub-
29 stance at the staff member while the staff member is acting in the course of official duty or as a
30 result of the staff member's official duties;

31 (b) Public safety officer, knowingly propels blood, urine, semen or feces at the public safety of-
32 ficer while the public safety officer is acting in the course of official duty or as a result of the public
33 safety officer's official duties; or

34 (c) Public safety officer, intentionally propels saliva at the public safety officer, and the saliva
35 comes into physical contact with the public safety officer, while the public safety officer is acting
36 in the course of official duty or as a result of the public safety officer's official duties.

37 (2) Aggravated harassment is a Class C felony. When a person is convicted of violating sub-
38 section (1)(a) of this section, in addition to any other sentence it may impose, the court shall impose
39 a term of incarceration in a state correctional facility.

40 (3) As used in this section:

41 (a) "Public safety officer" means an emergency medical services provider as defined in ORS
42 682.025, a [*liquor enforcement inspector*] **regulatory specialist** as defined in ORS 471.001 or a fire
43 service professional, a parole and probation officer or a police officer as those terms are defined in
44 ORS 181.610.

45 (b) "Staff member" has the meaning given that term in ORS 163.165.

1 **SECTION 152.** ORS 181.010, as amended by section 1, chapter 119, Oregon Laws 2014, is
2 amended to read:

3 181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires
4 otherwise:

5 (1) "Criminal justice agency" means:

6 (a) The Governor;

7 (b) Courts of criminal jurisdiction;

8 (c) The Attorney General;

9 (d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees
10 of the office of public defense services and nonprofit public defender organizations established under
11 contract with the Public Defense Services Commission;

12 (e) Law enforcement agencies;

13 (f) The Department of Corrections;

14 (g) The Oregon Youth Authority;

15 (h) The State Board of Parole and Post-Prison Supervision;

16 (i) The Department of Public Safety Standards and Training;

17 (j) The enforcement division of the Oregon Liquor Control Commission **in performing duties**
18 **related to investigating and enforcing the criminal laws of this state that the commission is**
19 **charged to enforce;**

20 (k) Regional information systems that share programs to track, identify and remove cross-
21 jurisdictional criminal and terrorist conspiracies; and

22 (L) Any other state or local agency with law enforcement authority.

23 (2) "Criminal offender information" includes records and related data as to physical description
24 and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders
25 and alleged offenders, records of arrests and the nature and disposition of criminal charges, includ-
26 ing sentencing, confinement, parole and release.

27 (3) "Department" means the Department of State Police established under ORS 181.020.

28 (4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under
29 ORS 181.220.

30 (5) "Designated agency" means any state, county or municipal government agency where Oregon
31 criminal offender information is required to implement a federal or state statute, executive order
32 or administrative rule that expressly refers to criminal conduct and contains requirements or ex-
33 clusions expressly based on such conduct or for agency employment purposes, licensing purposes or
34 other demonstrated and legitimate needs when designated by order of the Governor.

35 (6) "Disposition report" means a form or process prescribed or furnished by the department,
36 containing a description of the ultimate action taken subsequent to an arrest.

37 (7) "Law enforcement agency" means:

38 (a) County sheriffs, municipal police departments, police departments established by a university
39 under ORS 352.383 or 353.125 and State Police;

40 (b) Other police officers of this state or another state, including humane special agents as de-
41 fined in ORS 181.435;

42 (c) A tribal government as defined in section 1, chapter 644, Oregon Laws 2011, that employs
43 authorized tribal police officers as defined in section 1, chapter 644, Oregon Laws 2011; and

44 (d) Law enforcement agencies of the federal government.

45 (8) "State police" means the sworn members of the state police force appointed under ORS

1 181.250.

2 (9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200.

3 **SECTION 153.** ORS 181.010, as amended by section 49, chapter 644, Oregon Laws 2011, section
4 19, chapter 54, Oregon Laws 2012, section 12, chapter 67, Oregon Laws 2012, section 30, chapter 180,
5 Oregon Laws 2013, and section 2, chapter 119, Oregon Laws 2014, is amended to read:

6 181.010. As used in ORS 181.010 to 181.560 and 181.715 to 181.730, unless the context requires
7 otherwise:

8 (1) "Criminal justice agency" means:

9 (a) The Governor;

10 (b) Courts of criminal jurisdiction;

11 (c) The Attorney General;

12 (d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees
13 of the office of public defense services and nonprofit public defender organizations established under
14 contract with the Public Defense Services Commission;

15 (e) Law enforcement agencies;

16 (f) The Department of Corrections;

17 (g) The Oregon Youth Authority;

18 (h) The State Board of Parole and Post-Prison Supervision;

19 (i) The Department of Public Safety Standards and Training;

20 (j) The enforcement division of the Oregon Liquor Control Commission **in performing duties**
21 **related to investigating and enforcing the criminal laws of this state that the commission is**
22 **charged to enforce;**

23 (k) Regional information systems that share programs to track, identify and remove cross-
24 jurisdictional criminal and terrorist conspiracies; and

25 (L) Any other state or local agency with law enforcement authority.

26 (2) "Criminal offender information" includes records and related data as to physical description
27 and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders
28 and alleged offenders, records of arrests and the nature and disposition of criminal charges, includ-
29 ing sentencing, confinement, parole and release.

30 (3) "Department" means the Department of State Police established under ORS 181.020.

31 (4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under
32 ORS 181.220.

33 (5) "Designated agency" means any state, county or municipal government agency where Oregon
34 criminal offender information is required to implement a federal or state statute, executive order
35 or administrative rule that expressly refers to criminal conduct and contains requirements or ex-
36 clusions expressly based on such conduct or for agency employment purposes, licensing purposes or
37 other demonstrated and legitimate needs when designated by order of the Governor.

38 (6) "Disposition report" means a form or process prescribed or furnished by the department,
39 containing a description of the ultimate action taken subsequent to an arrest.

40 (7) "Law enforcement agency" means:

41 (a) County sheriffs, municipal police departments, police departments established by a university
42 under ORS 352.383 or 353.125 and State Police;

43 (b) Other police officers of this state or another state, including humane special agents as de-
44 fined in ORS 181.435; and

45 (c) Law enforcement agencies of the federal government.

1 (8) "State police" means the sworn members of the state police force appointed under ORS
2 181.250.

3 (9) "Superintendent" means the Superintendent of State Police appointed under ORS 181.200.

4 **SECTION 154.** ORS 181.610 is amended to read:

5 181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:

6 (1) "Abuse" has the meaning given that term in ORS 107.705.

7 (2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to
8 ORS 181.620.

9 (3) "Certified reserve officer" means a reserve officer who has been designated by a local law
10 enforcement unit, has received training necessary for certification and has met the minimum stan-
11 dards and training requirements established under ORS 181.640.

12 (4) "Commissioned" means being authorized to perform various acts or duties of a police officer
13 or certified reserve officer and acting under the supervision and responsibility of a county sheriff
14 or as otherwise provided by law.

15 (5) "Corrections officer" means an officer or member employed full-time by a law enforcement
16 unit who:

17 (a) Is charged with and primarily performs the duty of custody, control or supervision of indi-
18 viduals convicted of or arrested for a criminal offense and confined in a place of incarceration or
19 detention other than a place used exclusively for incarceration or detention of juveniles; or

20 (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and
21 has supervisory or management authority for corrections officers described in paragraph (a) of this
22 subsection.

23 (6) "Department" means the Department of Public Safety Standards and Training.

24 (7) "Director" means the Director of the Department of Public Safety Standards and Training.

25 (8) "Domestic violence" means abuse between family or household members.

26 (9) "Emergency medical dispatcher" means a person who has responsibility to process requests
27 for medical assistance from the public or to dispatch medical care providers.

28 (10) "Family or household members" has the meaning given that term in ORS 107.705.

29 (11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member
30 of a public or private fire protection agency that is engaged primarily in fire investigation, fire
31 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light
32 and heavy rescue services, search and rescue services or hazardous materials incident response.
33 "Fire service professional" does not mean forest fire protection agency personnel.

34 (12) "Law enforcement unit" means:

35 (a) A police force or organization of the state, a city, university that has established a police
36 department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county
37 service district authorized to provide law enforcement services under ORS 451.010, tribal govern-
38 ment as defined in section 1, chapter 644, Oregon Laws 2011, that employs authorized tribal police
39 officers as defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the
40 Department of Justice, the Department of Corrections, the Oregon State Lottery Commission, the
41 Security and Emergency Preparedness Office of the Judicial Department or common carrier railroad
42 the primary duty of which, as prescribed by law, ordinance or directive, is one or more of the fol-
43 lowing:

44 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating
45 to airport security;

1 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal
2 offense and confined to a place of incarceration or detention other than a place used exclusively for
3 incarceration or detention of juveniles; or

4 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced
5 to probation and investigation of adult offenders on parole or probation or being considered for
6 parole or probation;

7 (b) A police force or organization of a private entity with a population of more than 1,000 resi-
8 dents in an unincorporated area the employees of which are commissioned by a county sheriff;

9 (c) A district attorney's office;

10 (d) The Oregon Liquor Control Commission with regard to [*liquor enforcement inspectors*] **regu-**
11 **latory specialists**; or

12 (e) A humane investigation agency as defined in ORS 181.433.

13 [(13) "*Liquor enforcement inspector*" has the meaning given that term in ORS 471.001.]

14 [(14)] (13) "Parole and probation officer" means:

15 (a) An officer who is employed full-time by the Department of Corrections, a county or a court
16 and who is charged with and performs the duty of:

17 (A) Community protection by controlling, investigating, supervising and providing or making
18 referrals to reformative services for adult parolees or probationers or offenders on post-prison
19 supervision; or

20 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-
21 bation; or

22 (b) An officer who:

23 (A) Is certified and has been employed as a full-time parole and probation officer for more than
24 one year;

25 (B) Is employed part-time by the Department of Corrections, a county or a court; and

26 (C) Is charged with and performs the duty of:

27 (i) Community protection by controlling, investigating, supervising and providing or making re-
28 ferrals to reformative services for adult parolees or probationers or offenders on post-prison super-
29 vision; or

30 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-
31 bation.

32 [(15)] (14) "Police officer" means:

33 (a) An officer, member or employee of a law enforcement unit employed full-time as a peace of-
34 ficer who is:

35 (A) Commissioned by a city, port, school district, mass transit district, county, county service
36 district authorized to provide law enforcement services under ORS 451.010, tribal government as
37 defined in section 1, chapter 644, Oregon Laws 2011, the Criminal Justice Division of the Depart-
38 ment of Justice, the Oregon State Lottery Commission, a university that has established a police
39 department under ORS 352.383 or 353.125, the Governor or the Department of State Police; and

40 (B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to
41 airport security;

42 (b) An investigator of a district attorney's office if the investigator is or has been certified as
43 a peace officer in this or another state;

44 (c) A humane special agent commissioned under ORS 181.433;

45 (d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647; or

1 (e) An authorized tribal police officer as defined in section 1, chapter 644, Oregon Laws 2011.

2 [(16)] (15) "Public or private safety agency" means a unit of state or local government, a special
3 purpose district or a private firm that provides, or has authority to provide, fire fighting, police,
4 ambulance or emergency medical services.

5 [(17)] (16) "Public safety personnel" and "public safety officer" include corrections officers,
6 youth correction officers, emergency medical dispatchers, parole and probation officers, police offi-
7 cers, certified reserve officers, telecommunicators, [*liquor enforcement inspectors*] **regulatory spe-**
8 **cialists** and fire service professionals.

9 (17) "**Regulatory specialist**" has the meaning given that term in ORS 471.001.

10 (18) "Reserve officer" means an officer or member of a law enforcement unit who is:

11 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,
12 school district, mass transit district, county, county service district authorized to provide law
13 enforcement services under ORS 451.010, tribal government as defined in section 1, chapter 644,
14 Oregon Laws 2011, the Criminal Justice Division of the Department of Justice, the Oregon State
15 Lottery Commission, a university that has established a police department under ORS 352.383 or
16 353.125, the Governor or the Department of State Police;

17 (b) Armed with a firearm; and

18 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
19 nances relating to airport security.

20 (19) "Telecommunicator" means a person employed as an emergency telephone worker as de-
21 fined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing
22 and transmitting public safety information received through a 9-1-1 emergency reporting system as
23 defined in ORS 403.105.

24 (20) "Youth correction officer" means an employee of the Oregon Youth Authority who is
25 charged with and primarily performs the duty of custody, control or supervision of youth offenders
26 confined in a youth correction facility.

27 **SECTION 155.** ORS 181.610, as amended by section 50, chapter 644, Oregon Laws 2011, section
28 23, chapter 54, Oregon Laws 2012, section 14, chapter 67, Oregon Laws 2012, section 5, chapter 88,
29 Oregon Laws 2012, section 18, chapter 1, Oregon Laws 2013, section 7, chapter 154, Oregon Laws
30 2013, and section 32, chapter 180, Oregon Laws 2013, is amended to read:

31 181.610. As used in ORS 181.610 to 181.712, unless the context requires otherwise:

32 (1) "Abuse" has the meaning given that term in ORS 107.705.

33 (2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to
34 ORS 181.620.

35 (3) "Certified reserve officer" means a reserve officer who has been designated by a local law
36 enforcement unit, has received training necessary for certification and has met the minimum stan-
37 dards and training requirements established under ORS 181.640.

38 (4) "Commissioned" means being authorized to perform various acts or duties of a police officer
39 or certified reserve officer and acting under the supervision and responsibility of a county sheriff
40 or as otherwise provided by law.

41 (5) "Corrections officer" means an officer or member employed full-time by a law enforcement
42 unit who:

43 (a) Is charged with and primarily performs the duty of custody, control or supervision of indi-
44 viduals convicted of or arrested for a criminal offense and confined in a place of incarceration or
45 detention other than a place used exclusively for incarceration or detention of juveniles; or

1 (b) Has been certified as a corrections officer described in paragraph (a) of this subsection and
2 has supervisory or management authority for corrections officers described in paragraph (a) of this
3 subsection.

4 (6) "Department" means the Department of Public Safety Standards and Training.

5 (7) "Director" means the Director of the Department of Public Safety Standards and Training.

6 (8) "Domestic violence" means abuse between family or household members.

7 (9) "Emergency medical dispatcher" means a person who has responsibility to process requests
8 for medical assistance from the public or to dispatch medical care providers.

9 (10) "Family or household members" has the meaning given that term in ORS 107.705.

10 (11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member
11 of a public or private fire protection agency that is engaged primarily in fire investigation, fire
12 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light
13 and heavy rescue services, search and rescue services or hazardous materials incident response.
14 "Fire service professional" does not mean forest fire protection agency personnel.

15 (12) "Law enforcement unit" means:

16 (a) A police force or organization of the state, a city, university that has established a police
17 department under ORS 352.383 or 353.125, port, school district, mass transit district, county, county
18 service district authorized to provide law enforcement services under ORS 451.010, tribal govern-
19 ment, the Criminal Justice Division of the Department of Justice, the Department of Corrections, the
20 Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Judicial
21 Department or common carrier railroad the primary duty of which, as prescribed by law, ordinance
22 or directive, is one or more of the following:

23 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating
24 to airport security;

25 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal
26 offense and confined to a place of incarceration or detention other than a place used exclusively for
27 incarceration or detention of juveniles; or

28 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced
29 to probation and investigation of adult offenders on parole or probation or being considered for
30 parole or probation;

31 (b) A police force or organization of a private entity with a population of more than 1,000 resi-
32 dents in an unincorporated area the employees of which are commissioned by a county sheriff;

33 (c) A district attorney's office;

34 (d) The Oregon Liquor Control Commission with regard to [*liquor enforcement inspectors*] **regu-**
35 **latory specialists**; or

36 (e) A humane investigation agency as defined in ORS 181.433.

37 [(13) "*Liquor enforcement inspector*" has the meaning given that term in ORS 471.001.]

38 [(14)] (13) "Parole and probation officer" means:

39 (a) An officer who is employed full-time by the Department of Corrections, a county or a court
40 and who is charged with and performs the duty of:

41 (A) Community protection by controlling, investigating, supervising and providing or making
42 referrals to reformatory services for adult parolees or probationers or offenders on post-prison
43 supervision; or

44 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-
45 bation; or

1 (b) An officer who:

2 (A) Is certified and has been employed as a full-time parole and probation officer for more than
3 one year;

4 (B) Is employed part-time by the Department of Corrections, a county or a court; and

5 (C) Is charged with and performs the duty of:

6 (i) Community protection by controlling, investigating, supervising and providing or making re-
7 ferrals to reformative services for adult parolees or probationers or offenders on post-prison super-
8 vision; or

9 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-
10 bation.

11 [(15)] (14) "Police officer" means:

12 (a) An officer, member or employee of a law enforcement unit employed full-time as a peace of-
13 ficer who is:

14 (A) Commissioned by a city, port, school district, mass transit district, county, county service
15 district authorized to provide law enforcement services under ORS 451.010, tribal government, the
16 Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a
17 university that has established a police department under ORS 352.383 or 353.125, the Governor or
18 the Department of State Police; and

19 (B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to
20 airport security;

21 (b) An investigator of a district attorney's office if the investigator is or has been certified as
22 a peace officer in this or another state;

23 (c) A humane special agent commissioned under ORS 181.433; or

24 (d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181.647.

25 [(16)] (15) "Public or private safety agency" means a unit of state or local government, a special
26 purpose district or a private firm that provides, or has authority to provide, fire fighting, police,
27 ambulance or emergency medical services.

28 [(17)] (16) "Public safety personnel" and "public safety officer" include corrections officers,
29 youth correction officers, emergency medical dispatchers, parole and probation officers, police offi-
30 cers, certified reserve officers, telecommunicators, [*liquor enforcement inspectors*] **regulatory spe-**
31 **cialists** and fire service professionals.

32 (17) "Regulatory specialist" has the meaning given that term in ORS 471.001.

33 (18) "Reserve officer" means an officer or member of a law enforcement unit who is:

34 (a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port,
35 school district, mass transit district, county, county service district authorized to provide law
36 enforcement services under ORS 451.010, tribal government, the Criminal Justice Division of the
37 Department of Justice, the Oregon State Lottery Commission, a university that has established a
38 police department under ORS 352.383 or 353.125, the Governor or the Department of State Police;

39 (b) Armed with a firearm; and

40 (c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordi-
41 nances relating to airport security.

42 (19) "Telecommunicator" means a person employed as an emergency telephone worker as de-
43 fined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing
44 and transmitting public safety information received through a 9-1-1 emergency reporting system as
45 defined in ORS 403.105.

1 (20) "Youth correction officer" means an employee of the Oregon Youth Authority who is
2 charged with and primarily performs the duty of custody, control or supervision of youth offenders
3 confined in a youth correction facility.

4 **SECTION 156.** ORS 181.645 is amended to read:

5 181.645. A law enforcement unit in this state may not employ as a police officer, corrections
6 officer, parole and probation officer or [*liquor enforcement inspector*] **regulatory specialist**, or utilize
7 as a certified reserve officer, any person who has not yet attained the age of 21 years.

8 **SECTION 157.** ORS 181.646 is amended to read:

9 181.646. (1) Except for a person who has requested and obtained an extension from the Depart-
10 ment of Public Safety Standards and Training under subsection (2) of this section, subject to sub-
11 section (3) of this section the Oregon Liquor Control Commission may not employ a person as a
12 [*liquor enforcement inspector*] **regulatory specialist** for more than 18 months unless the person is a
13 citizen of the United States who has been certified under ORS 181.640 as being qualified as a [*liquor*
14 *enforcement inspector*] **regulatory specialist** and the certification has not:

15 (a) Lapsed; or

16 (b) Been revoked under ORS 181.661, 181.662 and 181.664 (1) and not reissued under ORS 181.661
17 (2).

18 (2) The department, upon the facts contained in an affidavit accompanying the request for ex-
19 tension, may find good cause for failure to obtain certification within the time period described in
20 subsection (1) of this section. If the department finds that there is good cause for the failure, the
21 department may extend for up to one year the period that a person may serve as a [*liquor enforce-*
22 *ment inspector*] **regulatory specialist** without certification. The grant or denial of an extension is
23 within the sole discretion of the department.

24 (3) The citizenship requirement in subsection (1) of this section does not apply to a person em-
25 ployed as a [*liquor enforcement inspector*] **regulatory specialist** on March 16, 2012, who continues
26 to serve as a [*liquor enforcement inspector*] **regulatory specialist** without a lapse under subsection
27 (4) of this section.

28 (4) The certification of a [*liquor enforcement inspector*] **regulatory specialist** shall lapse after
29 three or more consecutive months of not being employed as a [*liquor enforcement inspector*] **regula-**
30 **tory specialist** unless the [*liquor enforcement inspector*] **regulatory specialist** is on leave from the
31 commission. Upon reemployment as a [*liquor enforcement inspector*] **regulatory specialist**, the per-
32 son whose certification has lapsed may apply to be certified under ORS 181.610 to 181.712.

33 (5) The commission shall pay the costs of training required for a [*liquor enforcement inspector*]
34 **regulatory specialist** to be certified by the department.

35 **SECTION 158.** Section 32, chapter 54, Oregon Laws 2012, is amended to read:

36 **Sec. 32.** (1) The Department of Public Safety Standards and Training shall make public safety
37 personnel certification under ORS 181.640 as [*liquor enforcement inspectors*] **regulatory specialists**
38 available for qualified applicants no later than July 1, 2015.

39 (2) Notwithstanding [*section 21 of this 2012 Act*] **ORS 181.646** and the amendments to ORS
40 181.610 by sections 22 and 23, **chapter 54, Oregon Laws 2012** [*of this 2012 Act*], an inspector or
41 investigator employed by the Oregon Liquor Control Commission and not granted an extension un-
42 der [*section 21 of this 2012 Act*] **ORS 181.646** to obtain certification may perform the duties of a [*li-*
43 *quor enforcement inspector*] **regulatory specialist** without certification under ORS 181.640 until
44 January 1, 2017.

45 (3) An employee of the Oregon Liquor Control Commission who takes voluntary training for

1 commission inspectors and investigators provided by the Department of Public Safety Standards and
2 Training prior to the date that [*liquor enforcement inspector*] **regulatory specialist** training is
3 available from the department is deemed to have met the minimum basic training requirements for
4 a [*liquor enforcement inspector*] **regulatory specialist** and is exempt from any minimum physical
5 standards for [*liquor enforcement inspectors*] **regulatory specialists** developed under [*section 21 of*
6 *this 2012 Act*] **ORS 181.646.**

7 **SECTION 159.** ORS 238.005, as amended by section 2, chapter 107, Oregon Laws 2014, is
8 amended to read:

9 238.005. For purposes of this chapter:

10 (1) "Active member" means a member who is presently employed by a participating public em-
11 ployer in a qualifying position and who has completed the six-month period of service required by
12 ORS 238.015.

13 (2) "Annuity" means payments for life derived from contributions made by a member as provided
14 in this chapter.

15 (3) "Board" means the Public Employees Retirement Board.

16 (4) "Calendar year" means 12 calendar months commencing on January 1 and ending on De-
17 cember 31 following.

18 (5) "Continuous service" means service not interrupted for more than five years, except that
19 such continuous service shall be computed without regard to interruptions in the case of:

20 (a) An employee who had returned to the service of the employer as of January 1, 1945, and
21 who remained in that employment until having established membership in the Public Employees
22 Retirement System.

23 (b) An employee who was in the armed services on January 1, 1945, and returned to the service
24 of the employer within one year of the date of being otherwise than dishonorably discharged and
25 remained in that employment until having established membership in the Public Employees Retire-
26 ment System.

27 (6) "Creditable service" means any period of time during which an active member is being paid
28 a salary by a participating public employer and for which benefits under this chapter are funded by
29 employer contributions and earnings on the fund. For purposes of computing years of "creditable
30 service," full months and major fractions of a month shall be considered to be one-twelfth of a year
31 and shall be added to all full years. "Creditable service" includes all retirement credit received by
32 a member.

33 (7) "Earliest service retirement age" means the age attained by a member when the member
34 could first make application for retirement under the provisions of ORS 238.280.

35 (8) "Employee" includes, in addition to employees, public officers, but does not include:

36 (a) Persons engaged as independent contractors.

37 (b) Seasonal, emergency or casual workers whose periods of employment with any public em-
38 ployer or public employers do not total 600 hours in any calendar year.

39 (c) Persons provided sheltered employment or made-work by a public employer in an employment
40 or industries program maintained for the benefit of such persons.

41 (d) Persons employed and paid from federal funds received under a federal program intended
42 primarily to alleviate unemployment. However, any such person shall be considered an "employee"
43 if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects
44 to have the person so considered by an irrevocable written notice to the board.

45 (e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such em-

1 ployees, are included in a retirement plan under federal railroad retirement statutes. This paragraph
2 shall be deemed to have been in effect since the inception of the system.

3 (9) "Final average salary" means whichever of the following is greater:

4 (a) The average salary per calendar year paid by one or more participating public employers to
5 an employee who is an active member of the system in three of the calendar years of membership
6 before the effective date of retirement of the employee, in which three years the employee was paid
7 the highest salary. The three calendar years in which the employee was paid the largest total salary
8 may include calendar years in which the employee was employed for less than a full calendar year.
9 If the number of calendar years of active membership before the effective date of retirement of the
10 employee is three or fewer, the final average salary for the employee is the average salary per cal-
11 endar year paid by one or more participating public employers to the employee in all of those years,
12 without regard to whether the employee was employed for the full calendar year.

13 (b) One-third of the total salary paid by a participating public employer to an employee who is
14 an active member of the system in the last 36 calendar months of active membership before the ef-
15 fective date of retirement of the employee.

16 (10) "Firefighter" does not include a volunteer firefighter, but does include:

17 (a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals; and

18 (b) An employee of the State Forestry Department who is certified by the State Forester as a
19 professional wildland firefighter and whose primary duties include the abatement of uncontrolled
20 fires as described in ORS 477.064.

21 (11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 fol-
22 lowing.

23 (12) "Fund" means the Public Employees Retirement Fund.

24 (13) "Inactive member" means a member who is not employed in a qualifying position, whose
25 membership has not been terminated in the manner described by ORS 238.095 and who is not retired
26 for service or disability.

27 (14) "Institution of higher education" means a public university listed in ORS 352.002, the
28 Oregon Health and Science University and a community college, as defined in ORS 341.005.

29 (15) "Member" means a person who has established membership in the system and whose mem-
30 bership has not been terminated as described in ORS 238.095. "Member" includes active, inactive
31 and retired members.

32 (16) "Member account" means the regular account and the variable account.

33 (17) "Normal retirement age" means:

34 (a) For a person who establishes membership in the system before January 1, 1996, as described
35 in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter
36 or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

37 (b) For a person who establishes membership in the system on or after January 1, 1996, as de-
38 scribed in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or
39 firefighter or 60 years of age if the employee retires at that age as other than a police officer or
40 firefighter.

41 (18) "Pension" means annual payments for life derived from contributions by one or more public
42 employers.

43 (19) "Police officer" includes:

44 (a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions
45 whose duties, as assigned by the Director of the Department of Corrections, include the custody of

1 persons committed to the custody of or transferred to the Department of Corrections and employees
2 of the Department of Corrections who were classified as police officers on or before July 27, 1989,
3 whether or not such classification was authorized by law.

4 (b) Employees of the Department of State Police who are classified as police officers by the
5 Superintendent of State Police.

6 (c) Employees of the Oregon Liquor Control Commission who are classified as [*liquor enforce-*
7 *ment inspectors*] **regulatory specialists** by the administrator of the commission.

8 (d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified
9 by the sheriff, are the regular duties of police officers or corrections officers.

10 (e) Police chiefs and police personnel of a city who are classified as police officers by the
11 council or other governing body of the city.

12 (f) Police officers who are commissioned by a university under ORS 352.383 or 353.125 and who
13 are classified as police officers by the university.

14 (g) Parole and probation officers employed by the Department of Corrections, parole and pro-
15 bation officers who are transferred to county employment under ORS 423.549 and adult parole and
16 probation officers, as defined in ORS 181.610, who are classified as police officers for the purposes
17 of this chapter by the county governing body. If a county classifies adult parole and probation offi-
18 cers as police officers for the purposes of this chapter, and the employees so classified are repres-
19 ented by a labor organization, any proposal by the county to change that classification or to cease
20 to classify adult parole and probation officers as police officers for the purposes of this chapter is
21 a mandatory subject of bargaining.

22 (h) Police officers appointed under ORS 276.021 or 276.023.

23 (i) Employees of the Port of Portland who are classified as airport police by the Board of Com-
24 missioners of the Port of Portland.

25 (j) Employees of the State Department of Agriculture who are classified as livestock police of-
26 ficers by the Director of Agriculture.

27 (k) Employees of the Department of Public Safety Standards and Training who are classified by
28 the department as other than secretarial or clerical personnel.

29 (L) Investigators of the Criminal Justice Division of the Department of Justice.

30 (m) Corrections officers as defined in ORS 181.610.

31 (n) Employees of the Oregon State Lottery Commission who are classified by the Director of the
32 Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

33 (o) The Director of the Department of Corrections.

34 (p) An employee who for seven consecutive years has been classified as a police officer as de-
35 fined by this section, and who is employed or transferred by the Department of Corrections to fill
36 a position designated by the Director of the Department of Corrections as being eligible for police
37 officer status.

38 (q) An employee of the Department of Corrections classified as a police officer on or prior to
39 July 27, 1989, whether or not that classification was authorized by law, as long as the employee
40 remains in the position held on July 27, 1989. The initial classification of an employee under a sys-
41 tem implemented pursuant to ORS 240.190 does not affect police officer status.

42 (r) Employees of a school district who are appointed and duly sworn members of a law
43 enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as
44 police officers commissioned by the district.

45 (s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050,

1 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who
2 have supervisory, control or teaching responsibilities over juveniles committed to the custody of the
3 Department of Corrections or the Oregon Youth Authority.

4 (t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job de-
5 scription involves the custody, control, treatment, investigation or supervision of juveniles placed
6 in such facilities.

7 (u) Employees of the Oregon Youth Authority who are classified as juvenile parole and pro-
8 bation officers.

9 (20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2)
10 to (6) (1999 Edition).

11 (21) "Public employer" means the state, one of its agencies, any city, county, or municipal or
12 public corporation, any political subdivision of the state or any instrumentality thereof, or an agency
13 created by one or more such governmental organizations to provide governmental services. For
14 purposes of this chapter, such agency created by one or more governmental organizations is a gov-
15 ernmental instrumentality and a legal entity with power to enter into contracts, hold property and
16 sue and be sued.

17 (22) "Qualifying position" means one or more jobs with one or more participating public em-
18 ployers in which an employee performs 600 or more hours of service in a calendar year, excluding
19 any service in a job for which a participating public employer does not provide benefits under this
20 chapter pursuant to an application made under ORS 238.035.

21 (23) "Regular account" means the account established for each active and inactive member un-
22 der ORS 238.250.

23 (24) "Retired member" means a member who is retired for service or disability.

24 (25) "Retirement credit" means a period of time that is treated as creditable service for the
25 purposes of this chapter.

26 (26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public
27 employer in return for services to the employer, plus the monetary value, as determined by the
28 Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and
29 other advantages the employer furnishes the employee in return for services.

30 (b) "Salary" includes but is not limited to:

31 (A) Payments of employee and employer money into a deferred compensation plan, which are
32 deemed salary paid in each month of deferral;

33 (B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary
34 paid in each month of participation;

35 (C) Retroactive payments described in ORS 238.008; and

36 (D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS
37 652.190.

38 (c) "Salary" or "other advantages" does not include:

39 (A) Travel or any other expenses incidental to employer's business which is reimbursed by the
40 employer;

41 (B) Payments for insurance coverage by an employer on behalf of employee or employee and
42 dependents, for which the employee has no cash option;

43 (C) Payments made on account of an employee's death;

44 (D) Any lump sum payment for accumulated unused sick leave;

45 (E) Any accelerated payment of an employment contract for a future period or an advance

1 against future wages;

2 (F) Any retirement incentive, retirement severance pay, retirement bonus or retirement
3 gratuitous payment;

4 (G) Payments for periods of leave of absence after the date the employer and employee have
5 agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for
6 sick leave and vacation;

7 (H) Payments for instructional services rendered to public universities listed in ORS 352.002 or
8 the Oregon Health and Science University when such services are in excess of full-time employment
9 subject to this chapter. A person employed under a contract for less than 12 months is subject to
10 this subparagraph only for the months to which the contract pertains; or

11 (I) Payments made by an employer for insurance coverage provided to a domestic partner of an
12 employee.

13 (27) "School year" means the period beginning July 1 and ending June 30 next following.

14 (28) "System" means the Public Employees Retirement System.

15 (29) "Variable account" means the account established for a member who participates in the
16 Variable Annuity Account under ORS 238.260.

17 (30) "Vested" means being an active member of the system in each of five calendar years.

18 (31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600
19 hours of service per year.

20 **SECTION 160.** ORS 471.001 is amended to read:

21 471.001. As used in this chapter and ORS chapter 473:

22 (1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than
23 one-half of one percent alcohol by volume and capable of being consumed by a human being.

24 (2) "Commercial establishment" means a place of business:

25 (a) Where food is cooked and served;

26 (b) That has kitchen facilities adequate for the preparation and serving of meals;

27 (c) That has dining facilities adequate for the serving and consumption of meals; and

28 (d) That:

29 (A) If not a for-profit private club, serves meals to the general public; or

30 (B) If a for-profit private club, serves meals to the club's members and guests and complies with
31 any minimum membership and food service requirements established by Oregon Liquor Control
32 Commission rules.

33 (3) "Commission" means the Oregon Liquor Control Commission.

34 (4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage.
35 "Distilled liquor" includes distilled spirits.

36 (5) "Licensee" means any person holding a license issued under this chapter.

37 [(6) "Liquor enforcement inspector" means a full-time employee of the commission who is authorized
38 to act as an agent of the commission in conducting inspections or investigations, making arrests and
39 seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing
40 this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other statutes the com-
41 mission considers related to alcoholic liquor.]

42 [(7)(a)] (6)(a) "Malt beverage" means an alcoholic beverage obtained by the fermentation of
43 grain that contains not more than 14 percent alcohol by volume.

44 (b) "Malt beverage" includes:

45 (A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent

1 alcohol by volume;

2 (B) Malt beverages containing six percent or less alcohol by volume and that contain at least
3 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49
4 percent of the beverage's overall alcohol content is obtained from flavors and other added
5 nonbeverage ingredients containing alcohol; and

6 (C) Malt beverages containing more than six percent alcohol by volume that derive not more
7 than 1.5 percent of the beverage's overall alcohol content by volume from flavors and other added
8 nonbeverage ingredients containing alcohol.

9 (c) "Malt beverage" does not include cider or an alcoholic beverage obtained primarily by
10 fermentation of rice, such as sake.

11 [(8)] (7) "Manufacturer" means every person who produces, brews, ferments, manufactures or
12 blends an alcoholic beverage within this state or who imports or causes to be imported into this
13 state an alcoholic beverage for sale or distribution within the state.

14 [(9)] (8) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.390.

15 [(10)] (9) "Premises" or "licensed premises" means a location licensed under this chapter and
16 includes all enclosed areas at the location that are used in the business operated at the location,
17 including offices, kitchens, rest rooms and storerooms, including all public and private areas where
18 patrons are permitted to be present. "Premises" or "licensed premises" includes areas outside of a
19 building that the commission has specifically designated as approved for alcoholic beverage service
20 or consumption.

21 (10) "Regulatory specialist" means a full-time employee of the commission who is au-
22 thorized to act as an agent of the commission in conducting inspections or investigations,
23 making arrests and seizures, aiding in prosecutions for offenses, issuing citations for vio-
24 lations and otherwise enforcing this chapter, ORS 474.005 to 474.095 and 474.115, commission
25 rules and any other statutes the commission considers related to regulating liquor or
26 marijuana.

27 (11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit
28 for beverage purposes that is not a malt beverage, containing more than one-half of one percent of
29 alcohol by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified
30 wine. "Wine" does not include cider.

31 **SECTION 161.** ORS 471.360 is amended to read:

32 471.360. (1) Except as otherwise provided in ORS 471.375:

33 (a) Any person employed by a licensee of the Oregon Liquor Control Commission must have a
34 valid service permit issued by the commission if the person:

35 (A) Participates in any manner in the mixing, selling or service of alcoholic liquor for con-
36 sumption on the premises where served or sold; or

37 (B) Participates in the dispensing of malt beverages, wines or cider sold in securely covered
38 containers provided by the consumer.

39 (b) A licensee of the commission may not permit any person who lacks a service permit required
40 of the person under paragraph (a) of this subsection:

41 (A) To mix, sell or serve any alcoholic liquor for consumption on licensed premises; or

42 (B) To dispense malt beverages, wines or cider sold in securely covered containers provided by
43 the consumer.

44 (c) A permittee shall make the service permit available at any time while on duty for immediate
45 inspection by any [*liquor enforcement inspector*] **regulatory specialist** or by any other peace officer.

1 (2) The commission may waive the requirement for a service permit for an employee of a
2 licensee whose primary function is not the sale of alcoholic liquor or food, including but not limited
3 to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

4 **SECTION 162.** ORS 471.375 is amended to read:

5 471.375. (1) Any person who has not had a permit refused or revoked or whose permit is not
6 under suspension may mix, sell or serve alcoholic beverages as provided under subsection (4) of this
7 section if the person prepares in duplicate an application for a service permit prior to mixing, selling
8 or serving any alcoholic beverage for consumption on licensed premises and the application is
9 indorsed as required under subsection (2) of this section. A copy of the indorsed application must
10 be kept on the licensed premises by any licensee for whom the person mixes, sells or serves alco-
11 holic beverages and must be made available for immediate inspection by any [*liquor enforcement in-*
12 *spector*] **regulatory specialist** or by any other peace officer until the applicant receives the service
13 permit.

14 (2) An application for a service permit under subsection (1) of this section must be indorsed by
15 one of the following persons:

16 (a) The licensee under whose license the applicant will mix, sell or serve alcoholic beverages.
17 If a licensee indorses an application, the licensee must immediately transmit the application to the
18 commission with the fee required by subsection (3) of this section.

19 (b) An officer or employee of a company that provides servers to licensees on a temporary basis.
20 The commission must give a company written approval to indorse service permit applications before
21 an application may be indorsed under this paragraph.

22 (c) An employee of the commission designated by the commission to accept and indorse appli-
23 cations under this section. The applicant must personally appear before the employee of the com-
24 mission and provide identification as may be required by commission rule.

25 (d) An employee of an alcohol server education course provider that has been certified by the
26 commission under ORS 471.542 (8). The employee must be specifically designated by the provider to
27 indorse applications under this section.

28 (3) An applicant for a service permit must be 18 years of age or over. Application for a service
29 permit shall be made on a form supplied by the commission. The applicant shall truly answer all
30 questions, provide any further information required, and pay a fee not to exceed \$10. The commis-
31 sion shall either set the fee to cover only the administrative costs of the service permit program,
32 or apply any excess to the Alcohol Education Program established under ORS 471.541.

33 (4) An applicant for a service permit whose application has been indorsed as provided under this
34 section may:

35 (a) Participate in the mixing, selling or service of alcoholic beverages for consumption on the
36 premises where served or sold; and

37 (b) Participate in the dispensing of malt beverages, wine or cider sold in securely covered con-
38 tainers provided by the consumer.

39 **SECTION 163.** ORS 471.675 is amended to read:

40 471.675. A person may not forcibly resist lawful arrest, or by physical contact recklessly inter-
41 fere with an investigation of any infringement of the Liquor Control Act or with any lawful search
42 or seizure being made by a peace officer or a [*liquor enforcement inspector*] **regulatory specialist**
43 if the person knows or should know that the investigation, search or seizure is being performed by
44 a peace officer or [*liquor enforcement inspector*] **regulatory specialist**.

45 **SECTION 164.** ORS 471.775 is amended to read:

1 471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of
2 the Oregon Liquor Control Commission or any of its authorized agents.

3 (2) [*Liquor enforcement inspectors*] **Regulatory specialists** have authority as provided under this
4 chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739,
5 161.235, 161.239 and 161.245 and chapter 743, Oregon Laws 1971, to conduct inspections or investi-
6 gations, make arrests and seizures, aid in prosecutions for offenses, issue criminal citations and ci-
7 tations for violations and otherwise enforce this chapter, ORS 474.005 to 474.095 and 474.115,
8 commission rules and any other laws of this state that the commission considers related to alcoholic
9 liquor, including but not limited to laws regarding the manufacture, importation, transportation,
10 possession, distribution, sale or consumption of alcoholic beverages, the manufacture or use of false
11 identification or the entry of premises licensed to sell alcoholic liquor.

12 **SECTION 165.** ORS 659A.320 is amended to read:

13 659A.320. (1) Except as provided in subsection (2) of this section, it is an unlawful employment
14 practice for an employer to obtain or use for employment purposes information contained in the
15 credit history of an applicant for employment or an employee, or to refuse to hire, discharge, de-
16 mote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard
17 to promotion, compensation or the terms, conditions or privileges of employment based on informa-
18 tion in the credit history of the applicant or employee.

19 (2) Subsection (1) of this section does not apply to:

20 (a) Employers that are federally insured banks or credit unions;

21 (b) Employers that are required by state or federal law to use individual credit history for em-
22 ployment purposes;

23 (c) The application for employment or the employment of a public safety officer who will be or
24 who is:

25 (A) A member of a law enforcement unit;

26 (B) Employed as a peace officer commissioned by a city, port, school district, mass transit dis-
27 trict, county, university under ORS 352.383 or 353.125, Indian reservation, the Superintendent of
28 State Police under ORS 181.433, the Criminal Justice Division of the Department of Justice, the
29 Oregon State Lottery Commission or the Governor or employed as a [*liquor enforcement inspector*]
30 **regulatory specialist** by the Oregon Liquor Control Commission; and

31 (C) Responsible for enforcing the criminal laws of this state or laws or ordinances related to
32 airport security; or

33 (d) The obtainment or use by an employer of information in the credit history of an applicant
34 or employee because the information is substantially job-related and the employer's reasons for the
35 use of such information are disclosed to the employee or prospective employee in writing.

36 (3) An employee or an applicant for employment may file a complaint under ORS 659A.820 for
37 violations of this section and may bring a civil action under ORS 659A.885 and recover the relief
38 as provided by ORS 659A.885 (1) and (2).

39 (4) As used in this section, "credit history" means any written or other communication of any
40 information by a consumer reporting agency that bears on a consumer's creditworthiness, credit
41 standing or credit capacity.

42 **SECTION 166.** ORS 659A.885 is amended to read:

43 659A.885. (1) Any person claiming to be aggrieved by an unlawful practice specified in sub-
44 section (2) of this section may file a civil action in circuit court. In any action under this subsection,
45 the court may order injunctive relief and any other equitable relief that may be appropriate, in-

1 cluding but not limited to reinstatement or the hiring of employees with or without back pay. A
2 court may order back pay in an action under this subsection only for the two-year period imme-
3 diately preceding the filing of a complaint under ORS 659A.820 with the Commissioner of the Bureau
4 of Labor and Industries, or if a complaint was not filed before the action was commenced, the two-
5 year period immediately preceding the filing of the action. In any action under this subsection, the
6 court may allow the prevailing party costs and reasonable attorney fees at trial and on appeal. Ex-
7 cept as provided in subsection (3) of this section:

8 (a) The judge shall determine the facts in an action under this subsection; and

9 (b) Upon any appeal of a judgment in an action under this subsection, the appellate court shall
10 review the judgment pursuant to the standard established by ORS 19.415 (3).

11 (2) An action may be brought under subsection (1) of this section alleging a violation of ORS
12 10.090, 10.092, 25.337, 25.424, 171.120, 408.230, 408.237 (2), 476.574, 652.355, 653.060, 659A.030,
13 659A.040, 659A.043, 659A.046, 659A.063, 659A.069, 659A.082, 659A.088, 659A.103 to 659A.145,
14 659A.150 to 659A.186, 659A.194, 659A.199, 659A.203, 659A.218, 659A.228, 659A.230, 659A.233,
15 659A.236, 659A.250 to 659A.262, 659A.277, 659A.290, 659A.300, 659A.306, 659A.309, 659A.315,
16 659A.318, 659A.320 or 659A.421 **or section 20b of this 2015 Act.**

17 (3) In any action under subsection (1) of this section alleging a violation of ORS 25.337, 25.424,
18 659A.030, 659A.040, 659A.043, 659A.046, 659A.069, 659A.082, 659A.103 to 659A.145, 659A.199,
19 659A.228, 659A.230, 659A.250 to 659A.262, 659A.290, 659A.318 or 659A.421:

20 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
21 compensatory damages or \$200, whichever is greater, and punitive damages;

22 (b) At the request of any party, the action shall be tried to a jury;

23 (c) Upon appeal of any judgment finding a violation, the appellate court shall review the judg-
24 ment pursuant to the standard established by ORS 19.415 (1); and

25 (d) Any attorney fee agreement shall be subject to approval by the court.

26 (4) In any action under subsection (1) of this section alleging a violation of ORS 652.355 or
27 653.060, the court may award, in addition to the relief authorized under subsection (1) of this section,
28 compensatory damages or \$200, whichever is greater.

29 (5) In any action under subsection (1) of this section alleging a violation of ORS 171.120, 476.574,
30 659A.203 or 659A.218, the court may award, in addition to the relief authorized under subsection (1)
31 of this section, compensatory damages or \$250, whichever is greater.

32 (6) In any action under subsection (1) of this section alleging a violation of ORS 10.090 or 10.092,
33 the court may award, in addition to the relief authorized under subsection (1) of this section, a civil
34 penalty in the amount of \$720.

35 (7) Any individual against whom any distinction, discrimination or restriction on account of
36 race, color, religion, sex, sexual orientation, national origin, marital status or age, if the individual
37 is 18 years of age or older, has been made by any place of public accommodation, as defined in ORS
38 659A.400, by any employee or person acting on behalf of the place or by any person aiding or
39 abetting the place or person in violation of ORS 659A.406 may bring an action against the operator
40 or manager of the place, the employee or person acting on behalf of the place or the aider or abettor
41 of the place or person. Notwithstanding subsection (1) of this section, in an action under this sub-
42 section:

43 (a) The court may award, in addition to the relief authorized under subsection (1) of this section,
44 compensatory and punitive damages;

45 (b) The operator or manager of the place of public accommodation, the employee or person

1 acting on behalf of the place, and any aider or abettor shall be jointly and severally liable for all
2 damages awarded in the action;

3 (c) At the request of any party, the action shall be tried to a jury;

4 (d) The court shall award reasonable attorney fees to a prevailing plaintiff;

5 (e) The court may award reasonable attorney fees and expert witness fees incurred by a de-
6 fendant who prevails only if the court determines that the plaintiff had no objectively reasonable
7 basis for asserting a claim or no reasonable basis for appealing an adverse decision of a trial court;
8 and

9 (f) Upon any appeal of a judgment under this subsection, the appellate court shall review the
10 judgment pursuant to the standard established by ORS 19.415 (1).

11 (8) When the commissioner or the Attorney General has reasonable cause to believe that a
12 person or group of persons is engaged in a pattern or practice of resistance to the rights protected
13 by ORS 659A.145 or 659A.421 or federal housing law, or that a group of persons has been denied
14 any of the rights protected by ORS 659A.145 or 659A.421 or federal housing law, the commissioner
15 or the Attorney General may file a civil action on behalf of the aggrieved persons in the same
16 manner as a person or group of persons may file a civil action under this section. In a civil action
17 filed under this subsection, the court may assess against the respondent, in addition to the relief
18 authorized under subsections (1) and (3) of this section, a civil penalty:

19 (a) In an amount not exceeding \$50,000 for a first violation; and

20 (b) In an amount not exceeding \$100,000 for any subsequent violation.

21 (9) In any action under subsection (1) of this section alleging a violation of ORS 659A.145 or
22 659A.421 or alleging discrimination under federal housing law, when the commissioner is pursuing
23 the action on behalf of an aggrieved complainant, the court shall award reasonable attorney fees to
24 the commissioner if the commissioner prevails in the action. The court may award reasonable at-
25 torney fees and expert witness fees incurred by a defendant that prevails in the action if the court
26 determines that the commissioner had no objectively reasonable basis for asserting the claim or for
27 appealing an adverse decision of the trial court.

28 (10) In an action under subsection (1) or (8) of this section alleging a violation of ORS 659A.145
29 or 659A.421 or discrimination under federal housing law:

30 (a) "Aggrieved person" includes a person who believes that the person:

31 (A) Has been injured by an unlawful practice or discriminatory housing practice; or

32 (B) Will be injured by an unlawful practice or discriminatory housing practice that is about to
33 occur.

34 (b) An aggrieved person in regard to issues to be determined in an action may intervene as of
35 right in the action. The Attorney General may intervene in the action if the Attorney General cer-
36 tifies that the case is of general public importance. The court may allow an intervenor prevailing
37 party costs and reasonable attorney fees at trial and on appeal.

38 **SECTION 167.** ORS 802.250 is amended to read:

39 802.250. (1) An eligible public employee may request that any driver or vehicle record kept by
40 the Department of Transportation that contains or is required to contain the eligible employee's
41 residence address contain instead the address of the public agency employing the eligible employee.
42 A request under this section shall:

43 (a) Be in a form specified by the department that provides for verification of the eligible
44 employee's employment.

45 (b) Contain verification by the employing public agency of the eligible employee's employment

1 with the public agency.

2 (2) Upon receipt of a request and verification under subsection (1) of this section, the depart-
3 ment shall remove the eligible employee's residence address from its records, if necessary, and sub-
4 stitute therefor the address of the public agency employing the eligible employee. The department
5 shall indicate on the records that the address shown is an employment address. While the request
6 is in effect, the eligible employee may enter the address of the public agency employing the eligible
7 employee on any driver or vehicle form issued by the department that requires an address.

8 (3) A public agency that verifies an eligible employee's employment under subsection (1) of this
9 section shall notify the department within 30 days if the eligible employee ceases to be employed
10 by the public agency. The eligible employee shall notify the department of a change of address as
11 provided in ORS 803.220 or 807.560.

12 (4) If an eligible employee is killed in the line of duty, a person who is a household member of
13 the eligible employee may request that any driver or vehicle record kept by the department that
14 contains or is required to contain the household member's residence address continue to contain the
15 address of the public agency that employed the eligible employee for up to four years after the date
16 of the death of the eligible employee. On or before the date on which the four-year period ends, the
17 household member shall notify the department of a change of address as provided in ORS 803.220
18 or 807.560. A request under this subsection shall be in a form specified by the department.

19 (5) As used in this section, "eligible employee" means:

20 (a) A member of the State Board of Parole and Post-Prison Supervision.

21 (b) The Director of the Department of Corrections and an employee of an institution defined in
22 ORS 421.005 as Department of Corrections institutions, whose duties, as assigned by the super-
23 intendent, include the custody of persons committed to the custody of or transferred to the institu-
24 tion.

25 (c) A parole and probation officer employed by the Department of Corrections and an employee
26 of the Department of Corrections Release Center whose duties, as assigned by the Chief of the Re-
27 lease Center, include the custody of persons committed to the custody of or transferred to the Re-
28 lease Center.

29 (d) A police officer appointed under ORS 276.021 or 276.023.

30 (e) An employee of the State Department of Agriculture who is classified as a brand inspector
31 by the Director of Agriculture.

32 (f) An investigator of the Criminal Justice Division of the Department of Justice.

33 (g) A corrections officer as defined in ORS 181.610.

34 (h) A federal officer. As used in this paragraph, "federal officer" means a special agent or law
35 enforcement officer employed by:

36 (A) The Federal Bureau of Investigation;

37 (B) The United States Secret Service;

38 (C) The United States Citizenship and Immigration Services;

39 (D) The United States Marshals Service;

40 (E) The Drug Enforcement Administration;

41 (F) The United States Postal Service;

42 (G) The United States Customs and Border Protection;

43 (H) The United States General Services Administration;

44 (I) The United States Department of Agriculture;

45 (J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;

- 1 (K) The Internal Revenue Service;
- 2 (L) The United States Department of the Interior; or
- 3 (M) Any federal agency if the person is empowered to effect an arrest with or without warrant
4 for violations of the United States Code and is authorized to carry firearms in the performance of
5 duty.
- 6 (i) An employee of the Department of Human Services or the Oregon Health Authority whose
7 duties include personal contact with clients or patients of the department or the authority.
- 8 (j) Any judge of a court of this state.
- 9 (k) An employee of the Oregon Youth Authority whose duties include personal contact with
10 persons committed to the legal or physical custody of the authority.
- 11 (L) A district attorney, as defined in ORS 131.005, or deputy district attorney.
- 12 (m) An employee who provides educational services to persons who are clients or patients of the
13 Department of Human Services or the Oregon Health Authority, who are under the jurisdiction of
14 the Psychiatric Security Review Board or who are under the custody or supervision of the Depart-
15 ment of Corrections, the State Board of Parole and Post-Prison Supervision, a community corrections
16 agency, the Oregon Youth Authority or a juvenile department. As used in this paragraph, "employee
17 who provides educational services" means a person who provides instruction, or services related to
18 the instruction, of a subject usually taught in an elementary school, a secondary school or a com-
19 munity college or who provides special education and related services in other than a school setting
20 and who works for:
- 21 (A) An education service district or a community college district; or
- 22 (B) A state officer, board, commission, bureau, department or division in the executive branch
23 of state government that provides educational services.
- 24 (n) An employee of the Oregon Liquor Control Commission who is:
- 25 (A) A [*liquor enforcement inspector*] **regulatory specialist**; or
- 26 (B) A regulatory manager.
- 27 (o) A police officer as defined in ORS 801.395.
- 28 (p) An employee whose duties include personal contact with criminal offenders and who is em-
29 ployed by a law enforcement unit, as defined in ORS 181.610.

30
31 **(Operative March 1, 2016)**

32
33 **SECTION 168.** ORS 181.534 is amended to read:

34 181.534. (1) As used in this section:

35 (a) "Authorized agency" means state government as defined in ORS 174.111 and the Oregon
36 State Bar. "Authorized agency" does not include:

37 (A) The Oregon State Lottery Commission or the Oregon State Lottery; or

38 (B) A criminal justice agency, as defined in ORS 181.010, that is authorized by federal law to
39 receive fingerprint-based criminal records checks from the Federal Bureau of Investigation.

40 (b) "Subject individual" means a person from whom an authorized agency may require finger-
41 prints pursuant to statute for the purpose of enabling the authorized agency to request a state or
42 nationwide criminal records check.

43 (2) An authorized agency may request that the Department of State Police conduct a criminal
44 records check on a subject individual for non-criminal justice purposes. If a nationwide criminal
45 records check of a subject individual is necessary, the authorized agency may request that the De-

1 partment of State Police conduct the check, including fingerprint identification, through the Federal
2 Bureau of Investigation.

3 (3) The Department of State Police shall provide the results of a criminal records check con-
4 ducted pursuant to subsection (2) of this section to the authorized agency requesting the check.

5 (4) The Federal Bureau of Investigation shall return or destroy the fingerprint cards used to
6 conduct the criminal records check and may not keep any record of the fingerprints. If the federal
7 bureau policy authorizing return or destruction of the fingerprint cards is changed, the Department
8 of State Police shall cease to send the cards to the federal bureau but shall continue to process the
9 information through other available resources.

10 (5) If the Federal Bureau of Investigation returns the fingerprint cards to the Department of
11 State Police, the department shall destroy the fingerprint cards and shall retain no facsimiles or
12 other material from which a fingerprint can be reproduced.

13 (6) If only a state criminal records check is conducted, the Department of State Police shall
14 destroy the fingerprint cards after the criminal records check is completed and the results of the
15 criminal records check provided to the authorized agency and shall retain no facsimiles or other
16 material from which a fingerprint can be reproduced.

17 (7) An authorized agency may conduct criminal records checks on subject individuals through
18 the Law Enforcement Data System maintained by the Department of State Police in accordance with
19 rules adopted, and procedures established, by the Department of State Police.

20 (8) An authorized agency and the Department of State Police shall permit a subject individual
21 for whom a fingerprint-based criminal records check was conducted to inspect the individual's own
22 state and national criminal offender records and, if requested by the subject individual, provide the
23 individual with a copy of the individual's own state and national criminal offender records.

24 (9) Each authorized agency, in consultation with the Department of State Police, shall adopt
25 rules to implement this section and other statutes relating to criminal offender information obtained
26 through fingerprint-based criminal records checks. The rules shall include but need not be limited
27 to:

28 (a) Identifying applicable categories of subject individuals as specified by the Oregon Depart-
29 ment of Administrative Services under ORS 181.547 who are subject to criminal records checks by
30 the authorized agency.

31 (b) Identifying applicable information that may be required from a subject individual to permit
32 a criminal records check as specified by the Oregon Department of Administrative Services under
33 ORS 181.547.

34 (c) Specifying which programs or services are subject to this section.

35 (d) If the authorized agency uses criminal records checks for agency employment purposes:

36 (A) Determining when and under what conditions a subject individual may be hired on a pre-
37 liminary basis pending a criminal records check; and

38 (B) Defining the conditions under which a subject individual may participate in training, orien-
39 tation and work activities pending completion of a criminal records check.

40 (e) Establishing fees in an amount not to exceed the actual cost of acquiring and furnishing
41 criminal offender information.

42 (10) The Department of State Police shall verify that an authorized agency has adopted the rules
43 required by subsection (9) of this section.

44 (11)(a) Except as otherwise provided in ORS 181.612, 342.143, 342.223, 443.735 and [475.304]
45 **475.300 to 475.346** and paragraph (b) of this subsection, an authorized agency, using the rules

1 adopted by the authorized agency under subsection (9) of this section and the rules adopted by the
2 Oregon Department of Administrative Services under ORS 181.547, shall determine whether a sub-
3 ject individual is fit to hold a position, provide services, be employed or be granted a license, cer-
4 tification, registration or permit, based on the criminal records check obtained pursuant to this
5 section, on any false statements made by the individual regarding the criminal history of the indi-
6 vidual and on any refusal to submit or consent to a criminal records check including fingerprint
7 identification. If a subject individual is determined to be unfit, then the individual may not hold the
8 position, provide services, be employed or be granted a license, certification, registration or permit.

9 (b) An individual prohibited from receiving public funds for employment under ORS 443.004 (3)
10 is not entitled to a determination of fitness as a subject individual under paragraph (a) of this sub-
11 section.

12 (c)(A) Subject to subparagraph (B) of this paragraph, an authorized agency making a fitness de-
13 termination of an individual under this subsection may request results of a previously made fitness
14 determination from an authorized agency that has already made a fitness determination for the in-
15 dividual. An authorized agency that receives a request under this paragraph shall provide the re-
16 quested information.

17 (B) An authorized agency may make a request under this paragraph only for individuals:

18 (i) Who are applying to hold a position, provide services, be employed or be granted a license,
19 certification, registration or permit;

20 (ii) Who are in a category of individuals as specified by the Oregon Department of Administra-
21 tive Services under ORS 181.547; and

22 (iii) For whom a fitness determination has already been made.

23 (12) Except as otherwise provided in ORS 181.612, in making the fitness determination under
24 subsection (11) of this section, the authorized agency shall consider:

25 (a) The nature of the crime;

26 (b) The facts that support the conviction or pending indictment or that indicate the making of
27 the false statement;

28 (c) The relevancy, if any, of the crime or the false statement to the specific requirements of the
29 subject individual's present or proposed position, services, employment, license, certification or reg-
30 istration; and

31 (d) Intervening circumstances relevant to the responsibilities and circumstances of the position,
32 services, employment, license, certification, registration or permit. Intervening circumstances in-
33 clude but are not limited to:

34 (A) The passage of time since the commission of the crime;

35 (B) The age of the subject individual at the time of the crime;

36 (C) The likelihood of a repetition of offenses or of the commission of another crime;

37 (D) The subsequent commission of another relevant crime;

38 (E) Whether the conviction was set aside and the legal effect of setting aside the conviction; and

39 (F) A recommendation of an employer.

40 (13) An authorized agency and an employee of an authorized agency acting within the course
41 and scope of employment are immune from any civil liability that might otherwise be incurred or
42 imposed for determining, pursuant to subsection (11) of this section, that a subject individual is fit
43 or not fit to hold a position, provide services, be employed or be granted a license, certification,
44 registration or permit. An authorized agency and an employee of an authorized agency acting within
45 the course and scope of employment who in good faith comply with this section are not liable for

1 employment-related decisions based on determinations made under subsection (11) of this section.
2 An authorized agency or an employee of an authorized agency acting within the course and scope
3 of employment is not liable for defamation or invasion of privacy in connection with the lawful dis-
4 semination of information lawfully obtained under this section.

5 (14)(a) Each authorized agency shall establish by rule a contested case process by which a sub-
6 ject individual may appeal the determination that the individual is fit or not fit to hold a position,
7 provide services, be employed or be granted a license, certification, registration or permit on the
8 basis of information obtained as the result of a criminal records check conducted pursuant to this
9 section. Challenges to the accuracy or completeness of information provided by the Department of
10 State Police, the Federal Bureau of Investigation and agencies reporting information to the De-
11 partment of State Police or Federal Bureau of Investigation must be made through the Department
12 of State Police, Federal Bureau of Investigation or reporting agency and not through the contested
13 case process required by this paragraph.

14 (b) A subject individual who is employed by an authorized agency and who is determined not to
15 be fit for a position on the basis of information obtained as the result of a criminal records check
16 conducted pursuant to this section may appeal the determination through the contested case process
17 adopted under this subsection or applicable personnel rules, policies and collective bargaining pro-
18 visions. An individual's decision to appeal a determination through personnel rules, policies and
19 collective bargaining provisions is an election of remedies as to the rights of the individual with
20 respect to the fitness determination and is a waiver of the contested case process.

21 (c) An individual prohibited from receiving public funds for employment under ORS 443.004 (3)
22 is not entitled to appeal a determination under paragraph (a) or (b) of this subsection.

23 (15) Criminal offender information is confidential. Authorized agencies and the Department of
24 State Police shall adopt rules to restrict dissemination of information received under this section to
25 persons with a demonstrated and legitimate need to know the information.

26 (16) If a subject individual refuses to consent to the criminal records check or refuses to be
27 fingerprinted, the authorized agency shall deny the employment of the individual, or revoke or deny
28 any applicable position, authority to provide services, license, certification, registration or permit.

29 (17) If an authorized agency requires a criminal records check of employees, prospective em-
30 ployees, contractors, vendors or volunteers or applicants for a license, certification, registration or
31 permit, the application forms of the authorized agency must contain a notice that the person is
32 subject to fingerprinting and a criminal records check.

33 **SECTION 169.** ORS 181.537 is amended to read:

34 181.537. (1) As used in this section:

35 (a) "Care" means the provision of care, treatment, education, training, instruction, supervision,
36 placement services, recreation or support to children, the elderly or persons with disabilities.

37 (b) "Native American tribe" has the meaning given that term in ORS 181.538 (4).

38 (c) "Qualified entity" means a community mental health program, a community developmental
39 disabilities program, a local health department, the government of a Native American tribe or an
40 agency of a Native American tribe responsible for child welfare or an individual or business or or-
41 ganization, whether public, private, for-profit, nonprofit or voluntary, that provides care, including
42 a business or organization that licenses, certifies or registers others to provide care.

43 (2) For the purpose of requesting a state or nationwide criminal records check under ORS
44 181.534, the Department of Human Services, the Oregon Health Authority and the Employment De-
45 partment may require the fingerprints of a person:

- 1 (a) Who is employed by or is applying for employment with either department or the authority;
2 (b) Who provides or seeks to provide services to either department or the authority as a con-
3 tractor, subcontractor, vendor or volunteer who:
4 (A) May have contact with recipients of care;
5 (B) Has access to personal information about employees of either department or the authority,
6 recipients of care from either department or the authority or members of the public, including Social
7 Security numbers, dates of birth, driver license numbers, medical information, personal financial in-
8 formation or criminal background information;
9 (C) Has access to information the disclosure of which is prohibited by state or federal laws,
10 rules or regulations, or information that is defined as confidential under state or federal laws, rules
11 or regulations;
12 (D) Has access to property held in trust or to private property in the temporary custody of the
13 state;
14 (E) Has payroll or fiscal functions or responsibility for:
15 (i) Receiving, receipting or depositing money or negotiable instruments;
16 (ii) Billing, collections, setting up financial accounts or other financial transactions; or
17 (iii) Purchasing or selling property;
18 (F) Provides security, design or construction services for government buildings, grounds or fa-
19 cilities;
20 (G) Has access to critical infrastructure or secure facilities information; or
21 (H) Is providing information technology services and has control over or access to information
22 technology systems;
23 (c) For the purposes of licensing, certifying, registering or otherwise regulating or administering
24 programs, persons or qualified entities that provide care;
25 (d) For the purposes of employment decisions by or for qualified entities that are regulated or
26 otherwise subject to oversight by the Department of Human Services or the Oregon Health Au-
27 thority and that provide care;
28 (e) For the purposes of employment decisions made by a mass transit district or transportation
29 district for qualified entities that, under contracts with the district or the Oregon Health Authority,
30 employ persons to operate motor vehicles for the transportation of medical assistance program cli-
31 ents; or
32 (f) For the purposes of licensure, certification or registration of foster homes by the government
33 of a Native American tribe or an agency of a Native American tribe responsible for child welfare.
34 (3) The Department of Human Services and the Oregon Health Authority may conduct criminal
35 records checks on a person through the Law Enforcement Data System maintained by the Depart-
36 ment of State Police, if deemed necessary by the Department of Human Services or the Oregon
37 Health Authority to protect children, elderly persons, persons with disabilities or other vulnerable
38 persons.
39 (4) The Department of Human Services and the Oregon Health Authority may furnish to quali-
40 fied entities, in accordance with the rules of the Department of Human Services or the Oregon
41 Health Authority and the rules of the Department of State Police, information received from the
42 Law Enforcement Data System. However, any criminal offender records and information furnished
43 to the Department of Human Services or the Oregon Health Authority by the Federal Bureau of
44 Investigation through the Department of State Police may not be disseminated to qualified entities.
45 (5)(a) Except as otherwise provided in ORS 443.735 and [475.304] **475.300 to 475.346**, a qualified

1 entity, using rules adopted by the Department of Human Services or the Oregon Health Authority
2 under ORS 181.534 (9) and rules adopted by the Oregon Department of Administrative Services un-
3 der ORS 181.547, shall determine under this section whether a person is fit to hold a position, pro-
4 vide services, be employed or, if the qualified entity has authority to make such a determination,
5 be licensed, certified or registered, based on the criminal records check obtained pursuant to ORS
6 181.534, any false statements made by the person regarding the criminal history of the person and
7 any refusal to submit or consent to a criminal records check including fingerprint identification. If
8 a person is determined to be unfit, then that person may not hold the position, provide services or
9 be employed, licensed, certified or registered.

10 (b) A person prohibited from receiving public funds for employment under ORS 443.004 (3) is not
11 entitled to a determination of fitness under paragraph (a) of this subsection.

12 (6) In making the fitness determination under subsection (5) of this section, the qualified entity
13 shall consider:

14 (a) The nature of the crime;

15 (b) The facts that support the conviction or pending indictment or indicate the making of the
16 false statement;

17 (c) The relevancy, if any, of the crime or the false statement to the specific requirements of the
18 person's present or proposed position, services, employment, license, certification or registration;
19 and

20 (d) Intervening circumstances relevant to the responsibilities and circumstances of the position,
21 services, employment, license, certification or registration. Intervening circumstances include but
22 are not limited to the passage of time since the commission of the crime, the age of the person at
23 the time of the crime, the likelihood of a repetition of offenses, the subsequent commission of an-
24 other relevant crime and a recommendation of an employer.

25 (7) The Department of Human Services, the Oregon Health Authority and the Employment De-
26 partment may make fitness determinations based on criminal offender records and information fur-
27 nished by the Federal Bureau of Investigation through the Department of State Police only as
28 described in ORS 181.534.

29 (8) A qualified entity and an employee of a qualified entity acting within the course and scope
30 of employment are immune from any civil liability that might otherwise be incurred or imposed for
31 determining pursuant to subsection (5) of this section that a person is fit or not fit to hold a position,
32 provide services or be employed, licensed, certified or registered. A qualified entity, employee of a
33 qualified entity acting within the course and scope of employment and an employer or employer's
34 agent who in good faith comply with this section and the decision of the qualified entity or employee
35 of the qualified entity acting within the course and scope of employment are not liable for the fail-
36 ure to hire a prospective employee or the decision to discharge an employee on the basis of the
37 qualified entity's decision. An employee of the state acting within the course and scope of employ-
38 ment is not liable for defamation or invasion of privacy in connection with the lawful dissemination
39 of information lawfully obtained under this section.

40 (9) The Department of Human Services and the Oregon Health Authority, subject to rules
41 adopted by the Oregon Department of Administrative Services under ORS 181.547, shall develop
42 systems that maintain information regarding criminal records checks in order to minimize the ad-
43 ministrative burden imposed by this section and ORS 181.534. Records maintained under this sub-
44 section are confidential and may not be disseminated except for the purposes of this section and in
45 accordance with the rules of the Department of Human Services, the Oregon Health Authority and

1 the Department of State Police. Nothing in this subsection permits the Department of Human Ser-
2 vices to retain fingerprint cards obtained pursuant to this section.

3 (10) In addition to the rules required by ORS 181.534, the Department of Human Services and
4 the Oregon Health Authority, in consultation with the Department of State Police, shall adopt rules:

5 (a) Specifying which qualified entities are subject to this section;

6 (b) Specifying which qualified entities may request criminal offender information;

7 (c) Specifying which qualified entities are responsible for deciding, subject to rules adopted by
8 the Oregon Department of Administrative Services under ORS 181.547, whether a subject individual
9 is not fit for a position, service, license, certification, registration or employment; and

10 (d) Specifying when a qualified entity, in lieu of conducting a completely new criminal records
11 check, may proceed to make a fitness determination under subsection (5) of this section using the
12 information maintained by the Department of Human Services and the Oregon Health Authority
13 pursuant to subsection (9) of this section.

14 (11) If a person refuses to consent to the criminal records check or refuses to be fingerprinted,
15 the qualified entity shall deny or terminate the employment of the person, or revoke or deny any
16 applicable position, authority to provide services, employment, license, certification or registration.

17 (12) If the qualified entity requires a criminal records check of employees or other persons, the
18 application forms of the qualified entity must contain a notice that employment is subject to fin-
19 gerprinting and a criminal records check.

20
21 **ANNUAL REPORT**
22 **EFFECTIVE ON PASSAGE**
23

24 **SECTION 170.** (1) As used in this section, "marijuana" and "marijuana item" have the
25 meanings given those terms in section 5, chapter 1, Oregon Laws 2015.

26 (2) On or before February 1 of each odd-numbered year, the Oregon Liquor Control
27 Commission shall report to the Legislative Assembly in the manner required by ORS 192.245,
28 the approximate amount of marijuana produced by persons who hold a license under section
29 19, chapter 1, Oregon Laws 2015, and the approximate amount of marijuana items sold by
30 persons who hold a license under section 22, chapter 1, Oregon Laws 2015, and whether the
31 supply of marijuana in this state is commensurate with the demand for marijuana items in
32 this state.

33
34 **TEMPORARY PROVISIONS**
35 **EFFECTIVE ON PASSAGE**
36

37 **SECTION 171.** The Oregon Liquor Control Commission shall approve or deny applications
38 submitted to the commission under section 18, chapter 1, Oregon Laws 2015, to produce,
39 process or sell marijuana under sections 19, 20, 21 and 22, chapter 1, Oregon Laws 2015, as
40 soon as practicable after January 4, 2016.

41 **SECTION 172.** On or before January 1, 2017, the Oregon Liquor Control Commission:

42 (1) Shall examine available research, and may conduct or commission new research, to
43 investigate the influence of marijuana on the ability of a person to drive a vehicle and on the
44 concentration of delta-9-tetrahydrocannabinol in a person's blood, in each case taking into
45 account all relevant factors; and

1 (2) In the manner provided by ORS 192.245, shall present the results of the research, in-
2 cluding any recommendations for legislation, to the interim committees of the Legislative
3 Assembly related to judiciary.

4 SECTION 173. (1) The Oregon Health Authority, in addition to the information required
5 under ORS 475.304 for registering as a marijuana grow site or renewing a marijuana grow
6 site registration, and in addition to information required under ORS 475.314 for registering
7 as a medical marijuana dispensary or renewing a medical marijuana dispensary registration,
8 shall require all applications for registering or renewing registration under ORS 475.304 and
9 475.314 to contain proof that any person whose name is included in the application has been
10 a resident of this state for:

11 (a) Except as provided in paragraph (b) of this subsection, two or more years; or

12 (b) Subject to subsection (2) of this section, and notwithstanding any residency require-
13 ments under ORS 475.304 or 475.314, if the person first registered with the authority on or
14 before January 1, 2015, one year.

15 (2) For purposes of subsection (1)(b) of this section, the authority may not require proof
16 of residency for any person whose name is included in the application for renewing a
17 marijuana grow site registration or renewing a medical marijuana dispensary registration
18 until January 1, 2016.

19 SECTION 174. If the Oregon Health Authority refuses to reregister a medical marijuana
20 dispensary before the effective date of this 2015 Act on the basis that the medical marijuana
21 dispensary is located within 1,000 feet of a school as described in ORS 475.314 (3)(d), the au-
22 thority shall reregister the medical marijuana dispensary on or after the effective date of
23 this 2015 Act upon receiving a request, in a form and manner prescribed by the authority,
24 to reregister the medical marijuana dispensary from the person who was previously regis-
25 tered as the person responsible for the medical marijuana dispensary.

26
27 **REPEALS**

28
29 SECTION 175. (1) Sections 26, 42, 55, 71, 81, 82, 83, 84, 85 and 86, chapter 1, Oregon Laws
30 2015, are repealed.

31 (2) Section 132 of this 2015 Act is repealed on December 31, 2016.

32 SECTION 175a. ORS 475.324 is repealed.

33 SECTION 175b. Section 173 of this 2015 Act is repealed on January 1, 2019.

34
35 **CONFLICTS**

36
37 SECTION 176. If Senate Bill 964 becomes law, sections 32, 44, 45, 46, 47, 48, 49, 50, 51, 52,
38 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 67 (amending section 5, chapter 1, Oregon Laws
39 2015), 69, 70, 71, 72, 73 and 74, chapter _____, Oregon Laws 2015 (Enrolled Senate Bill 964), are
40 repealed.

41
42 **SERIES PLACEMENT**

43
44 SECTION 177. (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 34a, 113, 114 and 116 of
45 this 2015 Act are added to and made a part of sections 3 to 70, chapter 1, Oregon Laws 2015.

1 (2) Sections 81a, 82a, 83, 85 to 85e, 86a to 87 and 88 to 88f of this 2015 Act are added to
2 and made a part of ORS 475.300 to 475.346.

3
4
5

DATES

6 **SECTION 178.** (1) Sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 91 to 112, 114, and 116 of
7 this 2015 Act and the amendments to statutes and session law by sections 1, 2, 5 to 9, 11, 12,
8 14 to 16, 24, 25, 27, 28, 33, 35 to 68, 115 and 137 to 167 of this 2015 Act become operative on
9 January 1, 2016.

10 (2) Section 113 of this 2015 Act becomes operative on November 15, 2015.

11 (3) The Oregon Liquor Control Commission, Oregon Health Authority and State Depart-
12 ment of Agriculture may take any action before the operative dates specified in subsections
13 (1) and (2) of this section that is necessary to enable the commission, authority and depart-
14 ments to exercise all the duties, functions and powers conferred on the commission, au-
15 thority and departments by sections 3, 4, 10, 13, 17 to 23, 26, 29 to 32, 34, 91 to 112, 114 and
16 116 of this 2015 Act and the amendments to statutes and session law by sections 1, 2, 5 to
17 9, 11, 12, 14 to 16, 24, 25, 27, 28, 33, 35 to 68, 115 and 137 to 167 of this 2015 Act.

18 **SECTION 179.** (1) Sections 81a, 82a, 83, 85 to 85e, 86b to 87 and 88 to 88f of this 2015 Act,
19 the amendments to statutes and session law by sections 80 to 80b, 81, 82, 84, 86, 87a, 87b, 89
20 to 90i, 168 and 169 of this 2015 Act and the repeal of ORS 475.324 by section 175a of this 2015
21 Act become operative on March 1, 2016.

22 (2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State
23 Department of Agriculture may take any action before the operative date specified in sub-
24 section (1) of this section that is necessary to enable the authority, commission and depart-
25 ment to exercise, on and after the operative date specified in subsection (1) of this section,
26 all the duties, powers and functions conferred on the authority, commission and department
27 by sections 81a, 82a, 83, 85 to 85e, 86b to 87 and 88 to 88f of this 2015 Act and the amendments
28 to statutes and session law by sections 80 to 80b, 81, 82, 84, 86, 87a, 87b, 89 to 90i, 168 and 169
29 of this 2015 Act.

30 **SECTION 180.** The Oregon Health Authority shall adopt rules that the authority is
31 charged with adopting under sections 91 to 112 of this 2015 Act on or before November 15,
32 2015.

33
34
35

CAPTIONS

36 **SECTION 181.** The unit captions used in this 2015 Act are provided only for the conven-
37 ience of the reader and do not become part of the statutory law of this state or express any
38 legislative intent in the enactment of this 2015 Act.

39
40
41

EMERGENCY CLAUSE

42 **SECTION 182.** This 2015 Act being necessary for the immediate preservation of the public
43 peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect
44 on its passage.

45



10-26-14 Public Testimony - Clackamas County Planning Commission

Good evening Commission. My name is Shirley Morgan, from Welches.

As a national advocate for public safety, quality of life and protection of property values , I commend the commission for the development of land use restriction's, however voters were not told that marijuana would be redefined as an agricultural crop and grown in all exclusive farm use areas without any neighbor notification, conditional use permits, or required hours of operation.

We are seeing large industrial complexes being leased by out-of-state investors to open up mega recreational marijuana facilities of which we already have one local businessman who has tried to lease space at an industrial complex in Boring and was told that the entire facility, 73,000 sq. feet had been potentially leased to marijuana growers, this is the plywood cabinet maker location in Boring. When a local businessman who has lived in the area operating a legitimate business and wants to expand his business by 10,000 sq. ft. only to be told all of the local industrial land has been leased out to pot growers, something is seriously wrong.

We are also seeing compounds and large greenhouse structures showing up in all of our rural residential and exclusive farm use properties throughout the state.

- One is 300' x 700' and enclosed by 6' high non see through fence with 10 rows of barbed wire on the top and has blocked the view of surrounding neighbors.
- We are seeing 160' x 60' x 30' high greenhouses with commercial fans that sound like small airplane engines that are being run 24/7
 - On Sunday Oct. 11th in an FF10 area in Clackamas County in Colton, there was a medical marijuana greenhouse possible pot rip off, with the firing of weapons at 7:30am and neighbors in the area were threatened by the grower running around in the road firing off weapons and yelling obscenities, it took 45 minutes for law enforcement to arrive. These aren't just bad neighbors, this is a consistent theme of behavior that we are seeing around the State in many of the marijuana grow site locations.
- In our Rural Residential, Timber AG and EFU areas horse stables are being purchased just to grow marijuana
- We are concerned by:
 - 100' setbacks in EFU which should be at least 200' on frontage roads or from neighboring homes
 - Removal of large numbers of trees
 - the illegal excavation of ponds to capture underground water
 - No marijuana wholesaling or retailing should be allowed outside the urban growth boundaries or in our rural commercial RC and rural tourist commercial RTC areas on Highway 26 on Mt. Hood. Not only are many of these locations located right in the heart of our limited restaurant and tourist store areas, but marijuana wholesale facilities will be holding bins for receiving, storing, and delivering finished marijuana products both wholesale and retail, making them targets for armed robberies in areas with limited law enforcement.

We are alarmed that the Clackamas County Zoning and Planning commission in their 10/26/15 meeting is now considering expanding marijuana production use to our industrial areas, when they have already expanded use to the timber zones and agricultural zones along with the exclusive farming use areas which are state controlled. It appears that we will now be back to allowing marijuana production in just about every zone in the County. Allowing both industrial marijuana production and EFU, Timber AG, and Agricultural 10 and potentially in our rural residential areas with possibly conditional use permit requirements we will also expand the risks to our local communities.

We must all be reminded that marijuana is still a federally illegal drug and brings with it a lot of risks, such as the shootings and medical marijuana rip offs putting the surrounding neighbors at risk.

Do we need a fatal shooting in Clackamas County before we heed the warning? Multnomah County has seen 4 fatal shootings at medical marijuana grow sites in the last five months, and the most recent and senseless killing of Elizabeth Kemble who was hit at 8am in a cross walk in Gresham, by a driver high on marijuana, should bring accountability to us all.

Leadership is a challenge, but leaders who acquiesce to out-of-state drug dealers and pro marijuana lobbyists over the rights and protections of the local citizens who have lived in Clackamas County all of their lives, should be reminded that State laws that require local governments to break Federal laws are corrupt laws and the voters should have the final say about their public safety, quality of life, and protection of their property values.

Sincerely,

Shirley Morgan

P. O. Box 1351

Welches, Oregon 97067

<http://www.clackamas.us/planning/marijuana.html#past>

Upcoming Meetings and Public Hearings

- Oct. 12, 2015 Planning Commission Study Session**
6:30 p.m. Auditorium, Development Services Building 1st floor (no public testimony)
 
- Oct. 26, 2015 Planning Commission Public Hearing**
6 p.m. Abernethy Center Ballroom, 606 15th St, Oregon City (public testimony permitted)
- Nov. 2, 2015 Planning Commission Public Hearing (continued, if needed)**
8 p.m. Abernethy Center Ballroom, 606 15th St, Oregon City (public testimony permitted)
- Nov. 10, 2015 Board of County Commissioners Planning Session**
1:30-3:30 p.m. BCC Hearing Room, Public Services Building 4th floor (no public testimony)
- Nov. 23, 2015 Board of County Commissioners Public Hearing**
9:30 a.m. BCC Hearing Room, Public Services Building 4th floor (public testimony permitted)
- Dec. 2, 2015 Board of County Commissioners Public Hearing**
9:30 a.m. BCC Hearing Room, Public Services Building 4th floor (public testimony permitted)

LOCAL NEWS

Where there's smoke ...

■ New Hwy. 26 storefront offers tobacco, pipes, with an eye on adding marijuana

By Fay Dunahoo
The Mountain Times

Smoke on the Mountain is a new business in the Hoodland community. At this point Smoke currently offers cigars, cigarettes, tobacco and marijuana pipes and accessories.

The storefront is located at the corner of Arrah Wanna Blvd. and Hwy. 26.

Sole proprietor, Stewart Schmidt, has big plans for the future which go well beyond the current inventory.

"I do not want to be misleading; it is my plan to become a medicinal and recreational marijuana dispensary," Schmidt said.

Schmidt opened Smoke on the Mountain on July 2



Schmidt

"The response from the community has been overwhelmingly warm and receptive", he said. "I had regular customers within the first week of being open."

After working for Northwest Natural for 10 years Schmidt knew he wanted to be in business for himself. While commuting from West Linn to Bend where his daughter lives, Schmidt saw an opportunity to start a business in Welches.

One aspect that sets Smoke apart from the local competition is not only its law pricing on tobacco products but also allowing customers to place special orders for the store to carry its stock.

Schmidt noted that he is happy to serve the local community and the majority of his business has been local

residents and via word of mouth.

Two focal points of Smoke's business are to do everything legally and to use local artisans for the glass and wood work of products sold in the store.

"Doing everything by the law is of extreme importance," Schmidt said. This includes checking identification of customers, product tracking and security.

Schmidt currently holds a medicinal marijuana dispensary license issued by the Oregon Health Authority. He plans to apply for a recreational wholesaler's license for recreational marijuana in January 2016 when applications are being accepted.

According to Oregon.gov retail recreational marijuana stores will most likely be able to open sometime in the third quarter of 2016. Smoke looks forward to the opportunity to expand its business during that time.

The above article location of which is being leased is located right on Hwy 26 in Welches



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

17 **Sec. 21.** (1) The wholesale sale of marijuana items is subject to regulation by the Oregon Liquor
18 Control Commission.

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

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

24 (b) **Must, until January 1, 2020, provide proof that an applicant listed on an application
25 submitted under section 28, chapter 1, Oregon Laws 2015, has been a resident of this state
26 for two or more years, and must provide proof that the applicant is 21 years of age or older;**

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

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

30 (3) **The commission shall adopt rules that:**

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

32 (b) **Establish application, licensure and renewal of licensure fees for marijuana whole-
33 salers;**

34 (c) **Require marijuana items received, stored or delivered by a marijuana wholesaler to
35 be tested in accordance with section 92 of this 2015 Act; and**

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35 be tested in accordance with section 92 of this 2015 Act; and**



FOR YOU INFORMATION

PUBLIC TESTIMONY ON BEHALF OF CITIZENS FOR PUBLIC SAFETY, QUALITY OF LIFE, PROPERTY VALUES REGARDING MARIJUANA PLANNING AND ZONING LAND USE REGULATIONS.

Testimony letter attached with an updated Just Like a Tomato Case Study File

***NOTICE:** This e-mail and any attachments contain confidential information that may be legally privileged. If you are not the intended recipient, you must not review, retransmit, print, copy, use or disseminate it. Please immediately notify us by return e-mail and delete it. If this e-mail contains a forwarded e-mail or is a reply to a prior e-mail, the contents may not have been produced by the sender and therefore we are not responsible for its content.*

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[Forget previous vote](#)

Hughes, Jennifer

From: ZoningInfo
Sent: Wednesday, October 14, 2015 11:26 AM
To: Hughes, Jennifer
Subject: FW: Neighborhood CC&Rs

-----Original Message-----

From: Katherine Martin [<mailto:charles.martin14@yahoo.com>]
Sent: Wednesday, October 14, 2015 11:18 AM
To: ZoningInfo
Cc: Millers
Subject: Neighborhood CC&Rs

How do neighborhood covenants factor into these draft regulations for marijuana? I live on Snowberry Lane outside of Boring. Each of the residences is on between 5-8 acres. Our neighborhood covenants do not permit commercial or business activity. Is there anything in the regulations which takes CC&Rs into consideration? If not, there should be. CC&Rs affect neighborhood quality of life. Our road is privately owned by the residents on Snowberry Lane. We are all responsible for maintaining the road, and any farm machinery or heavy vehicles used for the purpose of producing a marijuana cash crop will not only violate our CC&Rs, but also cause considerably more wear and tear on the road.

Katherine R. Martin
27968 SE Snowberry Lane
Boring, OR 97009
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BEGIN-ANTISPAM-VOTING-LINKS

Teach CanIt if this mail (ID 03Pt6hdGb) is spam:

Spam: <https://mhub.clackamas.us/canit/b.php?i=03Pt6hdGb&m=6a7ec69f390f&t=20151014&c=s>

Not spam: <https://mhub.clackamas.us/canit/b.php?i=03Pt6hdGb&m=6a7ec69f390f&t=20151014&c=n>

Forget vote: <https://mhub.clackamas.us/canit/b.php?i=03Pt6hdGb&m=6a7ec69f390f&t=20151014&c=f>

END-ANTISPAM-VOTING-LINKS

ZDO-254

EXHIBIT 24

Page 1 of 1