

House Bill 2203

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Joint Interim Committee on Marijuana Legalization)

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 **as introduced**.

Changes distribution of moneys collected by Department of Revenue as tax imposed on retail sale of marijuana items.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to distribution of moneys collected as a tax imposed on the retail sale of marijuana items;
3 creating new provisions; amending section 44, chapter 1, Oregon Laws 2015; and prescribing an
4 effective date.

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

6 **SECTION 1.** Section 44, chapter 1, Oregon Laws 2015, as amended by section 14, chapter 699,
7 Oregon Laws 2015, and section 219, chapter 767, Oregon Laws 2015, is amended to read:

8 **Sec. 44.** (1) There is established the Oregon Marijuana Account, separate and distinct from the
9 General Fund.

10 (2) The account shall consist of moneys transferred to the account under [*section 11 of this 2015*
11 *Act*] **ORS 475B.760**.

12 (3) Subject to subsection (4) of this section, the Department of Revenue shall certify the amount
13 of moneys available for distribution in the Oregon Marijuana Account and distribute the moneys as
14 follows:

15 [*(a) Forty percent must be transferred to the Common School Fund;*]

16 [*(b) Twenty percent must be transferred to the Mental Health Alcoholism and Drug Services Ac-*
17 *count established under ORS 430.380;*]

18 [*(c) Fifteen percent must be transferred to the State Police Account established under ORS*
19 *181.175;*]

20 [*(d) To assist local law enforcement in performing its duties under sections 3 to 70, chapter 1,*
21 *Oregon Laws 2015, 10 percent must be transferred to the cities of this state in the following shares:]*

22 [*(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such*
23 *shares as the population of each city bears to the population of the cities of this state, as determined*
24 *by Portland State University last preceding such apportionment, under ORS 190.510 to 190.610; and]*

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

26 [*(i) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses*
27 *issued by the commission under sections 19 to 21, chapter 1, Oregon Laws 2015, during the calendar*
28 *year preceding the date of the distribution for premises located in each city bears to the number of such*
29 *licenses issued by the commission during such calendar year for all premises in this state; and]*

30 [*(ii) Fifty percent of the 10 percent must be transferred in such shares as the number of licenses*

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 issued by the commission under section 22, chapter 1, Oregon Laws 2015, during the calendar year
2 preceding the date of the distribution for premises located in each city bears to the number of such li-
3 censes issued by the commission during such calendar year for all premises in this state;]

4 [(e) To assist local law enforcement in performing its duties under sections 3 to 70, chapter 1,
5 Oregon Laws 2015, 10 percent must be transferred to counties in the following shares:]

6 [(A) For all distributions made from the Oregon Marijuana Account before July 1, 2017, in such
7 shares as their respective populations bear to the total population of this state, as estimated from time
8 to time by Portland State University; and]

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

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

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

18 [(f) Five percent must be transferred to the Oregon Health Authority to be used for the establish-
19 ment, operation and maintenance of alcohol and drug abuse prevention, early intervention and treat-
20 ment services.]

21 **(a) 20 percent shall be transferred to the Oregon Health Authority for deposit in the**
22 **Mental Health Alcoholism and Drug Services Account established under ORS 430.380;**

23 **(b) 15 percent shall be transferred to the Department of State Police for deposit in the**
24 **State Police Account established under ORS 181A.020;**

25 **(c) 5 percent shall be transferred to the Oregon Health Authority for deposit in the**
26 **Oregon Health Authority Fund established under ORS 413.101, to be used for the establish-**
27 **ment, maintenance and operation of alcohol and drug abuse prevention, early intervention**
28 **and treatment services;**

29 **(d) 30 percent shall be distributed among the cities of this state in the following shares:**

30 **(A) 25 percent of the 30 percent shall be transferred in shares that reflect the total area**
31 **of all grow canopies associated with marijuana producer licenses issued by the Oregon Liquor**
32 **Control Commission under ORS 475B.070 during the calendar year preceding the date of the**
33 **distribution for all premises located in the city compared to the total area of all grow**
34 **canopies associated with marijuana producer licenses issued by the commission under ORS**
35 **475B.070 during the calendar year preceding the date of the distribution for all premises lo-**
36 **cated in all incorporated areas of this state; and**

37 **(B) 75 percent of the 30 percent shall be transferred in shares that reflect the total**
38 **number of marijuana retailer licenses issued by the commission under ORS 475B.110 during**
39 **the calendar year preceding the date of the distribution for all premises located in the city**
40 **compared to the total number of marijuana retailer licenses issued by the commission under**
41 **ORS 475B.110 during the calendar year preceding the date of the distribution for all premises**
42 **located in all incorporated areas of this state; and**

43 **(e) 30 percent shall be distributed among the counties of this state in the following**
44 **shares:**

45 **(A) 25 percent of the 30 percent shall be transferred in shares that reflect the total area**

1 of all grow canopies associated with marijuana producer licenses issued by the commission
 2 under ORS 475B.070 during the calendar year preceding the date of the distribution for all
 3 premises located in the unincorporated area of the county compared to the total area of all
 4 grow canopies associated with marijuana producer licenses issued by the commission under
 5 ORS 475B.070 during the calendar year preceding the date of the distribution for all premises
 6 located in all unincorporated areas of this state; and

7 (B) 75 percent of the 30 percent shall be transferred in shares that reflect the total
 8 number of marijuana retailer licenses issued by the commission under ORS 475B.110 during
 9 the calendar year preceding the date of the distribution for all premises located in the
 10 unincorporated area of the county compared to the total number of marijuana retailer li-
 11 censes issued by the commission under ORS 475B.110 during the calendar year preceding the
 12 date of the distribution for all premises located in all unincorporated areas of this state.

13 *[(4) A city or county that adopts ordinances prohibiting the establishment of a premises for which*
 14 *a license is issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, or prohibiting the es-*
 15 *tablishment of an entity for which registration is required under ORS 475.300 to 475.346, is not eligible*
 16 *to receive distributions under this section.]*

17 (4)(a) A city that adopts an ordinance prohibiting the establishment of a premises for
 18 which issuance of a license under ORS 475B.070 is required is not eligible to receive distrib-
 19 utions under subsection (3)(d)(A) of this section.

20 (b) A city that adopts an ordinance prohibiting the establishment of a premises for which
 21 issuance of a license under ORS 475B.110 is required is not eligible to receive distributions
 22 under subsection (3)(d)(B) of this section.

23 (c) A county that adopts an ordinance prohibiting the establishment of a premises for
 24 which issuance of a license under ORS 475B.070 is required is not eligible to receive distrib-
 25 utions under subsection (3)(e)(A) of this section.

26 (d) A county that adopts an ordinance prohibiting the establishment of a premises for
 27 which issuance of a license under ORS 475B.110 is required is not eligible to receive distrib-
 28 utions under subsection (3)(e)(B) of this section.

29 (5) It is the intent of the Legislative Assembly that the moneys distributed from the Oregon
 30 Marijuana Account to the persons listed in subsection (3) of this section are in addition to, and not
 31 in lieu of, any other moneys available to *[such]* the persons.

32 **SECTION 2.** The amendments to section 44, chapter 1, Oregon Laws 2015, by section 1
 33 of this 2017 Act apply to moneys distributed by the Department of Revenue on and after the
 34 effective date of this 2017 Act.

35 **SECTION 3.** This 2017 Act takes effect on the 91st day after the date on which the 2017
 36 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.