

Enrolled
House Bill 4016

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Economic Recovery and Prosperity for Representative John Lively)

CHAPTER

AN ACT

Relating to cannabis; creating new provisions; amending ORS 475C.105, 475C.409 and 475C.608; and declaring an emergency.

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

MARIJUANA MORATORIA

SECTION 1. (1) The Oregon Liquor and Cannabis Commission may, based on the supply of and demand for marijuana, as defined in ORS 475C.009, refuse to issue production licenses under ORS 475C.065, processor licenses under ORS 475C.085, wholesale licenses under ORS 475C.093 and retail licenses under ORS 475C.097 for an amount of time that the commission determines necessary.

(2) Subsection (1) of this section does not apply to the renewal of a license described in subsection (1) of this section or to the issuance or reissuance of a license described in subsection (1) of this section necessitated by a change in the location or ownership of a production, processing, wholesale or retail facility or premises.

(3)(a) Except as provided in paragraph (b) of this subsection, the commission shall process an application for a license described in subsection (1) of this section if the application was received on or before January 1, 2022.

(b) An applicant that submitted an application described in paragraph (a) of this subsection that did not submit a land use compatibility statement required under ORS 475C.053 may submit the land use compatibility statement within 21 days of the effective date of this 2022 Act. If the land use compatibility statement is timely submitted, the commission shall process the application. If a land use compatibility statement is not timely submitted, the commission shall inactivate the application.

(4) An applicant that submitted an application for a license described in subsection (1) of this section on or before January 1, 2022, may not change:

(a) The location for which an application was submitted; or

(b) Fifty-one percent or more of the ownership of the production, processing, wholesale or retail facility or premises for which the application for licensure was submitted.

(5) The commission shall inactivate an application for a license described in subsection (1) of this section that was received after January 1, 2022.

(6)(a) The commission shall adopt rules to establish timelines for the completion of applications for licenses described in subsection (1) of this section, including rules to specify

times by which an applicant must complete any necessary steps for licensing after the applicant's application is assigned to a commission staff member for processing.

(b) The commission may adopt other rules as necessary to carry out this section, including rules that enable the commission to pause the processing of an application that has been assigned to a commission staff member in consideration of commission resources to process applications.

(7)(a) The commission shall study the effects of subsections (1) to (6) of this section on the marijuana industry.

(b) Not later than March 20 of each year, the commission shall submit a report to a committee or an interim committee of the Legislative Assembly related to economic development, in the manner provided in ORS 192.245, on the findings of the study described in this subsection.

SECTION 2. Section 1 of this 2022 Act is repealed on March 31, 2024.

MARIJUANA LICENSE ASSIGNMENT PROGRAM

SECTION 3. Section 4 of this 2022 Act is added to and made a part of ORS 475C.005 to 475C.525.

SECTION 4. (1) The Oregon Liquor and Cannabis Commission may adopt rules to establish a program to assign expired, relinquished or otherwise suspended licenses issued under ORS 475C.005 to 475C.525 to qualified applicants.

(2) In establishing and operating the program described in subsection (1) of this section, the commission may consult with other state agencies, including the Governor's office, as the commission determines is necessary.

(3) The commission may adopt other rules as necessary to carry out this section.

SECTION 5. (1) Section 4 of this 2022 Act becomes operative on July 1, 2022.

(2) The Oregon Liquor and Cannabis 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 of the duties, functions and powers conferred on the commission by section 4 of this 2022 Act.

OTHER AMENDMENTS

SECTION 6. ORS 475C.105 is amended to read:

475C.105. (1) If a school described in ORS 475C.097 (2)(d) that has not previously been attended by children is established within 1,000 feet of a premises for which a license has been issued under ORS 475C.097, the marijuana retailer located at that premises may remain at that location unless the Oregon Liquor and Cannabis Commission revokes the license of the marijuana retailer under ORS 475C.265.

(2)(a) If the commission issues a license for a premises under ORS 475C.097 and, after issuance, the commission becomes aware that a school is located within 1,000 feet of the premises, the commission may allow the marijuana retailer to relocate to a premises that is not within 1,000 feet of the school without applying for and being issued a new license under ORS 475C.097.

(b) The commission may adopt rules to carry out this subsection.

SECTION 7. ORS 475C.409 is amended to read:

475C.409. If the owner of a building or premises knowingly has used the building or premises for, or allowed the building or premises to be occupied for, the production, processing, sale or use of marijuana items contrary to the provisions of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648 or 475C.770 to 475C.919, or contrary to the provisions of any other state law or local ordinance regulating the production, processing, sale or use of marijuana items, the building or premises is subject to a lien for, and may be sold to pay all fines and costs, **including but not**

limited to any costs of cleanup and removal of marijuana, assessed against the occupants of the building or premises for, any violation of ORS 475C.005 to 475C.525, 475C.540 to 475C.586, 475C.600 to 475C.648 or 475C.770 to 475C.919, or any other state law or local ordinance regulating the production, processing, sale or use of marijuana items. The lien *[must]* **may** be enforced immediately by civil action in a court that has jurisdiction over the area in which the building or premises is located, by the district attorney of the county in which the building or premises is located.

SECTION 8. ORS 475C.608 is amended to read:

475C.608. (1) As used in this section:

(a) “Licensee” has the meaning given that term in ORS 475C.009.

(b) “Registrant” means a person registered under ORS 475C.770 to 475C.919.

(2) The Oregon Liquor and Cannabis Commission may by rule require a licensee or person responsible for the labeling of an inhalant delivery system that contains an industrial hemp-derived vapor item, and the Oregon Health Authority may by rule require a registrant, to submit a label intended for use on a marijuana item or an inhalant delivery system that contains an industrial hemp-derived vapor item for preapproval by the commission before the licensee, **person** or registrant may sell or transfer a marijuana item or an inhalant delivery system that contains an industrial hemp-derived vapor item bearing the label. The commission shall determine whether a label submitted under this section complies with ORS 475C.604 and any rule adopted under ORS 475C.604.

(3) The commission may impose a fee for submitting a label for preapproval under this section that is reasonably calculated to not exceed the cost of administering this section.

CAPTIONS

SECTION 9. The unit captions used in this 2022 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 2022 Act.

OPERATIVE AND EFFECTIVE DATES

SECTION 10. (1) The amendments to ORS 475C.105, 475C.409 and 475C.608 by sections 6 to 8 of this 2022 Act become operative on January 1, 2023.

(2) The Oregon Liquor and Cannabis 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 of the duties, functions and powers conferred on the commission by the amendments to ORS 475C.105, 475C.409 and 475C.608 by sections 6 to 8 of this 2022 Act.

SECTION 11. This 2022 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect on its passage.

Passed by House February 22, 2022

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Timothy G. Sekerak, Chief Clerk of House

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Dan Rayfield, Speaker of House

Passed by Senate March 2, 2022

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Peter Courtney, President of Senate

Received by Governor:

.....M,....., 2022

Approved:

.....M,....., 2022

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M,....., 2022

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Shemia Fagan, Secretary of State