Oregon Liquor and Cannabis Commission

Chapter 845

Division 25
ADULT USE CANNABIS AND HEMP CONCENTRATION LIMITS

845-025-2000
Adult Use Cannabis Concentration Limits

In addition to the authority in ORS 475B.500 - 475B.510, unless otherwise specified, the following definitions apply to OAR 845-025-2000 to 845-025-2010:

(1) "Cannabinoid" means any of the chemical compounds that are the active principles of cannabis, including but not limited to delta-9-tetrahydrocannabinol, delta-8-tetrahydrocannabinol, delta-10-tetrahydrocannabinol, cannabigerol, cannabichromene, cannabidiol, cannabinol, cannabinodiol, cannabicyclol, cannabivarin, tetrahydrocannabivarin, cannabichromevarin, cannabigerovarin, cannabichromene, cannabidivarin, cannabidiolic acid, cannabinolic acid, cannabigerolic acid, cannabichromenic acid, cannabivarin, cannabidiolic acid, or cannabichromevarin.

(2) "Hemp" means cannabis Sativa L.

(3) "Hemp product" means:

(A) Hemp;

(B) Hemp fiber;

(C) Hemp fiber that has been processed into a product that meets the criteria in OAR 845-025-2000(4) - (6);

(D) Hemp fiber that has been processed into a product that meets the criteria in OAR 845-025-2000(4) - (6);

(E) A concentration of more than 0.3 percent total delta-9-tetrahydrocannabinol; or

(F) The concentration of tetrahydrocannabinol in a product other than hemp fiber.

(4) "Industrial hemp" means:

(A) Hemp that has been harvested through cutting or other processing such that it is suitable fiber for textiles, rope, paper, thermoplastic or other building or fiber products;

(B) Industrial hemp which processed such that it is suitable for plant propagation and processed such that it is suitable for human consumption;

(C) Industrial hemp which processed such that it is suitable for human consumption and processed such that it is suitable for plant propagation;

(D) "Industrially denatured cannabinoid" means a chemical substance that is created by a chemical process that changes the molecular structure of a naturally occurring chemical substance so that it is unsuitable for human consumption;

(E) "Industrially denatured cannabinoid" means a hemp product:

(i) Produced from hemp that is not commingled with any other material except the denatured Cannabis Sativa L. Cannabinoids that are a chemical derivative of hemp;

(ii) Unadulterated that can reasonably be discriminated from a cannabis or hemp product produced from other hemp or cannabis; and

(iii) Rendered unfit for human consumption by a formula that is not to be used for human food or drink, or any other product intended for human consumption or use;

(F) "Synthetic" means the Oregon Health Authority;

(G) "Synthetic" means a chemical or other material compound that, by the entire combination of substances or elements of which it is composed, is not a product of nature;

(H) "Unadulterated cannabis" means a hemp product or cannabis product, or a product that contains hemp or cannabis unaltered in potency, or a product not intended for human ingestion;

(I) "Commercial cannabinoid" means the commercial product that is in OAR 845-025-2000(5);

(J) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

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(SSSSSS) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

(TTTTTT) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

(UUUUUU) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

(VVVVVV) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

(WWWWWW) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabinoid derivative that is not a cannabinoid derivative or a cannabinoid derivative that is not a cannabinoid derivative;

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(XXXXXXX) "Commercial cannabinoid" means a hemp product that is produced from a cannabinoid or a cannabin

(9) Name of the laboratory that performed any test and any test analysis date;

(10) Hemp symbol;

(11) A statement that reads: "This product is not approved by the FDA to treat, cure, or prevent any disease";

(12) Warnings that state:

(a) "This product is derived from hemp and could contain THC. Keep out of reach of children."

(b) "DO NOT EAT" in bold, capital letters.

(13) For industrial hemp-derived vapor items that combine industrial hemp extract and concentrate:

(a) The product identity must indicate the item has industrial hemp extract and concentrate.

(b) List all ingredients in descending order of predominance by weight or volume.

(14) For industrial hemp-derived vapor items that contain non-cannabis additives:

(a) The product identity must clearly identify that the product contains non-cannabis additives and, in addition to the other requirements of OAR 845-026-7000 to 845-026-7070, must include the words "non-cannabis additive."

(b) In addition to the other ingredients in the industrial hemp-derived vapor item, for each non-cannabis additive used, the ingredient listing must contain the words "non-cannabis additive" in a manner that clearly distinguishes each additive from any other additives.

(c) All of the ingredients in the non-cannabis additive:

(A) Must be listed either alphabetically or in descending order of predominance by weight or volume; and

(B) Must be listed on:

(i) The label's ingredient list as sub-ingredients of the ingredient term "non-cannabis additive"; or

(ii) An insert within the product's container that clearly indicates that the ingredients listed are contained within the industrial hemp-derived vapor item that contain non-cannabis additives.

Statutory/Other Authority: ORS 475C.604, 475C.233 & 475C.237
Statutes/Other Implemented: ORS 475C.604
History:
OLCC 202-2022, amend filed 11/21/2022, effective 01/01/2023
OLCC 19-2022, minor correction filed 02/25/2022, effective 02/25/2022
OLCC 21-2021, adopt filed 12/30/2021, effective 01/01/2022

845-026-7060
Industrial Hemp-derived Vapor Item Labeling Pre-approval Process

(1) Prior to selling, offering for sale, or transferring an industrial hemp-derived vapor item that is for ultimate sale to a consumer, a hemp vapor item manufacturer must submit a label application to and receive approval from the Commission. The initial submission shall be made electronically if required by the Commission. The hemp vapor item manufacturer must submit a physical prototype upon request by the Commission.

(2) Except as provided in sections (5) to (7) of this rule, the packaging and label applications must be accompanied by the following:

(a) A fee as specified in OAR 845-025-1060; and

(b) Information including but not limited to:

(A) A picture of and description of the item to be placed in the package.

(B) For label applications for an industrial hemp-derived vapor item that contain non-cannabis additives:

(i) The non-cannabis additive's list of ingredients from the non-cannabis additive's manufacturer; and

(ii) In a form and manner prescribed by the Commission, information regarding the manufacturer of the non-cannabis additive, the additive or additives being used by the hemp vapor item manufacturer, and attestation by the hemp vapor item manufacturer of the accuracy of the information submitted for label pre-approval.

(3) If a hemp vapor item manufacturer submits a list of ingredients to the Commission in order to comply with paragraph (2)(b)(A) of this rule, and that the hemp vapor item manufacturer believes the list of ingredients is a trade secret, the hemp vapor item manufacturer must mark the information "confidential - trade secret."

(a) If the Commission receives a public records request for information submitted by a hemp vapor item manufacturer, it will review all documents submitted to determine whether the documents contain trade secrets that would be exempt from disclosure under Oregon's Public Records Act, ORS 192.345.

(b) For purposes of this rule "trade secret" has the meaning given that term in ORS 192.345.

(4) The Commission will evaluate the label in order to determine whether the label:

(a) Complies with the labeling rules, OAR 845-026-7000 to 845-026-7070, or any additional labeling requirements in ORS 475C, OAR 333, Division 7, or OAR 845, Division 26.

(b) Contains any material that is attractive to minors; and

(c) Contains untruthful or misleading content.

(5) The Commission must review the labeling and notify the hemp vapor item manufacturer whether labeling is approved, and if not approved, a description of the packaging or labeling deficiencies.

(6) If the label is deficient, the hemp vapor item manufacturer must correct the deficiencies and resubmit the label for pre-approval, but the hemp vapor item manufacturer is not required to submit an additional fee unless the label is found deficient for a second time in which case the application will be denied and the hemp vapor item manufacturer must resubmit the labeling in accordance with section (1) of this rule.

(7) A hemp vapor item manufacturer may submit labeling for approval on the same application for a product that may have different flavors, colors or sizes, if the product is otherwise identical. Applications for approval of labeling under this section are subject to a single application fee.

(8) Labels that have been previously approved do not need to be resubmitted if the only changes to the label are:

(a) Changes in the:

(A) Processing date;

(B) Test results;

(C) Net weight or volume; or

(b) The deletion of any non-mandatory label information.

(c) The addition, deletion or change in the:

(A) UPC barcodes or 2D mobile barcodes (QR codes);

(B) Website address, phone number, fax number, or place of address of the hemp vapor item manufacturer; or

(d) The repositioning of any label information on the package, as long as the repositioning of label information is consistent with these rules.

(9) Prior to a hemp vapor item manufacturer transferring a label approval from one hemp vapor item manufacturer to another, the hemp vapor item manufacturer requesting to transfer the label must submit a form prescribed by the Commission and pay the applicable fee as described in OAR 845-025-1060.

(10) Labels for industrial hemp-derived vapor items do not require pre-approval if they are generic labels as defined in OAR 845-026-7000 and contain only the information required by these rules.

(11) Notwithstanding any provisions of this rule, the Commission may permit or require electronic submission of labels for approval.

(12) The Commission shall charge the following fees:

(a) Labeling preapproval: $100.

(b) Change to previously approved package or label: $25.

(c) Transferring labeling application to another hemp vapor item manufacturer: $25 per application.

Statutory/Other Authority: ORS 475C.604, ORS 475C.608 & 475C.616
Statutes/Other Implemented: ORS 475C.608, 475C.616 & 475C.237
History:
OLCC 20-2022, minor correction filed 02/25/2022, effective 02/25/2022
OLCC 21-2021, adopt filed 12/30/2021, effective 01/01/2022

845-026-7070
Industrial Hemp-derived Vapor Item Labeling Prohibited Conduct

(1) The following conduct is prohibited:

(a) Failure to comply with any provision of ORS 475C.600 to 475C.648 or these rules.

(b) Transferring, selling, or offering to sell an industrial hemp-derived vapor item for ultimate sale to a consumer to another hemp vapor item manufacturer that is not labeled in accordance with these rules.

(c) Failure to receive label approval prior to transferring, selling, or offering for sale an industrial hemp-derived vapor item that is for ultimate sale to a consumer.

(d) Transferring, selling, or offering for sale an industrial hemp-derived vapor item that has not received label approval.

(e) Selling or offering to sell an industrial hemp-derived vapor item under a different label than what was approved.

(2) For each violation of a provision of ORS 475C.600 to 475C.648 or a rule adopted thereunder, the Commission may impose a civil penalty of up to $500 per violation.

(a) Each violation of a provision of ORS 475C.600 to 475C.648 or a rule adopted thereunder is a separate violation.

(b) Each unit of sale that is in violation of a rule or statute constitutes a separate violation.

(c) Civil penalties are assessed as follows:

(A) Except as provided in paragraphs (B) to (D) of this subsection, violations of OAR 845-026-7000 to 845-026-7070 will be assessed up to $50 per violation with an overall cap of $10,000 for all violations charged concurrently in a single notice.

(B) Violations of OAR 845-026-7030(2) will be assessed up to $250 per violation with an overall cap of $50,000 for all violations charged concurrently in a single notice.

(C) Knowing violations of OAR 845-026-7030(2) in which a label is untruthful or misleading will be assessed up to $500 per violation with an overall cap of $100,000 for all violations charged concurrently in a single notice.

(D) Notwithstanding paragraphs (A) to (C) of this subsection, any violations that create a present or substantial likelihood of a threat to public health or safety will be assessed up to $500 per violation with an overall cap of $500,000 for all violations charged concurrently in a single notice.

(E) If a person has within the previous two years been assessed a civil penalty under this rule, the Commission may assess the maximum of $500 per violation with an overall cap of double the overall cap amounts described in paragraphs (A) to (D) of this subsection for all violations charged concurrently in a single notice.

(3) Section (2) of this rule does not apply to a person who is a hemp handler licensed under ORS 571.281.

Statutory/Other Authority: ORS 475C.604, 475C.608, 475C.612, 475C.616, 475C.636 & 475C.644
Statutes/Other Implemented: ORS 475C.604 & 475C.644
History:
OLCC 202-2022, amend filed 11/21/2022, effective 01/01/2023
OLCC 21-2022, minor correction filed 02/25/2022, effective 02/25/2022
OLCC 21-2021, adopt filed 12/30/2021, effective 01/01/2022

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Oregon Liquor and Cannabis Commission

Chapter 845

Division 25
RECREATIONAL MARIJUANA

845-025-1000
Purpose and Scope

(1) A person may not sell, produce, process, store, transport, gift, sample, test, or deliver marijuana for commercial or noncommercial purposes in Oregon except in accordance with the provisions of ORS 475B and OAR 845-025.

(2) Nothing in these rules exempts a licensee or licensee representative from complying with any other applicable laws or rules.

(3) Licenses issued under these rules are valid only for the premises indicated on the license and for the licensee.

Statutory/Other Authority: ORS 475.757
Statutory/Other Implemented: ORS 475.314, ORS 475.342, ORS 475.376, ORS 475.755, ORS 475.757, ORS 475.759, ORS 475.768, ORS 475.769, ORS 475.770, ORS 475.772, ORS 475.774, ORS 475.775, ORS 475.777, ORS 475.779, ORS 475.781, ORS 475.783, ORS 475.785, ORS 475.787, ORS 475.789, ORS 475.791, ORS 475.793, ORS 475.795, ORS 475.797, ORS 475.799, ORS 475.801, ORS 475.803, ORS 475.805, ORS 475.807, ORS 475.809, ORS 475.811, ORS 475.813, ORS 475.815, ORS 475.817, ORS 475.819, ORS 475.821, ORS 475.823, ORS 475.825, ORS 475.827, ORS 475.829, ORS 475.831, ORS 475.833, ORS 475.835, ORS 475.837, ORS 475.839, ORS 475.841, ORS 475.843, ORS 475.845, ORS 475.847, ORS 475.849, ORS 475.851, ORS 475.853, ORS 475.855, ORS 475.857, ORS 475.859, ORS 475.861, ORS 475.863, ORS 475.865, ORS 475.867, ORS 475.869, ORS 475.871, ORS 475.873, ORS 475.875, ORS 475.877, ORS 475.879, ORS 475.881, ORS 475.883, ORS 475.885, ORS 475.887, ORS 475.889, ORS 475.891, ORS 475.893, ORS 475.895, ORS 475.897, ORS 475.899, ORS 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(1) Any person shall require a licence to carry on any business in respect of the activities prescribed in the Second Schedule, unless he is exempt from the requirement of a licence under section 6 or unless the business is carried on under and in accordance with an agreement.

(2) Subject to section 6 and subject to legal entitlements, any individual or legal entity resident in Kenya or an applicant under section 20 or 24 of this Act.

(3) The Commission may revoke a licence if the applicant or licensee is in the course of the licensed business, cannot or does not intend to carry on the business in accordance with the licence, or is not a person who is fit and proper to carry on the business in accordance with this Act.

Relevant Offences (1991/15) [27]
Financial Institutions Act (1991/15) [27]
Insurance (Amendment) Act (2012/14) [27], [28], [29], [30], [31], [32], [33], [34], [35], [36], [37], [38], [39], [40], [41], [42], [43], [44], [45], [46], [47], [48], [49], [50], [51], [52], [53], [54], [55], [56], [57], [58], [59], [60], [61], [62], [63], [64], [65], [66],

ISO 4217:1996
Change of Ownership

(1) The expiration of the rule "Change of ownership"

(2) Person Information Statement Correction

(3) Valid Statement Correction

(4) Change of ownership of the vessel or

(5) Change in ownership of the vessel or

(6) Change in ownership of the vessel or part thereof which results in the vessel being in whole or in part in the hands of a State other than that which was entitled to fly the flag which is before Statement of Ownership or proofs of ownership are provided to the Commission, specifying the current owner of the vessel.

(7) Change of ownership of the vessel or part thereof which results in the vessel being in whole or in part in the hands of a State other than that which was entitled to fly the flag which is before Statement of Ownership or proofs of ownership are provided to the Commission, specifying the current owner of the vessel.

(8) A change of ownership of the vessel or part thereof which results in the vessel being in whole or in part in the hands of a State other than that which was entitled to fly the flag which is before Statement of Ownership or proofs of ownership are provided to the Commission, specifying the current owner of the vessel.

(9) A change of ownership of the vessel or part thereof which results in the vessel being in whole or in part in the hands of a State other than that which was entitled to fly the flag which is before Statement of Ownership or proofs of ownership are provided to the Commission, specifying the current owner of the vessel.

(10) The Commission, upon receipt of a change of ownership application, shall issue a new Statement of Ownership or proofs of ownership to the owner of the vessel.

(11) Statement of Ownership or proofs of ownership requests under this rule does not confer the privileges of a Statement of Ownership or proofs of ownership.

(12) Statement of Ownership or proofs of ownership issued under this rule are valid for a period of 5 years from the date of issuance.

(13) Upon receipt of a change of ownership application, the Commission shall issue a new Statement of Ownership or proofs of ownership to the owner of the vessel.

(14) Upon receipt of a change of ownership application, the Commission shall issue a new Statement of Ownership or proofs of ownership to the owner of the vessel.

Statutory Authority: 18U-CFT-147.1(CFR) 18U-CFT-147.2(CFR)
Related Information: 18U-CFT-147.3(CFR) 18U-CFT-147.4(CFR)
18U-CFT-147.5(CFR) 18U-CFT-147.6(CFR) 18U-CFT-147.7(CFR)
18U-CFT-147.8(CFR) 18U-CFT-147.9(CFR) 18U-CFT-147.10(CFR)
18U-CFT-147.11(CFR) 18U-CFT-147.12(CFR) 18U-CFT-147.13(CFR)
18U-CFT-147.14(CFR) 18U-CFT-147.15(CFR) 18U-CFT-147.16(CFR)
18U-CFT-147.17(CFR) 18U-CFT-147.18(CFR) 18U-CFT-147.19(CFR)
18U-CFT-147.20(CFR) 18U-CFT-147.21(CFR) 18U-CFT-147.22(CFR)
18U-CFT-147.23(CFR) 18U-CFT-147.24(CFR) 18U-CFT-147.25(CFR)
18U-CFT-147.26(CFR) 18U-CFT-147.27(CFR) 18U-CFT-147.28(CFR)
18U-CFT-147.29(CFR) 18U-CFT-147.30(CFR) 18U-CFT-147.31(CFR)
18U-CFT-147.32(CFR) 18U-CFT-147.33(CFR) 18U-CFT-147.34(CFR)
18U-CFT-147.35(CFR) 18U-CFT-147.36(CFR) 18U-CFT-147.37(CFR)
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18U-CFT-147.41(CFR) 18U-CFT-147.42(CFR) 18U-CFT-147.43(CFR)
18U-CFT-147.44(CFR) 18U-CFT-147.45(CFR) 18U-CFT-147.46(CFR)
18U-CFT-147.47(CFR) 18U-CFT-147.48(CFR) 18U-CFT-147.49(CFR)

(a) Subject to the provisions of subsection (b) of this section, the Commission may, by rule or order, prescribe such reports to be made by persons subject to the jurisdiction of this chapter as it deems necessary or convenient to assure compliance with the provisions of this chapter or any order or rule thereunder.

(b) Any person prohibited by the Commission with respect to all or any portion of its business from engaging in any activity which is subject to the jurisdiction of the Commission under section 15 of this title, shall not be required to file any report with the Commission under this section with respect to such activity.

(c) Reports required to be made under this section shall be made under oath or affirmation, shall be in such form and shall contain such information, as the Commission may prescribe.

(d) Upon the request of any person required to file a report under this section, the Commission may extend the time prescribed for the filing of such report.

(e) Nothing in this section shall be construed to require any broker or dealer to furnish to the Commission any portion of a confirmation or other document (other than a report required to be made under this section) which such broker or dealer shall have in his possession or control and which such broker or dealer shall have the right to obtain from any person.

(f) Any report or other document required to be filed with the Commission under this section shall be deemed to be filed with the Commission when it is received by the Commission.

(g) Any person who shall fail to file any report or other document required to be filed with the Commission under this section, or who shall fail to file any such report or other document within the time prescribed by the Commission, or who shall file any such report or other document which shall be false or misleading in any material respect, shall be liable to a civil penalty of not more than $100 for each and every day such delinquent or false or misleading report or other document shall be in his possession or control, to be recovered by and for the use of the Commission in the manner provided for the recovery of penalties under section 32(b) of this title.

Amendments: 1975-Pub. L. 94-29, § 8, June 4, 1975, 89 Stat. 97.

Effective Date: 1975, amend Pub. L. 94-29, effective June 4, 1975.

1934-Pub. L. 73-291, § 15(d), June 6, 1934, 48 Stat. 889.

1933-Pub. L. 73-22, § 6(a), June 4, 1933, 48 Stat. 84.

1933-Act, § 6(a), as amended, Pub. L. 73-291, § 1, June 6, 1934, 48 Stat. 881.

SEC. 15D. 15 USC 78o-5

Trade Sources

(a) Unlawful representations; Nationally recognized statistical rating organizations; Securities and exchange commission; Fraud, deceit, or unfair practices; Prohibition against use of material nonpublic information; Rules and regulations; Definitions; Exemptions; Exclusions; Rules of construction; Transition rule

(1) The following businesses and entities shall be subject to the jurisdiction and regulation of the Commission under this section:

(A) Any person engaged in the business of providing a credit rating service or credit rating with respect to an asset class or security class.

(B) Any person engaged in the business of providing a credit rating service or credit rating with respect to any security or money market instrument issued by a person engaged in the business of providing a credit rating service or credit rating.

(C) Any person engaged in the business of providing a credit rating service or credit rating with respect to any obligation or security issued by, guaranteed by, or insured by, a person engaged in the business of providing a credit rating service or credit rating.

(D) Any person engaged in the business of providing a credit rating service or credit rating with respect to any obligation or security issued by, guaranteed by, or insured by, a person in which a broker or dealer or any person associated with a broker or dealer has a direct or indirect ownership interest, or which is under common control with a broker or dealer.

(E) Any person that is not a broker or dealer that is in fact or which qualifies as a broker or dealer but is not required to be registered as a broker or dealer.

(F) Any person that is not a broker or dealer that is in fact or which qualifies as a broker or dealer but is not required to be registered as a broker or dealer.

(G) A nationally recognized statistical rating organization.

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REF-0202-2020
Concept Definition

Concept Definition: Concept Code: CONCD-001-02-2000

(1) Tobacco Products: Cigars, Cigarettes and Cut Tobacco, or any other product or substitute or tobacco product, not subject to Section 4 of the Cigarettes and Other Tobacco Products Act, or any other product or substitute or tobacco product containing nicotine, intended for human consumption, or any component, part or accessory of a tobacco product;

(2) "Tobacco product" means any product containing or derived from tobacco;

(3) Offering of Pre-packaged tobacco manufactured products; and

(4) Other, Not Included in paragraphs (1) and (2) above of this clause.

(5) "Tobacco product" means any product containing or derived from tobacco;

(6) Tobacco product manufacturer" means a person who—

(a) manufactures a tobacco product;

(b) is a partnership, trust or joint venture, other than a joint venture or other entity that is a partnership or a joint venture or trust, in which any of the entities in clause (a) of this sub-clause is a partner or joint venturer;

(c) is a subsidiary or affiliate of a person described in clause (a) or (b) of this sub-clause;

(d) is a successor of a person described in clause (a), (b) or (c) of this sub-clause;

(e) is a person who has control over a person described in clause (a), (b), (c) or (d) of this sub-clause;

Tobacco Affiliate Number: CMN-0202-2020-0000-0000-0000

the PRIIPs Delegated Regulation (the "Delegated Regulation").

(2) Pursuant to Article 2(1) of the Delegated Regulation, financial institutions, and in some number of the Delegated Regulation, UCITS management companies and

(3) Pursuant Article and in particular the length of the audits to be carried out in such transport, along with the UCITS, the PRIIPs Regulation.

(4) The rules of financial undertakings and financial institutions, and in particular the rules of the Delegated Regulation.

(5) Pursuant Article and in particular the length of the audits to be carried out in such transport, along with the UCITS, the PRIIPs Regulation.

(6) Notwithstanding Article 2(1) of the rules of the Commission issues an order without temporarily relaxing the removal of the rules of the Commission issues an order without temporarily relaxing the removal of the rules of the Commission issues an order without temporarily relaxing the removal

(1) Provide the Contracting Entity the necessary:

(i) Work space and access to an internet connection or whatever other material that could be useful to the Contracting Entity in order to carry out the Contract;

(ii) Work space, access, any necessary licenses, including training licenses, that are calculated to remain as confidentiality items while using;

(iii) The necessary personnel of the staff side of the Contractor's side in compliance with the work and in any other matter related to the execution of the Contract;

(iv) Information and access to the necessary documentation;

(v) Work computers in the premises or the Contracted premises or with a connection between the Parties of 10 yes, and 5 yes for the Contracting Entity;

(vi) The ICT consultant's equipment is to be changed and improved in the Contracted premises and the Parties are at an accordance and in agreement that the Contracted Parties are responsible for the cost coming into contact with the Contracted premises, and the Contracting Entity;

(2) Ensure a secure network connection to the Contracting Entity;

(3) Ensure Contracted Parties and their premises, except, where, or in cases are necessary, the Contracting Entity has the right to access the premises;

(4) Ensure the Contracted Parties are aware of the coverage and limiting to the Contracting Entity's premises, and the Contracting Entity's premises, and the Contracted premises, and the Contracting Entity's premises, and the Contracted Parties are aware of the Contracting Entity's premises and the Contracted Parties are aware of the Contracting Entity's premises and the Contracted Parties are aware of the Contracting Entity's premises

Pictograms pictograms are a unique identification number or code assigned to a product, which is used in conjunction with a barcode.

(1) A barcode may be attributed to more than one product. Pictograms

The Pictograms Design, design or theme, if it fits for weight or volume, including but not limited to:

(1) Products that are not subject to the Commercial Code and are not subject to the Commercial Code and are not subject to Article 1-301.

(2) Products that are not subject to the Commercial Code and are not subject to Article 1-301.

(3) Products that are not subject to the Commercial Code and are not subject to Article 1-301.

(4) Products that are not subject to the Commercial Code and are not subject to Article 1-301.

(b) Where a business activity is carried on by a partnership, the reference in subsection (1) to the business of the individual shall be construed as a reference to the business of the partnership.

Relevant Office Holders (1992 c.12 s.17 (4) (8), 1993 c.37 s.6)
Relevant Office Implicated (1992 c.12 s.17 (1) & (2) c.12)
Meaning
(1) In this section "relevant office holder" means a person who is—
(a) a director, shadow director or secretary of the company,
(b) a director, shadow director or secretary of a company which is a director of the company,
(c) a director, shadow director or secretary of a company which is a shadow director of the company,
(d) a director, shadow director or secretary of a company which is a director or shadow director of a company which is a director of the company,
(e) a director, shadow director or secretary of a company which is a director or shadow director of a company which is a shadow director of the company,
(f) a person who is a partner of a partnership which is a director of the company,
(g) a person who is a partner of a partnership which is a director or shadow director of a company which is a director of the company,
(h) a person who is a partner of a partnership which is a director or shadow director of a company which is a shadow director of the company,
(i) a person who is a partner of a partnership which is a director of a company which is a director or shadow director of a company which is a director of the company,
(j) a person who is a partner of a partnership which is a director or shadow director of a company which is a director or shadow director of a company which is a shadow director of the company.

(1992 c.12 s.17 (1) & (2) c.12)

SH-GEN-10000
Wrongdoer Not Has Criminal Privilege
Relevant Office Implicated
(1) Subject to subsection (2) a person who is a relevant office holder of the company specified in the relevant criminal privilege.

(2) This section does not apply to a relevant office holding which is a director of the company.

(3) Subsection (1) shall not apply to a relevant office holding which is a director of the company if the relevant office holding is a director of the company and the relevant criminal privilege is not a criminal privilege.

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Pursuant to Section 2(1)(d) of the Contractors Registration Act, 1969 (CAP 30 NT 1969) and SI NO. 2(1) of the Contractors Registration Act of Laws of Nigeria 2004 (Contractors Registration Act) and Section

(4) A large chronic or acute liver condition (not cancerous) which produces a life hazard that is especially manifested by jaundice.

(5) Anemia or additional blood disorders which are life threatening.

(6) Impact of stress or

(7) Any other condition that is not commonly associated with stress or substantiated by stress.

(8) "Conditionally approved" means a work unit which is not in compliance with the standards specified in paragraphs (1) through (7) of this section but is in compliance with the standards specified in paragraph (9) of this section.

(9) A work unit is potentially hazardous if it is a conditionally approved work unit, conditionally approved work unit, or if the chief operator or the chief operator's designee determines that:

(A) A source of radiation, including, but not limited to, conditionally approved work, conditionally approved work, conditionally approved work

Statutory Citations: 26 U.S.C. 170

Related Rulings: Revenue Ruling 59-57, 1959-1 C.B. 121

Cross References:
Sec. 2055, 2522, and Section 5.01(1), of Revenue Procedure 2003-12
Sec. 2055, 2522, and Section 5.01(1), of Revenue Procedure 2003-13
Section 5.01(1), of Revenue Procedure 2003-14

IRS-OBJECTS:
Charitable Contributions Other than Cash Contributions, Taxable, Tangible Personal Property

Having the substantiation and other requirements of section 170(f) and the regulations thereunder (including a contemporaneous written acknowledgment from a donee organization) for a charitable contribution of tangible personal property (other than cash) that has the following characteristics:

(1) Property is expected to be used for a purpose unrelated to the donee's exempt purpose,

(2) Property is made up of items of income, income-in-kind, and cash or collectibles (or licenses thereof) prepared for a period of more than one tax year,

(3) Property is collectibles,

(4) Property is a patent,

(5) Property is a copyright,

(6) Property is a patent or copyright or patent and copyright,

(7) Property is a patent or copyright or patent and copyright,

(8) Property is a collection of a patent and copyright or patent and copyright,

(9) Property is a patent or copyright or patent and copyright or patent and copyright or patent and

Source: EU, 2007, amd. Jan 2020 EN, effective 01/01/2021
Amdt. EU, 2008, amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009, amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016, amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019, amd. 2/11/2021 EN, effective 28/11/2021

ISO 22739:2024
Blockchain and distributed ledger technologies — Vocabulary

The Commission has the power to adopt acts with the purpose of amending the Annexes of the agreement, in particular, Annexes I and II, in accordance with the procedure laid down in Article 15 of the agreement, taking into account the relevant provisions of Union law, including the Regulation (EU) No 1169/2011, and the Regulation (EC) No 1925/2006 of the European Parliament and of the Council, as amended by Regulation (EU) No 2019/1381 of the European Parliament and of the Council.

Source: Canada, 2018, amd. Dec 2020 EN, effective 01/01/2021
Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22743:2024
Transport information and control systems — Freight in Motion

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22745:2010
Transport information and control systems — Open Systems for Telematics

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Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22755:2010
Transport information and control systems — Dynamic Navigation Data — Exchange of Dynamic and Static Information

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Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951:2009
Transport information and control systems — Vehicle Interface for Data Exchange

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Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-1:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 1: General Information and use case definitions

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-2:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 2: Data Definition Specification

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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-3:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 3: Data Dictionary Specification

The Commission has the power to adopt acts with the purpose of amending the Annexes of the agreement, in particular, Annexes I and II, in accordance with the procedure laid down in Article 15 of the agreement, taking into account the relevant provisions of Union law, including the Regulation (EU) No 1169/2011, and the Regulation (EC) No 1925/2006 of the European Parliament and of the Council, as amended by Regulation (EU) No 2019/1381 of the European Parliament and of the Council.

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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-4:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 4: Data Frame Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-5:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 5: Data Transmission Specification

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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-6:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 6: Data Security Specification

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Source: Canada, 2018, amd. Dec 2020 EN, effective 01/01/2021
Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-7:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 7: Data Transmission Security Specification

The Commission has the power to adopt acts with the purpose of amending the Annexes of the agreement, in particular, Annexes I and II, in accordance with the procedure laid down in Article 15 of the agreement, taking into account the relevant provisions of Union law, including the Regulation (EU) No 1169/2011, and the Regulation (EC) No 1925/2006 of the European Parliament and of the Council, as amended by Regulation (EU) No 2019/1381 of the European Parliament and of the Council.

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-8:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 8: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-9:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 9: Data Transmission Security Specification

The Commission has the power to adopt acts with the purpose of amending the Annexes of the agreement, in particular, Annexes I and II, in accordance with the procedure laid down in Article 15 of the agreement, taking into account the relevant provisions of Union law, including the Regulation (EU) No 1169/2011, and the Regulation (EC) No 1925/2006 of the European Parliament and of the Council, as amended by Regulation (EU) No 2019/1381 of the European Parliament and of the Council.

Source: Canada, 2018, amd. Dec 2020 EN, effective 01/01/2021
Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-10:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 10: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-11:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 11: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-12:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 12: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-13:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 13: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-14:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 14: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-15:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 15: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-16:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 16: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-17:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 17: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-18:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 18: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-19:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 19: Data Transmission Security Specification

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Source: Canada, 2018, amd. Dec 2020 EN, effective 01/01/2021
Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-20:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 20: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-21:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 21: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-22:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 22: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-23:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 23: Data Transmission Security Specification

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Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-24:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 24: Data Transmission Security Specification

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ISO 22951-25:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 25: Data Transmission Security Specification

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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-26:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 26: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
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ISO 22951-27:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 27: Data Transmission Security Specification

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Amdt. EU, 2008: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
Amdt. EU, 2010/2012/2014/2016: amd. Dec 2020 EN, effective 01/01/2021
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ISO 22951-28:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 28: Data Transmission Security Specification

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ISO 22951-29:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 29: Data Transmission Security Specification

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Amendment Implementation: 2021/1127, 2021, effective 01/01/2021
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Amdt. EU, 2009: amd. Dec 2020 EN, effective 01/01/2021
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Amdt. EU, 2013/2015/2017/2019: amd. 2/11/2021 EN, effective 28/11/2021

ISO 22951-30:2009
Transport information and control systems — Vehicle Interface for Data Exchange — Part 30: Data Transmission Security Specification

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Source: Canada, 2018, amd. Dec 2020

Uniform Standards for Minor Decoy Operations

(1) Purpose. ORS chapter 475C prevents anyone who has not reached 21 years of age from obtaining marijuana or marijuana items. It is the Commission's intention that decoy operations are to be an impartial test of a licensee's ability and willingness to obey laws on preventing sale of marijuana or marijuana items to minors.

(2) Uniform standards for minors used in minor decoy operations:

(a) The minor must be under 21 years of age; and

(b) The minor may not use false identification; and

(c) The minor may not be about their age.

(3) Uniform standards for coordination with law enforcement agencies. The Commission will coordinate with law enforcement agencies to ensure, to the greatest extent possible, that:

(a) Law enforcement agencies are informed of the Commission's uniform standards for minor decoy operations; and

(b) Law enforcement agencies provide the Commission with copies of their minor decoy policies.

(4) In order for the Commission to process violation cases in a timely manner, law enforcement agencies will be encouraged to provide the Commission with the results of any minor decoy operation.

(5) Licensees or any employee of a licensee must immediately return identification presented by the minor decoy upon request of law enforcement or an OLCC representative. Failure to return ID as described in this section is a Category II violation.

Statutory/Other Authority: ORS 475C.017
Statutory/Other Implemented: ORS 475C.017
History
OLCC 202-2022, amend filed 11/21/2022, effective 01/01/2023
OLCC 182-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 4-2016, f. & cert. ef. 6-29-16

845-025-8575
Restricting License Privileges and Conduct of Operations

(1) The Commission may issue a restricted license when in the absence of a restriction, the Commission has a basis to cancel, suspend/fine or deny the license.

(2) The Commission may restrict a license when, in addition to all or part of a suspension or civil penalty, a restriction may prevent the recurrence of the problem(s) that caused the violation(s).

(3) A licensee will be notified in writing by the Commission if it intends to restrict the license and the licensee will be given the opportunity to appeal the proposed restriction in accordance with ORS Chapter 183.

(4) A licensee who has a restricted license may only exercise license privileges in compliance with the restrictions. Failure to comply with any restriction is a Category I violation.

(5) A restriction remains in effect until the Commission removes it. The licensee may request in writing that the Commission remove or modify a restriction. The written request must explain why the licensee believes the Commission should remove or modify the restriction. The Commission will notify the licensee, in writing, of its decision to approve or deny the request and the basis for its decision. If the Commission denies the request, the licensee has the right to a hearing under the procedures in ORS Chapter 183.

Statutory/Other Authority: ORS 475C.017 & ORS 475C.265
Statutory/Other Implemented: ORS 475C.265
History
OLCC 183-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 14-2018, adopt filed 12/27/2018, effective 12/28/2018

845-025-8580
Suspended Licenses: Posting of Suspension Notice Sign, Activities Allowed During Suspension

(1) Before 7 a.m. on the date a license suspension goes into effect, and until the suspension is completed, Commission staff must ensure that a suspension notice sign is posted on each outside entrance or door to the licensed premises.

(2) The suspension notice sign must be posted in a way that allows any person entering the premises to read it. Licensees must use the suspension notice sign form provided by the Commission. The sign will state that the license has been suspended by order of the Commission due to violations of the recreational marijuana laws (statutes or administrative rules) of Oregon. If there are multiple licenses at the location, the sign will specify which license privileges have been suspended.

(3) During the period of license suspension, the licensee is responsible for ensuring:

(a) Compliance with all applicable laws and rules; and

(b) That the suspension notice sign is not removed, altered, or covered.

(4) A licensee or license representative may not allow the sale, delivery to or from, or receipt of marijuana items at the licensed premises; the harvesting of marijuana or the processing of marijuana or marijuana items during the period of time that the license is under suspension, except as otherwise permitted by the Commission in the order of suspension. During a period of time that the license is under suspension, a recreational marijuana licensee may operate the business only in compliance with this rule.

(5) Sanction:

(a) A violation of section (4) of this rule is a Category I violation.

(b) A violation of section (2) or subsection (3)(b) of this rule is a Category IV violation.

Statutory/Other Authority: ORS 475C.017
Statutory/Other Implemented: ORS 475C.401 & 475C.628
History
OLCC 7-2023, amend filed 11/17/2023, effective 01/02/2024
OLCC 192-2022, minor correction filed 03/29/2022, effective 03/29/2022
OLCC 184-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 14-2018, amend filed 12/27/2018, effective 12/28/2018
OLCC 4-2016, f. & cert. ef. 6-29-16
OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8590
Suspension, Cancellation, Civil Penalties, Sanction Schedule

(1) The Commission may suspend or cancel:

(a) A license issued under ORS 475C.005 to 475C.525 or 475C.548.

(b) A marijuana worker permit issued under ORS 475C.269.

(c) A research certificate issued under ORS 475C.289.

(d) An industrial hemp certificate issued under OAR 845-025-2700 or 845-025-2705.

(e) A laboratory license issued under ORS 475C.548.

(2) The Commission may cancel a license under ORS 475C.265(1)(a) only when the conduct poses a significant risk to public health and safety. A significant risk to public health and safety includes, but is not limited to:

(a) Exercising licensed privileges while the license is suspended, or in violation of restrictions imposed on the license;

(b) Allowing minors at a processor license;

(c) Prohibited conduct involving a deadly or dangerous weapon or conduct that results in death or serious injury;

(d) Prohibited use of pesticides, fertilizers, and agricultural chemicals;

(e) Diversion of marijuana, inversion of marijuana, or other conduct described in ORS 475C.185;

(f) Transferring or providing adulterated marijuana items or hemp items to a licensee or consumer;

(g) Prohibited conduct by laboratory licensees as described in OAR 845-025-5075;

(h) Failure to meet testing requirements as described in OAR 845-025-5700 and OAR chapter 333, divisions 7 and 64;

(i) Intentionally destroying, damaging, altering, removing, or concealing potential evidence, or attempting to do so, or asking or encouraging another person to do so.

(3) Civil Penalties.

(a) The Commission may impose a *civil penalty under* ORS 475C.401. Civil penalties will be calculated by multiplying:

(A) The number of days in a suspension, if suspension could be or is being imposed, by $165 for licensees or certificate holders for Category II(b) violations;

(B) The number of days in a suspension, if suspension could be or is being imposed, by $250 for licensees or certificate holders for all other violation categories; or

(C) The number of days in a suspension, if suspension could be or is being imposed, by $25 for permittees.

(b) The Commission may impose for each violation of a provision of ORS 475C.600 to 475C.644 or OAR 845-025-7000 to 845-025-7190, a civil penalty of no more than $500 for each day the violation occurs.

(A) For violations of OAR 845-025-7000 to 845-025-7190, civil penalties will be calculated as described in OAR 845-025-7190(2).

(B) For violations of OAR 845-025-2800(6)(j), 845-025-2900(6), or 845-025-3220(2)(o):

(i) Each violation of a provision of ORS 475C.600 to 475C.648 or a rule adopted thereunder is a separate violation.

(ii) Each unit of sale that is in violation of a rule or statute constitutes a separate violation.

(iii) Except as provided in subparagraph (v) of this paragraph, civil penalties will be assessed at $25 per violation with an overall cap of $5,000 for all violations charged concurrently in a single notice.

(iv) If a licensee has previously been assessed a civil penalty under this paragraph, in assessing any subsequent civil penalty under this paragraph within a two year period the Commission will double the amount per violation and the overall cap for all violations charged concurrently in a single notice.

(v) The Commission uses the following violation categories for licensees licensed under ORS475C.005 to 475C.525:

(a) Category I — Violations that make license ineligible for a license or pose a significant risk to public health and safety;

(b) Category II — Violations that create a present threat or substantial likelihood of a present threat to public health or safety;

(c) Category III(a) — Violations for sales to a minor;

(d) Category III — Violations that create a potential threat to public health or safety;

(e) Category IV — Violations that create a climate conducive to abuses associated with the sale or manufacture of marijuana items;

(f) Category V — Violations inconsistent with the orderly regulation of the sale or manufacture of marijuana items.

(5) Violation sanctions.

(a) The Commission may sanction a licensee, permittee, Commission-certified hemp grower, or Commission-certified hemp handler in accordance with the guidelines set forth in Exhibit 1, incorporated by reference.

(b) Exhibit 1 lists the proposed sanctions for single or multiple violations that occur within a two year period for each category described in section (3) of this rule. The Commission may allege multiple violations in a single notice or may count violations alleged in notices issued within the previous two year period toward the total number of violations. In calculating the total number of violations, the Commission may consider a proposed violation for which the Commission has not yet issued a final order. The Commission reserves the right to sanction producer licensees by imposing civil penalties without the option of suspension.

(c) The proposed sanctions in Exhibit 1 are guidelines. If the Commission finds one or more mitigating or aggravating circumstances, it may assess a lesser or greater sanction, up to and including revocation. Mitigating circumstances may decrease the penalty but will not dismiss the violation. The Commission may decrease or increase a sanction to prevent inequity or to take account of particular circumstances in the case. The Commission may use a standard 30 percent reduction in sanctions during the settlement process.

(d) Mitigating circumstances include, but are not limited to:

(A) Making a good faith effort to prevent a violation. Examples of a good faith effort to prevent a violation may include employee training programs, management oversight, and the existence and enforcement of relevant policies. This mitigation factor reduces the sanction by three percent;

(B) Cooperation in the violation investigation demonstrating the licensee, permittee, certificate holder, Commission-certified hemp grower, or Commission-certified hemp handler accepts responsibility. This mitigation factor reduces the sanction by five percent;

(C) Self-reporting of a violation by a licensee or applicant. This mitigation factor reduces the sanction by seven percent;

(D) The licensee or applicant has demonstrated to the satisfaction of the Commission that the conduct that led to the violation is not persistent or serious. This mitigation factor reduces the sanction by three percent;

(E) The licensee or applicant has demonstrated to the satisfaction of the Commission a willingness and ability to control the licensed premises and inventory. This mitigation factor reduces the sanction by two percent;

(F) The licensee or applicant was not personally involved or aware of the violation occurring. This mitigation factor reduces the sanction by 10 percent;

(G) Repeated violations in a two-year period do not qualify for the mitigating factors described in paragraphs (A), (D), and (E) of this subsection on a subsequent violation of the same rule.

(e) Aggravating circumstances include, but are not limited to:

(A) Receiving a prior warning about one or more compliance problems. This aggravating circumstance increases the sanction by two percent.

(B) Repeated failure to comply with laws. This aggravating circumstance increases the sanction by two percent.

(C) Failure to use age verification equipment purchased as an effort to a previous penalty. This aggravating circumstance increases the sanction by two percent.

(D) Efforts to conceal a violation. This aggravating circumstance increases the sanction by five percent.

(E) Intentionally committing a violation. This aggravating circumstance increases the sanction by five percent.

(F) A violation involving more than one consumer or employee. This aggravating circumstance increases the sanction by two percent.

(G) A violation involving a juvenile. This aggravating circumstance increases the sanction by four percent.

(H) A violation resulting in injury or death. This aggravating circumstance increases the sanction by six percent.

(I) A violation that occurred at a licensed premises that has been granted a security waiver. This aggravating circumstance increases the sanction by two percent.

(f) Aggravating circumstances as described in subsection (e) of this section cannot increase the penalty beyond a maximum penalty of $10,000 per violation.

(g) License suspensions that are decreased or increased as described in subsections (c) to (e) of this section will be rounded to the nearest whole number of days.

(6) A licensee, certificate holder, Commission-certified hemp grower, or Commission-certified hemp handler may not avoid the sanction for a violation or the application of the provision for successive violations by changing the corporate structure. For example, by adding or dropping a partner or converting to another form of legal entity when the individuals who own, operate, or control the business are substantially similar.

(7) For the purposes of these rules, "a violation of this rule" means a violation of any provision of the rule.

[ED. NOTE: To view attachments referenced in rule text, click here to view rule.]

Statutory/Other Authority: ORS 475C.017, 475C.644 & 571.337
Statutory/Other Implemented: ORS 475C.339, 475C.265, 475C.405, 475C.548, 475C.628, 475C.644 & 571.337
History
OLCC 202-2022, amend filed 11/21/2022, effective 01/01/2023
OLCC 185-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 21-2021, amend filed 12/30/2021, effective 01/01/2022
OLCC 3-2020, amend filed 01/28/2020, effective 02/01/2020
OLCC 7-2019, amend filed 04/17/2019, effective 04/17/2019
OLCC 4-2019, amend filed 02/25/2019, effective 03/01/2019
OLCC 14-2018, amend filed 12/27/2018, effective 12/28/2018
OLCC 12-2018, temporary amend filed 09/21/2018, effective 09/21/2018 through 12/27/2018
OLCC 7-2018, amend filed 07/26/2018, effective 08/01/2018
OLCC 4-2018, temporary amend filed 05/29/2018, effective 05/29/2018 through 07/23/2018
OLCC 15-2017, amend filed 12/22/2017, effective 12/28/2017
OLCC 4-2016, f. & cert. ef. 6-29-16
OLCC 3-2015(Temp), f. 12-3-15, cert. ef. 1-1-16 thru 6-28-16

845-025-8700
Prohibited Interests in the Marijuana Industry

(1) Definitions. For purposes of this rule:

(a) "Business connection" include, but are not limited to, the following behaviors and relationships:

(A) Knowingly providing anything of value to a business licensed by the Commission in return for something of value except for the exchange of commodities or services that are routinely provided to the general public under the same terms; and

(B) Partnerships with a licensee and similar ventures formed for the purpose of making a profit.

(b) "Employee" means any permanent, temporary or limited duration Commission employee.

(c) "Financial Interest" means knowingly holding an ownership interest as a sole proprietor, partner, limited partner or stockholder, in any marijuana business. This definition excludes any investment that the investor does not control in nature, amount or timing.

(d) "Household member" means all persons living as a family unit in the same dwelling as the commissioner or Commission employee.

(e) "Immediate family" means the spouse, and juvenile dependent children of a commissioner or Commission employee.

(f) "Knowledge" and "knowingly" mean that the person had actual knowledge of or reasonably should have known of the fact in question.

(g) "Marijuana Business" means any business or individual licensed by the Commission under ORS 475C.065, 475C.085, 475C.093, 475C.097 and 475C.548, any business or individual registered by the Authority under ORS 475C.792, 475C.815 and 475C.833 and any business whose primary activity is to provide services to marijuana licensees or registrants.

(h) "Position to take action or make decisions that could affect the marijuana business" means that a commissioner or employee's job duties include the discretion to take action or make decisions that are reasonably likely to create more than a trivial cost or benefit for a licensed business in money, time or anything else of value

(2) Prohibitions.

(a) Financial Interests. No commissioner, employee, household member or immediate family member may hold a financial interest in a marijuana business.

(b) Employment. No commissioner, employee, household member or family member may be employed by a marijuana business unless the commissioner or employee is not in a position at the Commission to take action or make decisions that could affect the business. An individual is not in a "position to take action or make decisions that could affect the marijuana business" if the Commission removes the employee from actions and decisions affecting the business. The Commission will do so where the removal would not unreasonably affect the employee's ability to perform his or her job duties.

(c) Business Connections. No commissioner, employee, household member or family member may have a business connection described in this rule unless the commissioner or employee is not in a position to take action or make decisions that could affect the licensed business.

(3) Reporting Requirements.

(a) A commissioner or employee who has a business connection association with a marijuana business must:

(A) Inform the Commission of the association as soon as the commissioner or employee has knowledge of the association, and

(B) Refrain from participating in any decision that directly affects the marijuana business.

(b) An applicant for a Commission job must disclose all financial interests, current employment relationships and business connections that the applicant, or any person in the applicant's household or immediate family, has with a marijuana business if and when the applicant has knowledge. If the Commission determines that a prohibited financial interest, employment relationship or business connection exists, the applicant must divest the financial interest, employment relationship or business connection before he or she may be hired.

(c) A Commission employee must report all financial interests, current employment relationships and business connections that the employee, or any person in the employee's household or immediate family, has with a marijuana business to his or her supervisor as soon as the employee has knowledge of it. If the financial interest, employment relationship or business connection is prohibited, the Commission will set a reasonable time period for divestiture. If divestiture does not occur within the given time period, the Commission will terminate the employee's employment.

(4) Disciplinary Action. The Commission will appropriately discipline any employee, up to and including termination, who:

(a) Fails to report a prohibited financial interest, employment relationship or business connection as required under this rule; or

(b) Knowingly acquires or establishes a financial interest, employment relationship or business connection prohibited under this rule.

Statutory/Other Authority: ORS 475C.017
Statutory/Other Implemented: ORS 475C.017
History
OLCC 186-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 4-2016, f. & cert. ef. 6-29-16

845-025-8750
License Surrender

A licensee may request the Commission to accept the surrender of a license. The license remains in effect until the Commission accepts the surrender. If the Commission accepts the surrender, the Commission will notify the licensee of the date of acceptance. The licensee must cease all licensed activities on the date through the remainder of the licensing period. The licensee must apply for and receive a new license before engaging in any licensed activities.

Statutory/Other Authority: ORS 475C.017
Statutory/Other Implemented: ORS 475C.017
History
OLCC 187-2022, minor correction filed 03/25/2022, effective 03/25/2022
OLCC 22-2014, f. 12-22-14, cert. ef. 12-27-14

845-025-8760
Recommendation of a License in Good Standing for another Jurisdiction

(1) A current licensee of the Commission may request that the Commission provide a letter representing that the licensee is in good standing or better of good standing" for the purpose of a licensee seeking licensure in another state. The Commission will only provide such a letter if the licensee:

(a) Has no pending violations being investigated or violations that are the subject of an administrative hearing.

(b) Has not had any adjudicated Category II through V violations in the last two years.

(c) Has filed all marijuana tax returns required by ORS 475C.682 and paid the tax as reported on those returns or as adjusted by the Department of Revenue. A retailer may demonstrate compliance with this requirement with a letter of good standing issued by the Department of Revenue.

(2) A licensee that has at any time been found to have committed a Category I violation is not eligible for a letter of good standing.

(3) The Commission will issue a letter of good standing to a licensee that meet the criteria in section (1) of this rule, unless the Commission has public health and safety concerns with the licensee.

(4) The Commission will make a form available upon request for a licensee to request a good standing letter.

Statutory/Other Authority: ORS 475C.017
Statutory/Other Implemented: ORS 475C.017
History
OLCC 202-2022, adopt filed 11/21/2022, effective 01/01/2023

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LICENSES REGULATION

GENERAL RULES

RECREATIONAL USE OF CANNABIS

475C.0001

475C.0001 Purpose; 475C.0101, 475C.0105 to 475C.1215

475C.0005 Short title

475C.0005 Definitions for 475C.0101 to 475C.1215

475C.0101 Construction of 475C.0101 to 475C.1215

(Power and Duties of Oregon Liquor and Cannabis Commission)

475C.0105 Oregon Liquor and Cannabis Commission

475C.0107 Authority to prescribe, process, store, transfer or destroy or dispose of marijuana items

475C.0201 Process related to decarboxylation and activation or hydrogenation, extra

475C.0205 Authority to limit quantity of marijuana items transferred to individual

(Application Process and Licenses)

475C.0300 Application process for all licensees; rules

475C.0305 Grounds for refusing to issue license or issuing restricted license

475C.0310 Authority to require fingerprints of applicants and other individuals

475C.0400 Preparation of forms

475C.0405 Duties of Oregon Liquor and Cannabis Commission with respect to issuing licenses

475C.0410 Oregon law to be liquor and not compatibility statement

(Licenses in General)

475C.0415 Lawful production, delivery and possession of marijuana

475C.0420 Limitation on number of licenses that may be issued to individuals and multiple licensees

475C.0425 Authority to issue temporary licenses

475C.0430 Production licenses; fees; rules

475C.0440 Exemption from requirement to obtain land use compatibility statement

475C.0455 Marijuana production in noncontrolling land use; alternative to primary continued use requirement

475C.0460 Marijuana grower pure nurseries; rules

475C.0465 Processor licenses; fees; rules

475C.0470 Wholesaler licenses; fees; rules

(Licenses to Sell Marijuana Items at Wholesale)

475C.0475 Wholesale licenses; fees; rules

(Licenses to Sell Marijuana Items at Retail)

475C.0480 Retail licenses; fees; rules

475C.0485 Prohibition against sales to medical patient items; fees; rules

475C.0490 Prohibition of purchase or possession of marijuana items by persons under 21 years of age; exception

475C.0495 Prohibition against selling or delivering marijuana items to persons under 21 years of age; exception

475C.0500 Requirement to verify government ages; rules

475C.0505 Ordinance allowing delivery of marijuana items to consumers, prohibition on local tax or fee

475C.0510 Delivery of marijuana items to consumers; requirements; limitations; rules

(Exclusively Medical Licenses)

475C.0515 Exclusively medical licenses designation for marijuana producer

475C.0520 Exclusively medical licenses designation for marijuana processor

475C.0525 Exclusively medical licenses designation for marijuana wholesaler

475C.0530 Exclusively medical licenses designation for marijuana retailer

475C.0535 Medical marijuana processing; rules

475C.0540 Medical marijuana processing; fees; rules

475C.0545 Processing for medical purposes; rules

475C.0550 Medical selling for medical purposes; rules

475C.0555 Retail selling for medical purposes; fees; rules

475C.0560 Oregon Health Authority to be consulted

(Power and Duties of Oregon Liquor and Cannabis Commission with Respect to Licenses)

475C.0565 Authority to require bonds and provisions; rules

475C.0570 Authority to require aggregation of premises

475C.0575 Authority to require quality control testing

475C.0580 Authority to require good liability insurance

475C.0585 Duty to develop procedures to transfer from registration to license; rules

475C.0590 Authority to establish seed-to-sound system for the measurement of marijuana

475C.0595 Duty to develop and maintain system for tracking transfer of marijuana items

475C.0600 Authority to require security; rules

475C.0605 Authority to discipline for unregulated commerce, licensing

475C.0610 Authority to require financial disclosure from licensee

475C.0615 Authority to investigate, discipline licensees

475C.0620 Authority to investigate, discipline patient holders

475C.0625 Authority to discipline licensees under denial, revocation and penalties

475C.0630 License assignment; proper; rules

(Conduct of Licensees)

475C.0635 Restrictions on delivery or receipt; waiver by commission

475C.0640 Transport of marijuana items by licensee

475C.0645 Prohibitions against selling or delivering marijuana items to persons under 21 years of age; exception

475C.0650 Advertisement regulation; rules

475C.0655 Identification for purchasing, transaction or use of marijuana

475C.0660 Prohibition against selling or delivering marijuana items to intoxicated persons

475C.0665 Prohibition against importing or exporting marijuana items

475C.0670 Authority to require disposition of individuals listed on application

475C.0675 Authority to require fingerprints of individuals; rules

475C.0680 Requirement that marijuana items comply with minimum standards

475C.0685 Prohibition against certain licensees promoting mutual marijuana plans

475C.0690 Other prohibitions

475C.0695 Purpose of license issued under ORS 475C.0465 or 475C.1215 or 475C.1240

475C.0700 Authorizing of retained licensee under ORS 475C.0465

475C.0705 Authority to require disposition of applicants and other individuals

(Recreational Cannabis Regulation Fund)

475C.0710 Purpose of license issued under ORS 475C.0465 or 475C.1215 or 475C.1240

475C.0715 Authorizing of retained licensee under ORS 475C.0465

475C.0720 Creating cannabis program in regular management

475C.0725 Administration to another person under 18 years of age

475C.0730 Unlawful sale or delivery of marijuana paraphernalia

475C.0735 Prohibitions against selling marijuana items to public place

475C.0740 Unlawful production of marijuana

(Marijuana Possession and Selling Under Ballot Measure)

475C.0745 Immunity for person making report of violation

475C.0750 Immunity for person who is victim of violation

475C.0755 Protection for person obtaining assistance for cannabis-related overdose

475C.0760 Affirmative defense

475C.0765 Crime selling under qualifying marijuana licensee

(Civil Enforcement of ORS 475C.0805 or 475C.1215)

475C.0770 Authority to issue subpoenas

475C.0775 Civil penalty for violating ORS 475C.0805 or 475C.1215

475C.0780 Prohibited selling or possession for violating ORS 475C.0805 or 475C.1215

(Criminal Enforcement of ORS 475C.0805 or 475C.1215)

475C.0785 Authority of law enforcement to enforce ORS 475C.0805 or 475C.1215

475C.0790 Seizure of marijuana items by law enforcement officer

475C.0795 Duty to notify Oregon Liquor and Cannabis Commission of conviction of licensee

475C.0800 Check for violating ORS 475C.0805

475C.0805 Unlawful sale or delivery of marijuana items to unlicensed person

475C.0810 Promulgation of marijuana items amendment and bond ordinance

475C.0815 Prohibitions against operation of premises for which license issued, private dwelling

475C.0820 Effective date of prohibition against operation of licensed premises

475C.0825 Ordinance prohibiting possession

475C.0830 Right of person immune from prosecution to bring action

475C.0835 Local time, place and manner regulations

475C.0840 Local tax or fee; referral to electors for approval

475C.0845 Repeal of city, county ordinance that prohibits certain establishments

475C.0850 Prohibition against use of force against person and property, public nuisance, city or county law

(Power and Duties of State Agencies and Officers and Licensees)

475C.0855 Duty of Oregon Liquor and Cannabis Commission

475C.0860 Duty of State Department of Agriculture to inform

475C.0865 Authority of State Department of Agriculture

475C.0870 Prohibitions against selling or possession of marijuana items unless permitted by licensee

475C.0875 Immunity for some agencies, officers and employees in performance of duties

475C.0880 Prohibitions against selling or possession of marijuana items

475C.0885 Authority of Oregon Liquor and Cannabis Commission to suspend licenses, certificate or permit without notice

(Miscellaneous Provisions)

475C.0890 Prohibition against sale, acquisition or possession; rules

475C.0895 Regulation of marijuana items as food or other consumable subject to regulation by State Department of Agriculture

475C.0900 Exemptions from applicability of ORS 475C.0010 to 475C.1215

475C.0905 Violation of law of this state as nuisance

475C.0910 Confiscation of contraband

475C.0915 Oregon Liquor and Cannabis Commission further for certification of licensee

475C.0920 Oregon Liquor and Cannabis Commission rules

475C.0925 Certain information related to licensee exempt from disclosure

475C.0930 Authority of Oregon Liquor and Cannabis Commission to enter premises

(Prohibitions Against Unlawful Substances; requirements, use of Substances by State Department of Agriculture, Oregon Health Authority, Oregon Liquor and Cannabis Commission, law enforcement agencies, State Office for Services to Children and Families)

475C.0935 Accessibility of ORS 475C.0005 to 475C.1215

475C.0940 Prohibition against selling

475C.0945 Duty of Oregon Liquor and Cannabis Commission

(Illegal Marijuana Delivery Enforcement Grant Program; rules)

475C.0950 Illegal Marijuana Market Enforcement Grant Program; rules

475C.0955 Oregon Criminal Justice Commission reports

475C.0960 Oregon Criminal Justice Commission Grant Program Fund

TESTING OF CANNABIS AND CANNABIS PRODUCTS

475C.0965 Definitions for 475C.0970 to 475C.1190

475C.0970 Testing standard and parameters; rules

475C.0975 Laboratory licensure; qualifications; fees; rules

475C.0980 Authority to require fingerprints of applicants and other individuals

475C.0985 Department of Agriculture to license under ORS 475C.1190

475C.0990 Laboratory accreditation qualifications; fees; rules

475C.0995 Authority to require; rules; fees; rules

475C.1000 Authority of Oregon Liquor and Cannabis Commission to discipline licensees of administrator

475C.1005 Authority of Oregon Liquor and Cannabis Commission over certain persons; license actions

475C.1010 Authority of Oregon Liquor and Cannabis Commission to require expungement of authority

475C.1015 Civil penalty for violating ORS 475C.1190 or 475C.1195

475C.1020 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1190 or 475C.1195

475C.1025 Exemption from criminal liability

475C.1030 Advisory committee on standards for testing primary of marijuana and marijuana items

PACKAGING, LABELING AND CONTAINERS FOR USE OF CANNABIS AND CANNABIS PRODUCTS

475C.1035 Definitions for ORS 475C.1040 to 475C.1100

475C.1040 Authority to require primary of marijuana items; rules

475C.1045 Authority to require primary of marijuana items; rules

475C.1050 Packaging; rules

475C.1055 Authority to require expungement of packaging

475C.1060 Cannabinoid edibles and serving limits; rules

475C.1065 Applicability of ORS 475C.1040 to 475C.1100

475C.1070 Authority of Oregon Liquor and Cannabis Commission to require

475C.1075 Authority of Oregon Health Authority to require

475C.1080 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1085 Authority of Oregon Health Authority to discipline registrants of authority; rules

475C.1090 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1095 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1040 to 475C.1100

475C.1100 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1040 to 475C.1100

PROHIBITIONS AGAINST CERTAIN ACTS AGAINST CANNABIS PRODUCTS

475C.1105 Definitions for ORS 475C.1110 to 475C.1145

475C.1110 Prohibition against selling or possession of cannabis product

475C.1115 Prohibition against selling or possession of cannabis product

475C.1120 Exemption from or exclusion of certain persons

475C.1125 Authority to require expungement of packaging

475C.1130 Authority of Oregon Health Authority to require

475C.1135 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1140 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1110 to 475C.1145

475C.1145 Exemption from criminal liability

(Marijuana Processor Licensed Under Certain Conditions)

475C.1150 Marijuana processor; rules

475C.1155 Marijuana processor; fees; rules

475C.1160 Authority to require expungement of packaging

475C.1165 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1170 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1150 to 475C.1165

475C.1175 Exemption from criminal liability

(Marijuana Processor Licensed Under Certain Conditions; Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1150 to 475C.1165)

475C.1180 Definitions for ORS 475C.1185 to 475C.1190

475C.1185 Authority to require expungement of packaging

475C.1190 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

PROHIBITIONS AGAINST CERTAIN ACTS AGAINST CANNABIS PRODUCTS

475C.1195 Definitions for ORS 475C.1200 to 475C.1215

475C.1200 Prohibition against selling or possession of cannabis product

475C.1205 Prohibition against selling or possession of cannabis product

475C.1210 Exemption from or exclusion of certain persons

475C.1215 Authority to require expungement of packaging

475C.1220 Authority of Oregon Health Authority to require

475C.1225 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1230 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1200 to 475C.1215

475C.1235 Exemption from criminal liability

(Marijuana Grower Pure Nurseries)

475C.1240 Marijuana grower pure nursery; rules

475C.1245 Marijuana grower pure nursery; fees; rules

475C.1250 Authority to require expungement of packaging

475C.1255 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1260 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1240 to 475C.1255

475C.1265 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1270 Definitions for ORS 475C.1275 to 475C.1285

475C.1275 Authority to require expungement of packaging

475C.1280 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1285 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1270 to 475C.1285

475C.1290 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1295 Definitions for ORS 475C.1300 to 475C.1315

475C.1300 Authority to require expungement of packaging

475C.1305 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1310 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1300 to 475C.1315

475C.1315 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1320 Definitions for ORS 475C.1325 to 475C.1335

475C.1325 Authority to require expungement of packaging

475C.1330 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1335 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1320 to 475C.1335

475C.1340 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1345 Definitions for ORS 475C.1350 to 475C.1365

475C.1350 Authority to require expungement of packaging

475C.1355 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1360 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1345 to 475C.1365

475C.1365 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1370 Definitions for ORS 475C.1375 to 475C.1385

475C.1375 Authority to require expungement of packaging

475C.1380 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1385 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1370 to 475C.1385

475C.1390 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1395 Definitions for ORS 475C.1400 to 475C.1415

475C.1400 Authority to require expungement of packaging

475C.1405 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1410 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1395 to 475C.1415

475C.1415 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1420 Definitions for ORS 475C.1425 to 475C.1435

475C.1425 Authority to require expungement of packaging

475C.1430 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1435 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1420 to 475C.1435

475C.1440 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1445 Definitions for ORS 475C.1450 to 475C.1465

475C.1450 Authority to require expungement of packaging

475C.1455 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1460 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1445 to 475C.1465

475C.1465 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1470 Definitions for ORS 475C.1475 to 475C.1485

475C.1475 Authority to require expungement of packaging

475C.1480 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1485 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1470 to 475C.1485

475C.1490 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1495 Definitions for ORS 475C.1500 to 475C.1515

475C.1500 Authority to require expungement of packaging

475C.1505 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1510 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1495 to 475C.1515

475C.1515 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1520 Definitions for ORS 475C.1525 to 475C.1535

475C.1525 Authority to require expungement of packaging

475C.1530 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1535 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1520 to 475C.1535

475C.1540 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1545 Definitions for ORS 475C.1550 to 475C.1565

475C.1550 Authority to require expungement of packaging

475C.1555 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1560 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1545 to 475C.1565

475C.1565 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1570 Definitions for ORS 475C.1575 to 475C.1585

475C.1575 Authority to require expungement of packaging

475C.1580 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1585 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1570 to 475C.1585

475C.1590 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1595 Definitions for ORS 475C.1600 to 475C.1615

475C.1600 Authority to require expungement of packaging

475C.1605 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1610 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1595 to 475C.1615

475C.1615 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1620 Definitions for ORS 475C.1625 to 475C.1635

475C.1625 Authority to require expungement of packaging

475C.1630 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1635 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1620 to 475C.1635

475C.1640 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1645 Definitions for ORS 475C.1650 to 475C.1665

475C.1650 Authority to require expungement of packaging

475C.1655 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1660 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1645 to 475C.1665

475C.1665 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1670 Definitions for ORS 475C.1675 to 475C.1685

475C.1675 Authority to require expungement of packaging

475C.1680 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1685 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1670 to 475C.1685

475C.1690 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1695 Definitions for ORS 475C.1700 to 475C.1715

475C.1700 Authority to require expungement of packaging

475C.1705 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1710 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1695 to 475C.1715

475C.1715 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1720 Definitions for ORS 475C.1725 to 475C.1735

475C.1725 Authority to require expungement of packaging

475C.1730 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1735 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1720 to 475C.1735

475C.1740 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1745 Definitions for ORS 475C.1750 to 475C.1765

475C.1750 Authority to require expungement of packaging

475C.1755 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1760 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1745 to 475C.1765

475C.1765 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1770 Definitions for ORS 475C.1775 to 475C.1785

475C.1775 Authority to require expungement of packaging

475C.1780 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1785 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1770 to 475C.1785

475C.1790 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1795 Definitions for ORS 475C.1800 to 475C.1815

475C.1800 Authority to require expungement of packaging

475C.1805 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1810 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1795 to 475C.1815

475C.1815 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1820 Definitions for ORS 475C.1825 to 475C.1835

475C.1825 Authority to require expungement of packaging

475C.1830 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1835 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1820 to 475C.1835

475C.1840 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1845 Definitions for ORS 475C.1850 to 475C.1865

475C.1850 Authority to require expungement of packaging

475C.1855 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1860 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1845 to 475C.1865

475C.1865 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1870 Definitions for ORS 475C.1875 to 475C.1885

475C.1875 Authority to require expungement of packaging

475C.1880 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1885 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1870 to 475C.1885

475C.1890 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1895 Definitions for ORS 475C.1900 to 475C.1915

475C.1900 Authority to require expungement of packaging

475C.1905 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1910 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1895 to 475C.1915

475C.1915 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1920 Definitions for ORS 475C.1925 to 475C.1935

475C.1925 Authority to require expungement of packaging

475C.1930 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1935 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1920 to 475C.1935

475C.1940 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1945 Definitions for ORS 475C.1950 to 475C.1965

475C.1950 Authority to require expungement of packaging

475C.1955 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1960 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1945 to 475C.1965

475C.1965 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1970 Definitions for ORS 475C.1975 to 475C.1985

475C.1975 Authority to require expungement of packaging

475C.1980 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.1985 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1970 to 475C.1985

475C.1990 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.1995 Definitions for ORS 475C.2000 to 475C.2015

475C.2000 Authority to require expungement of packaging

475C.2005 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2010 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.1995 to 475C.2015

475C.2015 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2020 Definitions for ORS 475C.2025 to 475C.2035

475C.2025 Authority to require expungement of packaging

475C.2030 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2035 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2020 to 475C.2035

475C.2040 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2045 Definitions for ORS 475C.2050 to 475C.2065

475C.2050 Authority to require expungement of packaging

475C.2055 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2060 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2045 to 475C.2065

475C.2065 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2070 Definitions for ORS 475C.2075 to 475C.2085

475C.2075 Authority to require expungement of packaging

475C.2080 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2085 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2070 to 475C.2085

475C.2090 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2095 Definitions for ORS 475C.2100 to 475C.2115

475C.2100 Authority to require expungement of packaging

475C.2105 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2110 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2095 to 475C.2115

475C.2115 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2120 Definitions for ORS 475C.2125 to 475C.2135

475C.2125 Authority to require expungement of packaging

475C.2130 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2135 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2120 to 475C.2135

475C.2140 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2145 Definitions for ORS 475C.2150 to 475C.2165

475C.2150 Authority to require expungement of packaging

475C.2155 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2160 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2145 to 475C.2165

475C.2165 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2170 Definitions for ORS 475C.2175 to 475C.2185

475C.2175 Authority to require expungement of packaging

475C.2180 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2185 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2170 to 475C.2185

475C.2190 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2195 Definitions for ORS 475C.2200 to 475C.2215

475C.2200 Authority to require expungement of packaging

475C.2205 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2210 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2195 to 475C.2215

475C.2215 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2220 Definitions for ORS 475C.2225 to 475C.2235

475C.2225 Authority to require expungement of packaging

475C.2230 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2235 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2220 to 475C.2235

475C.2240 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2245 Definitions for ORS 475C.2250 to 475C.2265

475C.2250 Authority to require expungement of packaging

475C.2255 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2260 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2245 to 475C.2265

475C.2265 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2270 Definitions for ORS 475C.2275 to 475C.2285

475C.2275 Authority to require expungement of packaging

475C.2280 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2285 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2270 to 475C.2285

475C.2290 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2295 Definitions for ORS 475C.2300 to 475C.2315

475C.2300 Authority to require expungement of packaging

475C.2305 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2310 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2295 to 475C.2315

475C.2315 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2320 Definitions for ORS 475C.2325 to 475C.2335

475C.2325 Authority to require expungement of packaging

475C.2330 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2335 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2320 to 475C.2335

475C.2340 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2345 Definitions for ORS 475C.2350 to 475C.2365

475C.2350 Authority to require expungement of packaging

475C.2355 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2360 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2345 to 475C.2365

475C.2365 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2370 Definitions for ORS 475C.2375 to 475C.2385

475C.2375 Authority to require expungement of packaging

475C.2380 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2385 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2370 to 475C.2385

475C.2390 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2395 Definitions for ORS 475C.2400 to 475C.2415

475C.2400 Authority to require expungement of packaging

475C.2405 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2410 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2395 to 475C.2415

475C.2415 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2420 Definitions for ORS 475C.2425 to 475C.2435

475C.2425 Authority to require expungement of packaging

475C.2430 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2435 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2420 to 475C.2435

475C.2440 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2445 Definitions for ORS 475C.2450 to 475C.2465

475C.2450 Authority to require expungement of packaging

475C.2455 Authority of Oregon Liquor and Cannabis Commission to discipline licensee of commission

475C.2460 Authority of State Department of Agriculture, Oregon Liquor and Cannabis Commission for certain violations of ORS 475C.2445 to 475C.2465

475C.2465 Exemption from criminal liability

(Marijuana Grower Pure Nurseries; Oregon Liquor and Cannabis Commission to discipline licensee of commission)

475C.2470 Definitions for ORS 475C.2475 to 475C.2485

475C.2475 Authority to require expungement of packaging

475C.2480 Authority of Oregon Liquor and Cannabis Commission to discip

(b) Subject to section 4 of this Act, the Oregon Liquor and Cannabis Commission may not license an applicant under the provisions of ORS 475C.301 to 475C.321 if:

(1) The applicant is a business entity in which a person described in section 2 of this Act has a direct or indirect interest; or

(2) The applicant is a business entity that employs a person described in section 2 of this Act or that employs a person who has a direct or indirect interest in a business entity that is a licensee under ORS 475C.301 to 475C.321 or subject to a license application under ORS 475C.301 to 475C.321.

(c) The Oregon Liquor and Cannabis Commission may not license an applicant if the commission determines that the applicant is not in the interest of the public because of the applicant's lack of business experience, financial responsibility, or other qualifications.

(d) The Oregon Liquor and Cannabis Commission may not license an applicant if the applicant, or any person described in section 2 of this Act, has been convicted of a felony or misdemeanor involving the manufacture, delivery, or possession of a controlled substance, or any attempt or conspiracy to commit such a felony or misdemeanor, unless the applicant has been rehabilitated for a period of at least two years.

(e) The Oregon Liquor and Cannabis Commission may not license an applicant if:

(1) The applicant is a business entity in which a person described in section 2 of this Act has a direct or indirect interest;

(2) The applicant is a business entity that employs a person described in section 2 of this Act;

(3) The direct or indirect interest of a person described in section 2 of this Act is not disclosed to the commission;

(4) The direct or indirect interest of a person described in section 2 of this Act is not in the applicant's name;

(5) The direct or indirect interest of a person described in section 2 of this Act is not in the name of a business entity that is a licensee under ORS 475C.301 to 475C.321 or subject to a license application under ORS 475C.301 to 475C.321; or

(6) The direct or indirect interest of a person described in section 2 of this Act is not in the name of a business entity that employs a person described in section 2 of this Act.

SECTION 7. Application of Oregon Liquor and Cannabis Commission rules to marijuana licensees. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under the provisions of ORS 475C.301 to 475C.321 if the applicant is a business entity in which a person described in section 2 of this Act has a direct or indirect interest, or employs a person described in section 2 of this Act, unless the commission has adopted rules that:

(a) Are substantially the same as the rules that the commission has adopted under section 2 of this Act and that are applicable to a person described in section 2 of this Act;

(b) Are substantially the same as the rules that the commission has adopted under section 3 of this Act and that are applicable to a person described in section 3 of this Act;

(c) Are substantially the same as the rules that the commission has adopted under section 4 of this Act and that are applicable to a person described in section 4 of this Act;

(d) Are substantially the same as the rules that the commission has adopted under section 5 of this Act and that are applicable to a person described in section 5 of this Act;

(e) Are substantially the same as the rules that the commission has adopted under section 6 of this Act and that are applicable to a person described in section 6 of this Act;

(f) Are substantially the same as the rules that the commission has adopted under section 7 of this Act and that are applicable to a person described in section 7 of this Act;

(g) Are substantially the same as the rules that the commission has adopted under section 8 of this Act and that are applicable to a person described in section 8 of this Act;

(h) Are substantially the same as the rules that the commission has adopted under section 9 of this Act and that are applicable to a person described in section 9 of this Act;

(i) Are substantially the same as the rules that the commission has adopted under section 10 of this Act and that are applicable to a person described in section 10 of this Act;

(j) Are substantially the same as the rules that the commission has adopted under section 11 of this Act and that are applicable to a person described in section 11 of this Act;

(k) Are substantially the same as the rules that the commission has adopted under section 12 of this Act and that are applicable to a person described in section 12 of this Act;

(l) Are substantially the same as the rules that the commission has adopted under section 13 of this Act and that are applicable to a person described in section 13 of this Act;

(m) Are substantially the same as the rules that the commission has adopted under section 14 of this Act and that are applicable to a person described in section 14 of this Act;

(n) Are substantially the same as the rules that the commission has adopted under section 15 of this Act and that are applicable to a person described in section 15 of this Act;

(o) Are substantially the same as the rules that the commission has adopted under section 16 of this Act and that are applicable to a person described in section 16 of this Act;

(p) Are substantially the same as the rules that the commission has adopted under section 17 of this Act and that are applicable to a person described in section 17 of this Act;

(q) Are substantially the same as the rules that the commission has adopted under section 18 of this Act and that are applicable to a person described in section 18 of this Act;

(r) Are substantially the same as the rules that the commission has adopted under section 19 of this Act and that are applicable to a person described in section 19 of this Act;

(s) Are substantially the same as the rules that the commission has adopted under section 20 of this Act and that are applicable to a person described in section 20 of this Act;

(t) Are substantially the same as the rules that the commission has adopted under section 21 of this Act and that are applicable to a person described in section 21 of this Act;

(u) Are substantially the same as the rules that the commission has adopted under section 22 of this Act and that are applicable to a person described in section 22 of this Act;

(v) Are substantially the same as the rules that the commission has adopted under section 23 of this Act and that are applicable to a person described in section 23 of this Act;

(w) Are substantially the same as the rules that the commission has adopted under section 24 of this Act and that are applicable to a person described in section 24 of this Act;

(x) Are substantially the same as the rules that the commission has adopted under section 25 of this Act and that are applicable to a person described in section 25 of this Act;

(y) Are substantially the same as the rules that the commission has adopted under section 26 of this Act and that are applicable to a person described in section 26 of this Act;

(z) Are substantially the same as the rules that the commission has adopted under section 27 of this Act and that are applicable to a person described in section 27 of this Act;

(aa) Are substantially the same as the rules that the commission has adopted under section 28 of this Act and that are applicable to a person described in section 28 of this Act;

(bb) Are substantially the same as the rules that the commission has adopted under section 29 of this Act and that are applicable to a person described in section 29 of this Act;

(cc) Are substantially the same as the rules that the commission has adopted under section 30 of this Act and that are applicable to a person described in section 30 of this Act;

(dd) Are substantially the same as the rules that the commission has adopted under section 31 of this Act and that are applicable to a person described in section 31 of this Act;

(ee) Are substantially the same as the rules that the commission has adopted under section 32 of this Act and that are applicable to a person described in section 32 of this Act;

(ff) Are substantially the same as the rules that the commission has adopted under section 33 of this Act and that are applicable to a person described in section 33 of this Act;

(gg) Are substantially the same as the rules that the commission has adopted under section 34 of this Act and that are applicable to a person described in section 34 of this Act;

(hh) Are substantially the same as the rules that the commission has adopted under section 35 of this Act and that are applicable to a person described in section 35 of this Act;

(ii) Are substantially the same as the rules that the commission has adopted under section 36 of this Act and that are applicable to a person described in section 36 of this Act;

(jj) Are substantially the same as the rules that the commission has adopted under section 37 of this Act and that are applicable to a person described in section 37 of this Act;

(kk) Are substantially the same as the rules that the commission has adopted under section 38 of this Act and that are applicable to a person described in section 38 of this Act;

(ll) Are substantially the same as the rules that the commission has adopted under section 39 of this Act and that are applicable to a person described in section 39 of this Act;

(mm) Are substantially the same as the rules that the commission has adopted under section 40 of this Act and that are applicable to a person described in section 40 of this Act;

(nn) Are substantially the same as the rules that the commission has adopted under section 41 of this Act and that are applicable to a person described in section 41 of this Act;

(oo) Are substantially the same as the rules that the commission has adopted under section 42 of this Act and that are applicable to a person described in section 42 of this Act;

(pp) Are substantially the same as the rules that the commission has adopted under section 43 of this Act and that are applicable to a person described in section 43 of this Act;

(qq) Are substantially the same as the rules that the commission has adopted under section 44 of this Act and that are applicable to a person described in section 44 of this Act;

(rr) Are substantially the same as the rules that the commission has adopted under section 45 of this Act and that are applicable to a person described in section 45 of this Act;

(ss) Are substantially the same as the rules that the commission has adopted under section 46 of this Act and that are applicable to a person described in section 46 of this Act;

(tt) Are substantially the same as the rules that the commission has adopted under section 47 of this Act and that are applicable to a person described in section 47 of this Act;

(uu) Are substantially the same as the rules that the commission has adopted under section 48 of this Act and that are applicable to a person described in section 48 of this Act;

(vv) Are substantially the same as the rules that the commission has adopted under section 49 of this Act and that are applicable to a person described in section 49 of this Act;

(ww) Are substantially the same as the rules that the commission has adopted under section 50 of this Act and that are applicable to a person described in section 50 of this Act;

(xx) Are substantially the same as the rules that the commission has adopted under section 51 of this Act and that are applicable to a person described in section 51 of this Act;

(yy) Are substantially the same as the rules that the commission has adopted under section 52 of this Act and that are applicable to a person described in section 52 of this Act;

(zz) Are substantially the same as the rules that the commission has adopted under section 53 of this Act and that are applicable to a person described in section 53 of this Act;

(aaa) Are substantially the same as the rules that the commission has adopted under section 54 of this Act and that are applicable to a person described in section 54 of this Act;

(bbb) Are substantially the same as the rules that the commission has adopted under section 55 of this Act and that are applicable to a person described in section 55 of this Act;

(ccc) Are substantially the same as the rules that the commission has adopted under section 56 of this Act and that are applicable to a person described in section 56 of this Act;

(ddd) Are substantially the same as the rules that the commission has adopted under section 57 of this Act and that are applicable to a person described in section 57 of this Act;

(eee) Are substantially the same as the rules that the commission has adopted under section 58 of this Act and that are applicable to a person described in section 58 of this Act;

(fff) Are substantially the same as the rules that the commission has adopted under section 59 of this Act and that are applicable to a person described in section 59 of this Act;

(ggg) Are substantially the same as the rules that the commission has adopted under section 60 of this Act and that are applicable to a person described in section 60 of this Act;

(hhh) Are substantially the same as the rules that the commission has adopted under section 61 of this Act and that are applicable to a person described in section 61 of this Act;

(iii) Are substantially the same as the rules that the commission has adopted under section 62 of this Act and that are applicable to a person described in section 62 of this Act;

(jjj) Are substantially the same as the rules that the commission has adopted under section 63 of this Act and that are applicable to a person described in section 63 of this Act;

(kkk) Are substantially the same as the rules that the commission has adopted under section 64 of this Act and that are applicable to a person described in section 64 of this Act;

(lll) Are substantially the same as the rules that the commission has adopted under section 65 of this Act and that are applicable to a person described in section 65 of this Act;

(mmm) Are substantially the same as the rules that the commission has adopted under section 66 of this Act and that are applicable to a person described in section 66 of this Act;

(nnn) Are substantially the same as the rules that the commission has adopted under section 67 of this Act and that are applicable to a person described in section 67 of this Act;

(ooo) Are substantially the same as the rules that the commission has adopted under section 68 of this Act and that are applicable to a person described in section 68 of this Act;

(ppp) Are substantially the same as the rules that the commission has adopted under section 69 of this Act and that are applicable to a person described in section 69 of this Act;

(qqq) Are substantially the same as the rules that the commission has adopted under section 70 of this Act and that are applicable to a person described in section 70 of this Act;

(rrr) Are substantially the same as the rules that the commission has adopted under section 71 of this Act and that are applicable to a person described in section 71 of this Act;

(sss) Are substantially the same as the rules that the commission has adopted under section 72 of this Act and that are applicable to a person described in section 72 of this Act;

(ttt) Are substantially the same as the rules that the commission has adopted under section 73 of this Act and that are applicable to a person described in section 73 of this Act;

(uuu) Are substantially the same as the rules that the commission has adopted under section 74 of this Act and that are applicable to a person described in section 74 of this Act;

(vvv) Are substantially the same as the rules that the commission has adopted under section 75 of this Act and that are applicable to a person described in section 75 of this Act;

(www) Are substantially the same as the rules that the commission has adopted under section 76 of this Act and that are applicable to a person described in section 76 of this Act;

(xxx) Are substantially the same as the rules that the commission has adopted under section 77 of this Act and that are applicable to a person described in section 77 of this Act;

(yyy) Are substantially the same as the rules that the commission has adopted under section 78 of this Act and that are applicable to a person described in section 78 of this Act;

(zzz) Are substantially the same as the rules that the commission has adopted under section 79 of this Act and that are applicable to a person described in section 79 of this Act;

(aaaa) Are substantially the same as the rules that the commission has adopted under section 80 of this Act and that are applicable to a person described in section 80 of this Act;

(bbbb) Are substantially the same as the rules that the commission has adopted under section 81 of this Act and that are applicable to a person described in section 81 of this Act;

(cccc) Are substantially the same as the rules that the commission has adopted under section 82 of this Act and that are applicable to a person described in section 82 of this Act;

(dddd) Are substantially the same as the rules that the commission has adopted under section 83 of this Act and that are applicable to a person described in section 83 of this Act;

(eeee) Are substantially the same as the rules that the commission has adopted under section 84 of this Act and that are applicable to a person described in section 84 of this Act;

(ffff) Are substantially the same as the rules that the commission has adopted under section 85 of this Act and that are applicable to a person described in section 85 of this Act;

(gggg) Are substantially the same as the rules that the commission has adopted under section 86 of this Act and that are applicable to a person described in section 86 of this Act;

(hhhh) Are substantially the same as the rules that the commission has adopted under section 87 of this Act and that are applicable to a person described in section 87 of this Act;

(iiii) Are substantially the same as the rules that the commission has adopted under section 88 of this Act and that are applicable to a person described in section 88 of this Act;

(jjjj) Are substantially the same as the rules that the commission has adopted under section 89 of this Act and that are applicable to a person described in section 89 of this Act;

(kkkk) Are substantially the same as the rules that the commission has adopted under section 90 of this Act and that are applicable to a person described in section 90 of this Act;

(llll) Are substantially the same as the rules that the commission has adopted under section 91 of this Act and that are applicable to a person described in section 91 of this Act;

(mmmm) Are substantially the same as the rules that the commission has adopted under section 92 of this Act and that are applicable to a person described in section 92 of this Act;

(nnnn) Are substantially the same as the rules that the commission has adopted under section 93 of this Act and that are applicable to a person described in section 93 of this Act;

(oooo) Are substantially the same as the rules that the commission has adopted under section 94 of this Act and that are applicable to a person described in section 94 of this Act;

(pppp) Are substantially the same as the rules that the commission has adopted under section 95 of this Act and that are applicable to a person described in section 95 of this Act;

(qqqq) Are substantially the same as the rules that the commission has adopted under section 96 of this Act and that are applicable to a person described in section 96 of this Act;

(rrrr) Are substantially the same as the rules that the commission has adopted under section 97 of this Act and that are applicable to a person described in section 97 of this Act;

(ssss) Are substantially the same as the rules that the commission has adopted under section 98 of this Act and that are applicable to a person described in section 98 of this Act;

(tttt) Are substantially the same as the rules that the commission has adopted under section 99 of this Act and that are applicable to a person described in section 99 of this Act;

(uuuu) Are substantially the same as the rules that the commission has adopted under section 100 of this Act and that are applicable to a person described in section 100 of this Act;

(vvvv) Are substantially the same as the rules that the commission has adopted under section 101 of this Act and that are applicable to a person described in section 101 of this Act;

(wwww) Are substantially the same as the rules that the commission has adopted under section 102 of this Act and that are applicable to a person described in section 102 of this Act;

(xxxx) Are substantially the same as the rules that the commission has adopted under section 103 of this Act and that are applicable to a person described in section 103 of this Act;

(yyyy) Are substantially the same as the rules that the commission has adopted under section 104 of this Act and that are applicable to a person described in section 104 of this Act;

(zzzz) Are substantially the same as the rules that the commission has adopted under section 105 of this Act and that are applicable to a person described in section 105 of this Act;

(aaaaa) Are substantially the same as the rules that the commission has adopted under section 106 of this Act and that are applicable to a person described in section 106 of this Act;

(bbbbb) Are substantially the same as the rules that the commission has adopted under section 107 of this Act and that are applicable to a person described in section 107 of this Act;

(ccccc) Are substantially the same as the rules that the commission has adopted under section 108 of this Act and that are applicable to a person described in section 108 of this Act;

(ddddd) Are substantially the same as the rules that the commission has adopted under section 109 of this Act and that are applicable to a person described in section 109 of this Act;

(eeeee) Are substantially the same as the rules that the commission has adopted under section 110 of this Act and that are applicable to a person described in section 110 of this Act;

(fffff) Are substantially the same as the rules that the commission has adopted under section 111 of this Act and that are applicable to a person described in section 111 of this Act;

(ggggg) Are substantially the same as the rules that the commission has adopted under section 112 of this Act and that are applicable to a person described in section 112 of this Act;

(hhhhh) Are substantially the same as the rules that the commission has adopted under section 113 of this Act and that are applicable to a person described in section 113 of this Act;

(iiiii) Are substantially the same as the rules that the commission has adopted under section 114 of this Act and that are applicable to a person described in section 114 of this Act;

(jjjjj) Are substantially the same as the rules that the commission has adopted under section 115 of this Act and that are applicable to a person described in section 115 of this Act;

(kkkkk) Are substantially the same as the rules that the commission has adopted under section 116 of this Act and that are applicable to a person described in section 116 of this Act;

(lllll) Are substantially the same as the rules that the commission has adopted under section 117 of this Act and that are applicable to a person described in section 117 of this Act;

(mmmmm) Are substantially the same as the rules that the commission has adopted under section 118 of this Act and that are applicable to a person described in section 118 of this Act;

(nnnnn) Are substantially the same as the rules that the commission has adopted under section 119 of this Act and that are applicable to a person described in section 119 of this Act;

(ooooo) Are substantially the same as the rules that the commission has adopted under section 120 of this Act and that are applicable to a person described in section 120 of this Act;

(ppppp) Are substantially the same as the rules that the commission has adopted under section 121 of this Act and that are applicable to a person described in section 121 of this Act;

(qqqqq) Are substantially the same as the rules that the commission has adopted under section 122 of this Act and that are applicable to a person described in section 122 of this Act;

(rrrrr) Are substantially the same as the rules that the commission has adopted under section 123 of this Act and that are applicable to a person described in section 123 of this Act;

(sssss) Are substantially the same as the rules that the commission has adopted under section 124 of this Act and that are applicable to a person described in section 124 of this Act;

(ttttt) Are substantially the same as the rules that the commission has adopted under section 125 of this Act and that are applicable to a person described in section 125 of this Act;

(uuuuu) Are substantially the same as the rules that the commission has adopted under section 126 of this Act and that are applicable to a person described in section 126 of this Act;

(vvvvv) Are substantially the same as the rules that the commission has adopted under section 127 of this Act and that are applicable to a person described in section 127 of this Act;

(wwwww) Are substantially the same as the rules that the commission has adopted under section 128 of this Act and that are applicable to a person described in section 128 of this Act;

(xxxxx) Are substantially the same as the rules that the commission has adopted under section 129 of this Act and that are applicable to a person described in section 129 of this Act;

(yyyyy) Are substantially the same as the rules that the commission has adopted under section 130 of this Act and that are applicable to a person described in section 130 of this Act;

(zzzzz) Are substantially the same as the rules that the commission has adopted under section 131 of this Act and that are applicable to a person described in section 131 of this Act;

(aaaaaa) Are substantially the same as the rules that the commission has adopted under section 132 of this Act and that are applicable to a person described in section 132 of this Act;

(bbbbbb) Are substantially the same as the rules that the commission has adopted under section 133 of this Act and that are applicable to a person described in section 133 of this Act;

(cccccc) Are substantially the same as the rules that the commission has adopted under section 134 of this Act and that are applicable to a person described in section 134 of this Act;

(dddddd) Are substantially the same as the rules that the commission has adopted under section 135 of this Act and that are applicable to a person described in section 135 of this Act;

(eeeeee) Are substantially the same as the rules that the commission has adopted under section 136 of this Act and that are applicable to a person described in section 136 of this Act;

(ffffff) Are substantially the same as the rules that the commission has adopted under section 137 of this Act and that are applicable to a person described in section 137 of this Act;

(gggggg) Are substantially the same as the rules that the commission has adopted under section 138 of this Act and that are applicable to a person described in section 138 of this Act;

(hhhhhh) Are substantially the same as the rules that the commission has adopted under section 139 of this Act and that are applicable to a person described in section 139 of this Act;

(iiiiii) Are substantially the same as the rules that the commission has adopted under section 140 of this Act and that are applicable to a person described in section 140 of this Act;

(jjjjjj) Are substantially the same as the rules that the commission has adopted under section 141 of this Act and that are applicable to a person described in section 141 of this Act;

(kkkkkk) Are substantially the same as the rules that the commission has adopted under section 142 of this Act and that are applicable to a person described in section 142 of this Act;

(llllll) Are substantially the same as the rules that the commission has adopted under section 143 of this Act and that are applicable to a person described in section 143 of this Act;

(mmmmmm) Are substantially the same as the rules that the commission has adopted under section 144 of this Act and that are applicable to a person described in section 144 of this Act;

(nnnnnn) Are substantially the same as the rules that the commission has adopted under section 145 of this Act and that are applicable to a person described in section 145 of this Act;

(oooooo) Are substantially the same as the rules that the commission has adopted under section 146 of this Act and that are applicable to a person described in section 146 of this Act;

(pppppp) Are substantially the same as the rules that the commission has adopted under section 147 of this Act and that are applicable to a person described in section 147 of this Act;

(qqqqqq) Are substantially the same as the rules that the commission has adopted under section 148 of this Act and that are applicable to a person described in section 148 of this Act;

(rrrrrr) Are substantially the same as the rules that the commission has adopted under section 149 of this Act and that are applicable to a person described in section 149 of this Act;

(ssssss) Are substantially the same as the rules that the commission has adopted under section 150 of this Act and that are applicable to a person described in section 150 of this Act;

(tttttt) Are substantially the same as the rules that the commission has adopted under section 151 of this Act and that are applicable to a person described in section 151 of this Act;

(uuuuuu) Are substantially the same as the rules that the commission has adopted under section 152 of this Act and that are applicable to a person described in section 152 of this Act;

(vvvvvv) Are substantially the same as the rules that the commission has adopted under section 153 of this Act and that are applicable to a person described in section 153 of this Act;

(wwwwww) Are substantially the same as the rules that the commission has adopted under section 154 of this Act and that are applicable to a person described in section 154 of this Act;

(xxxxxx) Are substantially the same as the rules that the commission has adopted under section 155 of this Act and that are applicable to a person described in section 155 of this Act;

(yyyyyy) Are substantially the same as the rules that the commission has adopted under section 156 of this Act and that are applicable to a person described in section 156 of this Act;

(zzzzzz) Are substantially the same as the rules that the commission has adopted under section 157 of this Act and that are applicable to a person described in section 157 of this Act;

(aaaaaaa) Are substantially the same as the rules that the commission has adopted under section 158 of this Act and that are applicable to a person described in section 158 of this Act;

(bbbbbbb) Are substantially the same as the rules that the commission has adopted under section 159 of this Act and that are applicable to a person described in section 159 of this Act;

(ccccccc) Are substantially the same as the rules that the commission has adopted under section 160 of this Act and that are applicable to a person described in section 160 of this Act;

(ddddddd) Are substantially the same as the rules that the commission has adopted under section 161 of this Act and that are applicable to a person described in section 161 of this Act;

(eeeeeeee) Are substantially the same as the rules that the commission has adopted under section 162 of this Act and that are applicable to a person described in section 162 of this Act;

(ffffffff) Are substantially the same as the rules that the commission has adopted under section 163 of this Act and that are applicable to a person described in section 163 of this Act;

(gggggggg) Are substantially the same as the rules that the commission has adopted under section 164 of this Act and that are applicable to a person described in section 164 of this Act;

(hhhhhhhh) Are substantially the same as the rules that the commission has adopted under section 165 of this Act and that are applicable to a person described in section 165 of this Act;

(iiiiiiii) Are substantially the same as the rules that the commission has adopted under section 166 of this Act and that are applicable to a person described in section 166 of this Act;

(jjjjjjjj) Are substantially the same as the rules that the commission has adopted under section 167 of this Act and that are applicable to a person described in section 167 of this Act;

(kkkkkkkk) Are substantially the same as the rules that the commission has adopted under section 168 of this Act and that are applicable to a person described in section 168 of this Act;

(llllllll) Are substantially the same as the rules that the commission has adopted under section 169 of this Act and that are applicable to a person described in section 169 of this Act;

(mmmmmmmm) Are substantially the same as the rules that the commission has adopted under section 170 of this Act and that are applicable to a person described in section 170 of this Act;

(nnnnnnnn) Are substantially the same as the rules that the commission has adopted under section 171 of this Act and that are applicable to a person described in section 171 of this Act;

(oooooooo) Are substantially the same as the rules that the commission has adopted under section 172 of this Act and that are applicable to a person described in section 172 of this Act;

(pppppppp) Are substantially the same as the rules that the commission has adopted under section 173 of this Act and that are applicable to a person described in section 173 of this Act;

(qqqqqqqq) Are substantially the same as the rules that the commission has adopted under section 174 of this Act and that are applicable to a person described in section 174 of this Act;

(rrrrrrrr) Are substantially the same as the rules that the commission has adopted under section 175 of this Act and that are applicable to a person described in section 175 of this Act;

(ssssssss) Are substantially the same as the rules that the commission has adopted under section 176 of this Act and that are applicable to a person described in section 176 of this Act;

(tttttttt) Are substantially the same as the rules that the commission has adopted under section 177 of this Act and that are applicable to a person described in section 177 of this Act;

(uuuuuuuu) Are substantially the same as the rules that the commission has adopted under section 178 of this Act and that are applicable to a person described in section 178 of this Act;

(vvvvvvvv) Are substantially the same as the rules that the commission has adopted under section 179 of this Act and that are applicable to a person described in section 179 of this Act;

(wwwwwwwww) Are substantially the same as the rules that the commission has adopted under section 180 of this Act and that are applicable to a person described in section 180 of this Act;

(xxxxxxxx) Are substantially the same as the rules that the commission has adopted under section 181 of this Act and that are applicable to a person described in section 181 of this Act;

(yyyyyyyy) Are substantially the same as the rules that the commission has adopted under section 182 of this Act and that are applicable to a person described in section 182 of this Act;

(zzzzzzzz) Are substantially the same as the rules that the commission has adopted under section 183 of this Act and that are applicable to a person described in section 183 of this Act;

(aaaaaaaaa) Are substantially the same as the rules that the commission has adopted under section 184 of this Act and that are applicable to a person described in section 184 of this Act;

(bbbbbbbbb) Are substantially the same as the rules that the commission has adopted under section 185 of this Act and that are applicable to a person described in section 185 of this Act;

(ccccccccc) Are substantially the same as the rules that the commission has adopted under section 186 of this Act and that are applicable to a person described in section 186 of this Act;

(ddddddddd) Are substantially the same as the rules that the commission has adopted under section 187 of this Act and that are applicable to a person described in section 187 of this Act;

(eeeeeeeee) Are substantially the same as the rules that the commission has adopted under section 188 of this Act and that are applicable to a person described in section 188 of this Act;

(fffffffff) Are substantially the same as the rules that the commission has adopted under section 189 of this Act and that are applicable to a person described in section 189 of this Act;

(ggggggggg) Are substantially the same as the rules that the commission has adopted under section 190 of this Act and that are applicable to a person described in section 190 of this Act;

(hhhhhhhhh) Are substantially the same as the rules that the commission has adopted under section 191 of this Act and that are applicable to a person described in section 191 of this Act;

(iiiiiiiii) Are substantially the same as the rules that the commission has adopted under section 192 of this Act and that are applicable to a person described in section 192 of this Act;

(jjjjjjjjj) Are substantially the same as the rules that the commission has adopted under section 193 of this Act and that are applicable to a person described in section 193 of this Act;

(kkkkkkkkk) Are substantially the same as the rules that the commission has adopted under section 194 of this Act and that are applicable to a person described in section 194 of this Act;

(llllllllll) Are substantially the same as the rules that the commission has adopted under section 195 of this Act and that are applicable to a person described in section 195 of this Act;

(mmmmmmmmm) Are substantially the same as the rules that the commission has adopted under section 196 of this Act and that are applicable to a person described in section 196 of this Act;

(nnnnnnnnn) Are substantially the same as the rules that the commission has adopted under section 197 of this Act and that are applicable to a person described in section 197 of this Act;

(oooooooooo) Are substantially the same as the rules that the commission has adopted under section 198 of this Act and that are applicable to a person described in section 198 of this Act;

(pppppppppp) Are substantially the same as the rules that the commission has adopted under section 199 of this Act and that are applicable to a person described in section 199 of this Act;

(qqqqqqqqqq) Are substantially the same as the rules that the commission has adopted under section 200 of this Act and that are applicable to a person described in section 200 of this Act;

(rrrrrrrrrr) Are substantially the same as the rules that the commission has adopted under section 201 of this Act and that are applicable to a person described in section 201 of this Act;

(ssssssssss) Are substantially the same as the rules that the commission has adopted under section 202 of this Act and that are applicable to a person described in section 202 of this Act;

(tttttttttt) Are substantially the same as the rules that the commission has adopted under section 203 of this Act and that are applicable to a person described in section 203 of this Act;

(uuuuuuuuuu) Are substantially the same as the rules that the commission has adopted under section 204 of this Act and that are applicable to a person described in section 204 of this Act;

(vvvvvvvvvv) Are substantially the same as the rules that the commission has adopted under section 205 of this Act and that are applicable to a person described in section 205 of this Act;

(wwwwwwwwww) Are substantially the same as the rules that the commission has adopted under section 206 of this Act and that are applicable to a person described in section 206 of this Act;

(xxxxxxxxxx) Are substantially the same as the rules that the commission has adopted under section 207 of this Act and that are applicable to a person described in section 207 of this Act;

(yyyyyyyyyy) Are substantially the same as the rules that the commission has adopted under section 208 of this Act and that are applicable to a person described in section 208 of this Act;

(zzzzzzzzzz) Are substantially the same as the rules that the commission has adopted under section 209 of this Act and that are applicable to a person described in section 209 of this Act;

(aaaaaaaaaaa) Are substantially the same as the rules that the commission has adopted under section 210 of this Act and that are applicable to a person described in section 210 of this Act;

(bbbbbbbbbbb) Are substantially the same as the rules that the commission has adopted under section 211 of this Act and that are applicable to a person described in section 211 of this Act;

(ccccccccccc) Are substantially the same as the rules that the commission has adopted under section 212 of this Act and that are applicable to a person described in section 212 of this Act;

(ddddddddddd) Are substantially the same as the rules that the commission has adopted under section 213 of this Act and that are applicable to a person described in section 213 of this Act;

(eeeeeeeeeee) Are substantially the same as the rules that the commission has adopted under section 214 of this Act and that are applicable to a person described in section 214 of this Act;

(fffffffffff) Are substantially the same as the rules that the commission has adopted under section 215 of this Act and that are applicable to a person described in section 215 of this Act;

(ggggggggggg) Are substantially the same as the rules that the commission has adopted under section 216 of this Act and that are applicable to a person described in section 216 of this Act;

(hhhhhhhhhhh) Are substantially the same as the rules that the commission has adopted under section 217 of this Act and that are applicable to a person described in section 217 of this Act;

(iiiiiiiiiii) Are substantially the same as the rules that the commission has adopted under section 218 of this Act and that are applicable to a person described in section 218 of this Act;

(jjjjjjjjjjj) Are substantially the same as the rules that the commission has adopted under section 219 of this Act and that are applicable to a person described in section 219 of this Act;

(kkkkkkkkkkk) Are substantially the same as the rules that the commission has adopted under section 220 of this Act and that are applicable to a person described in section 220 of this Act;

(llllllllllll) Are substantially the same as the rules that the commission has adopted under section 221 of this Act and that are applicable to a person described in section 221 of this Act;

(mmmmmmmmmmm) Are substantially the same as the rules that the commission has adopted under section 222 of this Act and that are applicable to a person described in section 222 of this Act;

(nnnnnnnnnnn) Are substantially the same as the rules that the commission has adopted under section 223 of this Act and that are applicable to a person described in section 223 of this Act;

(oooooooooooo) Are substantially the same as the rules that the commission has adopted under section 224 of this Act and that are applicable to a person described in section 224 of this Act;

(pppppppppppp) Are substantially the same as the rules that the commission has adopted under section 225 of this Act and that are applicable to a person described in section 225 of this Act;

(qqqqqqqqqqqq) Are substantially the same as the rules that the commission has adopted under section 226 of this Act and that are applicable to a person described in section 226 of this Act;

(rrrrrrrrrrrr) Are substantially the same as the rules that the commission has adopted under section 227 of this Act and that are applicable to a person described in section 227 of this Act;

(ssssssssssss) Are substantially the same as the rules that the commission has adopted under section 228 of this Act and that are applicable to a person described in section 228 of this Act;

(tttttttttttt) Are substantially the same as the rules that the commission has adopted under section 229 of this Act and that are applicable to a person described in section 229 of this Act;

(uuuuuuuuuuuu) Are substantially the same as the rules that the commission has adopted under section 230 of this Act and that are applicable to a person described in section 230 of this Act;

(vvvvvvvvvvvv) Are substantially the same as the rules that the commission has adopted under section 231 of this Act and that are applicable to a person described in section 231 of this Act;

(wwwwwwwwwwww) Are substantially the same as the rules that the commission has adopted under section 232 of this Act and that are applicable to a person described in section 232 of this Act;

(xxxxxxxxxxxx) Are substantially the same as the rules that the commission has adopted under section 233 of this Act and that are applicable to a person described in section 233 of this Act;

(yyyyyyyyyyyy) Are substantially the same as the rules that the commission has adopted under section 234 of this Act and that are applicable to a person described in section 234 of this Act;

(zzzzzzzzzzzz) Are substantially the same as the rules that the commission has adopted under section 235 of this Act and that are applicable to a person described in section 235 of this Act;

(aaaaaaaaaaaa) Are substantially the same as the rules that the commission has adopted under section 236 of this Act and that are applicable to a person described in section 236 of this Act;

(bbbbbbbbbbbb) Are substantially the same as the rules that the commission has adopted under section 237 of this Act and that are applicable to a person described in section 237 of this Act;

(cccccccccccc) Are substantially the same as the rules that the commission has adopted under section 238 of this Act and that are applicable to a person described in section 238 of this Act;

(dddddddddddd) Are substantially the same as the rules that the commission has adopted under section 239 of this Act and that are applicable to a person described in section 239 of this Act;

(eeeeeeeeeeee) Are substantially the same as the rules that the commission has adopted under section 240 of this Act and that are applicable to a person described in section 240 of this Act;

(ffffffffffff) Are substantially the same as the rules that the commission has adopted under section 241 of this Act and that are applicable to a person described in section 241 of this Act;

(gggggggggggg) Are substantially the same as the rules that the commission has adopted under section 242 of this Act and that are applicable to a person described in section 242 of this Act;

(hhhhhhhhhhhh) Are substantially the same as the rules that the commission has adopted under section 243 of this Act and that are applicable to a person described in section 243 of this Act;

(iiiiiiiiiiii) Are substantially the same as the rules that the commission has adopted under section 244 of this Act and that are applicable to a person described in section 244 of this Act;

(jjjjjjjjjjjj) Are substantially the same as the rules that the commission has adopted under section 245 of this Act and that are applicable to a person described in section 245 of this Act;

(kkkkkkkkkkkk) Are substantially the same as the rules that the commission has adopted under section 246 of this Act and that are applicable to a person described in section 246 of this Act;

(llllllllllll) Are substantially the same as the rules that the commission has adopted under section 247 of this Act and that are applicable to a person described in section 247 of this Act;

(mmmmmmmmmmmm) Are substantially the same as the rules that the commission has adopted under section 248 of this Act and that are applicable to a person described in section 248 of this Act;

(nnnnnnnnnnnn) Are substantially the same as the rules that the commission has adopted under section 249 of this Act and that are applicable to a person described in section 249 of this Act;

(oooooooooooo) Are substantially the same as the rules that the commission has adopted under section 250 of this Act and that are applicable to a person described in section 250 of this Act;

(pppppppppppp) Are substantially the same as the rules that the commission has adopted under section 251 of this Act and that are applicable to a person described in section 251 of this Act;

(qqqqqqqqqqqq) Are substantially the same as the rules that the commission has adopted under section 252 of this Act and that are applicable to a person described in section 252 of this Act;

(rrrrrrrrrrrr) Are substantially the same as the rules that the commission has adopted under section 253 of this Act and that are applicable to a person described in section 253 of this Act;

(ssssssssssss) Are substantially the same as the rules that the commission has adopted under section 254 of this Act and that are applicable to a person described in section 254 of this Act;

(tttttttttttt) Are substantially the same as the rules that the commission has adopted under section 255 of this Act and that are applicable to a person described in section 255 of this Act;

(uuuuuuuuuuuu) Are substantially the same as the rules that the commission has adopted under section 256 of this Act and that are applicable to a person described in section 256 of this Act;

(vvvvvvvvvvvv) Are substantially the same as the rules that the commission has adopted under section 257 of this Act and that are applicable to a person described in section 257 of this Act;

(wwwwwwwwwwww) Are substantially the same as the rules that the commission has adopted under section 258 of this Act and that are applicable to a person described in section 258 of this Act;

(xxxxxxxxxxxx) Are substantially the same as the rules that the commission has adopted under section 259 of this Act and that are applicable to a person described in section 259 of this Act;

(yyyyyyyyyyyy) Are substantially the same as the rules that the commission has adopted under section 260 of this Act and that are applicable to a person described in section 260 of this Act;

(zzzzzzzzzzzz) Are substantially the same as the rules that the commission has adopted under section 261 of this Act and that are applicable to a person described in section 261 of this Act;

(aaaaaaaaaaaaa) Are substantially the same as the rules that the commission has adopted under section 262 of this Act and that are applicable to a person described in section 262 of this Act;

(bbbbbbbbbbbbb) Are substantially the same as the rules that the commission has adopted under section 263 of this Act and that are applicable to a person described in section 263 of this Act;

(ccccccccccccc) Are substantially the same as the rules that the commission has adopted under section 264 of this Act and that are applicable to a person described in section 264 of this Act;

(ddddddddddddd) Are substantially the same as the rules that the commission has adopted under section 265 of this Act and that are applicable to a person described in section 265 of this Act;

(eeeeeeeeeeeee) Are substantially the same as the rules that the commission has adopted under section 266 of this Act and that are applicable to a person described in section 266 of this Act;

(fffffffffffff) Are substantially the same as the rules that the commission has adopted under section 267 of this Act and that are applicable to a person described in section 267 of this Act;

(ggggggggggggg) Are substantially the same as the rules that the commission has adopted under section 268 of this Act and that are applicable to a person described in section 268 of this Act;

(hhhhhhhhhhhhh) Are substantially the same as the rules that the commission has adop

Regulatory Specialists

ORS 197.200 Government authority of regulatory specialists. (1) In addition to the duties, functions and powers described in ORS 197.191, and subject to subsection (2) of this section, a regulatory specialist, as defined in ORS 197.193, has the authority to proceed with a land use decision or limited land use decision in the place of a city or county if the city or county fails to adopt a land use decision or limited land use decision in compliance with the time lines described in ORS 197.191 (1) or (2) or 197.193 (1) or (2) or in compliance with a modified time line agreed to by the city or county and the regulatory specialist. (2) The authority of a regulatory specialist described in subsection (1) of this section does not include the authority to:

(a) Adopt a comprehensive plan, a land use regulation or an amendment to a comprehensive plan or a land use regulation.

(b) Exercise the city's or county's discretion or judgment when a land use decision or limited land use decision is required to be made in accordance with a city or county comprehensive plan or land use regulation.

(c) A regulatory specialist may not:

(A) Hold a public hearing or other quasi-judicial proceeding;

(B) Impose conditions on a land use decision or limited land use decision;

(C) Exercise the city's or county's authority under section 2, chapter 8, 2007 Oregon Laws, and section 2, chapter 9, 2007 Oregon Laws, to impose a moratorium on the acceptance of land use applications or the issuance of land use decisions or limited land use decisions;

(D) Impose a moratorium on the acceptance of land use applications or the issuance of land use decisions or limited land use decisions under section 3, chapter 8, 2007 Oregon Laws, and section 3, chapter 9, 2007 Oregon Laws, if the city or county has adopted a land use regulation that complies with section 3, chapter 8, 2007 Oregon Laws, and section 3, chapter 9, 2007 Oregon Laws, or a land use regulation that complies with section 4, chapter 8, 2007 Oregon Laws, and section 4, chapter 9, 2007 Oregon Laws, or a land use regulation that complies with section 5, chapter 8, 2007 Oregon Laws, and section 5, chapter 9, 2007 Oregon Laws, or a land use regulation that complies with section

(2) In addition to the testing requirements established under subsection (1) of this section, the authority or the contractor may require substantial cables to be tested in accordance with an applicable line of cable products or a representative sample of cable products, using the following minimum requirements:

(a) Insulation resistance must be measured between each conductor and the other conductors and shielding, if any, at a minimum of 500 volts direct current.

(b) Dielectric withstand must be measured between each conductor and the other conductors and shielding, if any, at a minimum of 1,000 volts direct current.

(c) Continuity must be measured for each conductor.

(d) Characteristic impedance must be measured at a specified frequency or at selected frequencies at various times during the manufacturing process.

(e) Propagation delay must be measured at a specified frequency.

(f) Capacitance must be measured between each conductor and the other conductors and shielding, if any, at a specified frequency.

(3) Substantial product lots failing a sample test under ORS 197.811 shall be subjected to 100 percent testing.

(4) Substantial product lots failing a 100 percent test under ORS 197.811 shall be subjected to 100 percent testing until such time as a sample test is passed.

(5) Substantial product lots failing a sample test under ORS 197.811 shall be subjected to a sample test after rework or repair.

(6) Substantial product lots failing a 100 percent test under ORS 197.811 shall be subjected to a 100 percent test after rework or repair.

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(1) Subsection (3) does not apply to a registered cannabis producer or an application to renew a registered cannabis producer, and, despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority determines that the applicant or a registrant's distribution contract processor ORS-CTM or ORS-NTM is a joint adequate under ORS-CTM or ORS-NTM;

(c) the authority may issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority;

(d) despite any provision of ORS-CTM or ORS-NTM or any regulation made under ORS-CTM, ORS-NTM or repealed by an amended distribution contract under subsections (3)(d) of this section, if the authority determines that a registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, the authority may issue a registration or renew a registration to the registrant or applicant;

(e) despite any provision of ORS-CTM or ORS-NTM or any regulation made under ORS-CTM, ORS-NTM or repealed by an amended distribution contract under subsections (3)(d) of this section, if the authority determines that the director of a corporation owns, directly or indirectly, shares of the corporation that are equal to or greater than 10 percent of the shares of the corporation, the authority may issue a registration or renew a registration to the corporation if the authority determines that the director is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority;

(f) despite any provision of ORS-CTM or ORS-NTM or any regulation made under ORS-CTM, ORS-NTM or repealed by an amended distribution contract under subsections (3)(d) of this section, if the authority determines that a registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, the authority may issue a registration or renew a registration to the registrant or applicant if the authority determines that the registrant or applicant is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

ORS-CTM. Notwithstanding ORS-CTM-C, ORS-NTM-C and ORS-NTM-C, the authority may issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(2) The production of marijuana or the edibles provided by the registry distribution contract processor ORS-CTM or ORS-NTM under a distribution contract under subsections (3)(d) of this section, or the production of marijuana or the edibles provided by the registry distribution contract processor ORS-CTM-C or ORS-NTM-C under a distribution contract under subsections (3)(d) of this section, is not a prohibited activity under section 2(1) of this section.

(3) ORS-CTM. Notwithstanding section 2(1) of this section, a person who is applying for a registry distribution contract under section 2(1) of this section, or a person who is a registry distribution contract processor, or an applicant for a registry distribution contract processor, may be a corporation or partnership.

(4) Subsection (3) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority;

(c) despite any provision of ORS-CTM or ORS-NTM or any regulation made under ORS-CTM, ORS-NTM or repealed by an amended distribution contract under subsections (3)(d) of this section, if the authority determines that a registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, the authority may issue a registration or renew a registration to the registrant or applicant if the authority determines that the registrant or applicant is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(5) Subsection (4) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(6) Subsection (5) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(7) Subsection (6) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(8) Subsection (7) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(9) Subsection (8) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(10) Subsection (9) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(11) Subsection (10) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(12) Subsection (11) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(13) Subsection (12) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(14) Subsection (13) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(15) Subsection (14) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(16) Subsection (15) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(17) Subsection (16) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(18) Subsection (17) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(19) Subsection (18) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(20) Subsection (19) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(21) Subsection (20) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(22) Subsection (21) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(23) Subsection (22) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(24) Subsection (23) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(25) Subsection (24) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(26) Subsection (25) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(27) Subsection (26) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(28) Subsection (27) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(29) Subsection (28) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(30) Subsection (29) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(31) Subsection (30) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(32) Subsection (31) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(33) Subsection (32) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(34) Subsection (33) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(35) Subsection (34) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(36) Subsection (35) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(37) Subsection (36) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(38) Subsection (37) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(39) Subsection (38) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(40) Subsection (39) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(41) Subsection (40) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(42) Subsection (41) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(43) Subsection (42) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(44) Subsection (43) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(45) Subsection (44) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(46) Subsection (45) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(47) Subsection (46) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(48) Subsection (47) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(49) Subsection (48) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(50) Subsection (49) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(51) Subsection (50) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(52) Subsection (51) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(53) Subsection (52) does not apply to a registered cannabis producer or an applicant for a registration or renewal of a registration, and despite any provision to the contrary in a registered cannabis producer's or an applicant's application for a registration or renewal of a registration,

(a) the registrant or applicant may be a corporation or a partnership;

(b) the authority shall issue a registration or renew a registration to a registrant or applicant that is a corporation or partnership if the authority determines that the registrant or applicant is not a prohibited person under ORS-CTM, ORS-NTM, ORS-CTM-C and ORS-NTM-C, and the registrant or applicant satisfies the authority that it is not controlled by a prohibited person or by a person who is not a registered cannabis producer or an applicant for a registration or renewal of a registration, or otherwise authorized by the authority.

(54) Subsection (53) does not apply

Measure 91

Text of Measure

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.

<u>SECTION 6. Exemptions</u>. (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.

<u>SECTION 7. Powers and duties of Oregon Liquor Control Commission</u>. (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.

<u>SECTION 24. No "tied house" prohibitions</u>. 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)

<u>SECTION 25. Characteristics of license</u>. (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.

<u>SECTION 30. Grounds for cancellation or suspension of license</u>. (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)

<u>SECTION 31. Administration by Oregon Liquor Control Commission</u>. 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.

<u>SECTION 32. Definition of "sale"</u>. (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.

<u>SECTION 33. Tax on marijuana</u>. (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.

<u>SECTION 34. Payment of taxes; refunds; interest or penalty; appeal</u>. (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.

<u>SECTION 35. Statements by marijuana producers as to quantities sold</u>. 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.

<u>SECTION 44. Distribution of available moneys in Oregon Marijuana Account</u>. (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)

<u>SECTION 45. Importing and exporting marijuana prohibited</u>. (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.

<u>SECTION 46. Marijuana may not be given as prize</u>. 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.

<u>SECTION 47. Providing marijuana to intoxicated person; allowing consumption by minor on property</u>. (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.

<u>SECTION 60. Petition and election for local option</u>. (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.

<u>SECTION 61. Sales not affected by local option laws</u>. 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.

<u>SECTION 62. Effective date of local option</u>. 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)

<u>SECTION 63. Duty of officers to enforce and to inform district attorney</u>. 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.

<u>SECTION 64. Confiscation of marijuana and property</u>. (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.

<u>SECTION 65. Duty to notify Oregon Liquor Control Commission of conviction of licensee</u>. 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.

<u>SECTION 71. Section 280E of the Internal Revenue Code</u>. Section 280E of the Internal Revenue Code does not apply for purposes of determining taxable income or loss under this chapter.

<u>SECTION 72. Definition of controlled substance</u>. 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).

<u>SECTION 73. Use of marijuana while driving; penalty</u>. (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.

<u>SECTION 74.</u> 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.

Enrolled
House Bill 3000

Sponsored by Representatives WILDE, MORGAN; Representatives LEIF, LEVY, MARSH, SMITH DB, STARK, WALLAN, WEBER, Senator HANSELL

CHAPTER .....

AN ACT

Relating to cannabis; creating new provisions; amending ORS 475B.015, 475B.025, 475B.090, 475B.211, 475B.227, 475B.253, 475B.254, 475B.529, 475B.550, 475B.555, 475B.600, 475B.625, 475B.876, 571.260, 571.263, 571.269, 571.272, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.336, 571.337, 571.339, 571.345 and 571.348 and section 16, chapter 103, Oregon Laws 2018, and section 8, chapter 155, Oregon Laws 2021 (Enrolled House Bill 2519); repealing ORS 571.341; and declaring an emergency.

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

STATUTES RELATED TO MARIJUANA

SECTION 1. ORS 475B.015 is amended to read:

475B.015. As used in ORS 475B.010 to 475B.545:

(1) "Adult use cannabinoid" includes, but is not limited to, tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined to have an intoxicating effect.

(2) "Adult use cannabis item" means:

(a) A marijuana item; or

(b) An industrial hemp commodity or product that exceeds:

(A) The concentration of adult use cannabinoids established by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority and the State Department of Agriculture, by rule; or

(B) The greater of:

(i) A concentration of more than 0.3 percent total delta-9-tetrahydrocannabinol; or

(ii) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

(3)(a) "Artificially derived cannabinoid" means a chemical substance that is created by a chemical reaction that changes the molecular structure of any chemical substance derived from the plant Cannabis family Cannabaceae.

(b) "Artificially derived cannabinoid" does not include:

(A) A naturally occurring chemical substance that is separated from the plant Cannabis family Cannabaceae by a chemical or mechanical extraction process;

(B) Cannabinoids that are produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst; or

(C) Any other chemical substance identified by the commission, in consultation with the authority and the department, by rule.

[*(1)*] **(4)** "Cannabinoid" means any of the chemical compounds that are the active constituents derived from marijuana.

[*(2)*] **(5)** "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the [*Oregon Liquor Control*] commission, in consultation with the [*Oregon Health*] authority, by rule.

[*(3)*] **(6)** "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate, cannabinoid extract or dried marijuana leaves or flowers have been incorporated.

[*(4)*] **(7)** "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:

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

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

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

[*(5)(a)*] **(8)(a)** "Cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp[*, as defined in ORS 571.269*].

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

[*(7)*] **(10)** "Deliver" means the actual, constructive or attempted transfer from one person to another of a marijuana item, whether or not there is an agency relationship.

(11) "Delta-9-tetrahydrocannabinol" or "delta-9-THC" means (6aR,10aR)-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H- benzo[c]chromen-1-ol.

(12) "Delta-9-tetrahydrocannabinolic acid" or "delta-9-THCA" means (6aR,10aR)-1-hydroxy-6,6,9-trimethyl-3-pentyl-6a,7,8,10a-tetrahydro-6H-benzo[c]chromene-2-carboxylic acid.

[*(8)*] **(13)** "Designated primary caregiver" has the meaning given that term in ORS 475B.791.

[*(9)(a)*] **(14)(a)** "Financial consideration" means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

(b) "Financial consideration" does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

[*(10)*] **(15)** "Homegrown" means grown by a person 21 years of age or older for noncommercial purposes.

[*(11)*] **(16)** "Household" means a housing unit and any place in or around a housing unit at which the occupants of the housing unit are producing, processing, possessing or storing homegrown marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

[*(12)*] **(17)** "Housing unit" means a house, an apartment or a mobile home, or 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 that has direct access from the outside of the building or through a common hall.

[*(13)*] **(18)** "Immature marijuana plant" means a marijuana plant that is not flowering.

(19) "Industrial hemp" has the meaning given that term in ORS 571.269.

[*(14)*] **(20)** "Licensee" means a person that holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

[*(15)*] **(21)** "Licensee representative" means an owner, director, officer, manager, employee, agent or other representative of a licensee, to the extent that the person acts in a representative capacity.

[*(16)(a)*] **(22)(a)** "Manufacture" means producing, propagating, preparing, compounding, converting or processing a marijuana item, either directly or indirectly, by extracting from substances of natural origin.

(b) "Manufacture" includes any packaging or repackaging of a marijuana item or the labeling or relabeling of a container containing a marijuana item.

[*(17)(a)*] **(23)(a)** "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and marijuana seeds.

(b) "Marijuana" does not include:

(A) Industrial hemp[*, as defined in ORS 571.269*]; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

[*(18)*] **(24)** "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.

[*(19)*] **(25)** "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

[*(20)*] **(26)** "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

[*(21)*] **(27)** "Marijuana processor" means**:**

(a) A person that processes marijuana items in this state[.]**; or**

(b) A person that holds a license issued under ORS 475B.090 and processes industrial hemp commodities or products pursuant to ORS 571.336.

[*(22)*] **(28)** "Marijuana producer" means a person that produces marijuana in this state.

[*(23)*] **(29)** "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

[*(24)(a)*] **(30)(a)** "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana seeds" does not include the seeds of industrial hemp[*, as defined in ORS 571.269*].

[*(25)*] **(31)** "Marijuana wholesaler" means a person that purchases marijuana items in this state for resale to a person other than a consumer.

[*(26)*] **(32)** "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.

[*(27)*] **(33)** "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of [*tetrahydrocannabinol*] **adult use cannabinoids** that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a valid registry identification card issued under ORS 475B.797.

[*(28)*] **(34)** "Medical purpose" means a purpose related to using usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

[*(29)*] **(35)** "Noncommercial" means not dependent or conditioned upon the provision or receipt of financial consideration.

[*(30)(a)*] **(36)(a)** "Premises" includes the following areas of a location licensed under ORS 475B.010 to 475B.545:

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

(B) All areas outside a building that the commission has specifically licensed for the 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 a building, that portion of the location used to produce marijuana.

(b) "Premises" does not include a primary residence.

[*(31)(a)*] **(37)(a)** "Processes" means the processing, compounding or conversion of**:**

(A) Marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts[.]**; or**

(B) Pursuant to ORS 571.336, industrial hemp or industrial hemp commodities or products into industrial hemp commodities or products that contain cannabinoids and are intended for human consumption or use.

(b) "Processes" does not include packaging or labeling.

[*(32)(a)*] **(38)(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.

[*(33)*] **(39)** "Propagate" means to grow immature marijuana plants or to breed or produce marijuana seeds.

[*(34)*] **(40)** "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 areas used in connection with public passenger transportation.

[*(35)*] **(41)** "Registry identification cardholder" has the meaning given that term in ORS 475B.791.

(42) "Total delta-9-tetrahydrocannabinol" or "total delta-9-THC" means the sum of the concentration or mass of delta-9-THCA multiplied by 0.877 plus the concentration or mass of delta-9-THC.

[*(36)(a)*] **(43)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) Marijuana seeds;

(B) The stalks and roots of marijuana; or

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

SECTION 2. ORS 475B.025 is amended to read:

475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission to carry out the commission's duties, functions and powers under ORS 475B.010 to 475B.545. The jurisdiction, supervision, duties, functions and powers of the commission extend to any person that produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The commission may sue and be sued.

(2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545 include the following:

(a) To regulate the production, processing, transportation, delivery, sale and purchase of marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production, processing or sale of marijuana items, or other licenses related to the consumption of marijuana items, and to permit, in the commission's discretion, the transfer of a license between persons.

(c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public health and safety.

(d) To exercise all powers incidental, convenient or necessary to enable the commission to administer or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that charges the commission with a duty, function or power related to marijuana. Powers described in this paragraph include, but are not limited to:

(A) Issuing subpoenas;

(B) Compelling the attendance of witnesses;

(C) Administering oaths;

(D) Certifying official acts;

(E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documents and testimony; and

(G) Establishing fees in addition to the application, licensing and renewal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.105, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

(e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

(A) That is appealing to minors;

(B) That promotes excessive use;

(C) That promotes illegal activity; or

(D) That otherwise presents a significant risk to public health and safety.

(f) To regulate the use of marijuana items for other purposes as deemed necessary or appropriate by the commission.

(g) To establish pilot programs, of not more than three years in duration, to expand access to marijuana for medical use for registry identification cardholders and designated primary caregivers, as defined in ORS 475B.791.

(h) To regulate the processing, transportation, delivery, sale and purchase of artificially derived cannabinoids in accordance with the provisions of ORS 475B.010 to 475B.545.

(3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 3. ORS 475B.090 is amended to read:

475B.090. (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. To hold a processor license under this section, a marijuana processor:

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

(b) Must provide proof that the applicant is 21 years of age or older;

(c) If the marijuana processor processes marijuana extracts[,] **or industrial hemp extracts, as defined in ORS 571.269,** may not be located in an area zoned exclusively for residential use; and

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

(3) The commission shall adopt rules that:

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

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

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

(d) Require industrial hemp commodities and products processed by a marijuana processor to meet any requirements for industrial hemp commodities or products established under ORS 571.260 to 571.348 or rules adopted under ORS 571.260 to 571.348;

[*(d)*] **(e)** Allow a marijuana processor registered under ORS 475B.139 to process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana processor to process marijuana and usable marijuana into general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where differentiating between the processing of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

[*(e)*] **(f)** Require a marijuana processor to meet any public health and safety standards and industry best practices established by the commission by rule related to:

(A) Cannabinoid edibles;

(B) Cannabinoid concentrates;

(C) Cannabinoid extracts; and

(D) Any other type of cannabinoid product **or industrial hemp commodity or product** identified by the commission by rule.

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 4. ORS 475B.211 is amended to read:

475B.211. Except for a marijuana retailer registered under ORS 475B.146 to sell or deliver marijuana items to a registry identification cardholder who is 18 years of age or older **or as allowed pursuant to ORS 475B.785 to 475B.949**, a [*licensee or licensee representative*] **person** may not sell or deliver [*a marijuana item*] **an adult use cannabis item** to a person under 21 years of age.

SECTION 5. ORS 475B.227 is amended to read:

475B.227. (1) For purposes of this section:

(a) "Export" includes placing a marijuana item in any mode of transportation for hire, such as luggage, mail or parcel delivery, even if the transportation of the marijuana item is intercepted prior to the marijuana item leaving this state.

(b) "Marijuana item" includes **an** industrial hemp [*products and commodities*] **commodity or product** that [*contain more than 0.3 percent tetrahydrocannabinol.*] **exceeds the greater of:**

(A) A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or

(B) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

(2) A person may not import marijuana items into this state or export marijuana items from this state.

(3) [*Except as provided in subsection (4) of this section,*] A violation of this section is a Class B violation[.]**, except:**

(a) As provided in subsection (4) of this section; or

(b) If the item is industrial hemp and does not exceed a total delta-9-tetrahydrocannabinol concentration of one percent.

(4) A violation of this section is a:

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

(A) Is not for consideration and the person holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105; or

(B) Concerns an amount of marijuana items that exceeds the applicable maximum amount specified in ORS 475B.337 (1)(a) to (f).

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

(A) Is for consideration and the person holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105;

(B) Concerns an amount of marijuana items that exceeds 16 times the applicable maximum amount specified in ORS 475B.337 (1)(a) to (f); or

(C) Concerns a cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105.

SECTION 5a. ORS 475B.253 is amended to read:

475B.253. [*(1) As used in this section, "industrial hemp" has the meaning given that term in ORS 571.269.*]

[*(2)*] **(1)** An industrial hemp product or commodity offered for sale by a marijuana retailer that holds a license issued under ORS 475B.105 must carry a label that clearly identifies whether the product or commodity is derived from hemp or marijuana.

[*(3)*] **(2)** The Oregon Liquor Control Commission may inspect the premises of a marijuana retailer that holds a license issued under ORS 475B.105 to ensure compliance with this section.

SECTION 6. ORS 475B.254 is amended to read:

475B.254. (1) As used in this section:

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

(b) "Marijuana item" includes [*industrial hemp products and commodities*] **an industrial hemp commodity or product** that [*contain more than 0.3 percent tetrahydrocannabinol.*] **exceeds:**

(A) The concentration of adult use cannabinoids established by the Oregon Liquor Control Commission, in consultation with the Oregon Health Authority and the State Department of Agriculture, by rule; or

(B) The greater of:

(i) A concentration of 0.3 percent total delta-9-tetrahydrocannabinol; or

(ii) The concentration of total delta-9-tetrahydrocannabinol allowed under federal law.

(2) A person other than a marijuana retailer that holds a license issued under ORS 475B.105 may not sell marijuana items to a consumer.

SECTION 7. ORS 475B.529 is amended to read:

475B.529. (1) Notwithstanding the authority granted to the State Department of Agriculture under ORS chapters 571, 618 and 633 and ORS 632.275 to 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 to 632.985, the department may not exercise authority over marijuana items or a licensee, except that ORS 618.121 to 618.161, 618.991, 618.995, 633.311 to 633.479, 633.992 and 633.994 apply to marijuana items or to a licensee.

(2) In exercising its authority under ORS chapter 616, the department may not:

(a) Establish standards for marijuana as a food additive, as defined in ORS 616.205;

(b) Consider marijuana to be an adulterant, unless the concentration of a cannabinoid in a cannabinoid product, cannabinoid concentrate or cannabinoid extract exceeds acceptable levels established by the Oregon Health Authority by rule; or

(c) Apply ORS 616.256, 616.265, 616.270 or 616.275 to cannabinoid edibles or enforce ORS 616.256, 616.265, 616.270 or 616.275 with respect to cannabinoid edibles.

(3) Subsection (2)(b) of this section does not prohibit the department from considering artificially derived cannabinoids to be adulterants.

SECTION 8. ORS 475B.550 is amended to read:

475B.550. As used in ORS 475B.550 to 475B.590:

(1) "Adult use cannabinoid" includes, but is not limited to, tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined to have an intoxicating effect.

(2) "Artificially derived cannabinoid" has the meaning given that term in ORS 475B.015.

[*(1)*] **(3)** "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

[*(2)*] **(4)** "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

[*(3)*] **(5)** "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

[*(4)(a)*] **(6)(a)** "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or

(C) Industrial hemp, as defined in ORS 571.269.

[*(5)(a)*] **(7)(a)** "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp, as defined in ORS 571.269; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

[*(6)*] **(8)** "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

[*(7)*] **(9)** "Processing" means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

[*(8)*] **(10)** "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

[*(9)(a)*] **(11)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

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

SECTION 9. ORS 475B.555 is amended to read:

475B.555. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health Authority shall adopt rules:

(a) Establishing standards for testing marijuana items.

(b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item and the manner in which the marijuana item was produced or processed, that are necessary to protect the public health and safety, including, but not limited to, tests for:

(A) Microbiological contaminants;

(B) Pesticides;

(C) Other contaminants;

(D) Solvents or residual solvents; and

(E) [*Tetrahydrocannabinol*] **Adult use cannabinoid** and cannabidiol concentration.

(c) Establishing procedures for determining batch sizes and for sampling usable marijuana, cannabinoid products and cannabinoid concentrates or extracts.

(d) Establishing different minimum standards for different varieties of usable marijuana and different types of cannabinoid products and cannabinoid concentrates and extracts.

(2) In addition to the testing requirements established under subsection (1) of this section, the authority or the commission may require cannabinoid edibles to be tested in accordance with any applicable law of this state, or any applicable rule adopted under a law of this state, related to the production and processing of food products or commodities.

(3) In adopting rules under ORS 475B.785 to 475B.949, the authority may require:

(a) A person responsible for a marijuana grow site under ORS 475B.810 to test usable marijuana before transferring the usable marijuana to a registrant other than an individual who holds a registry identification card under ORS 475B.797; and

(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a registrant other than an individual who holds a registry identification card under ORS 475B.797.

(4) In adopting rules under ORS 475B.010 to 475B.545, the commission may require:

(a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the usable marijuana; and

(b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or extracts.

(5) The authority and the commission may conduct random testing of marijuana items for the purpose of determining whether a person subject to testing under subsection (3) of this section or a licensee subject to testing under subsection (4) of this section is in compliance with this section.

(6) In adopting rules to implement this section, the authority and commission may not require a marijuana item to undergo the same test more than once unless the marijuana item is processed into a different type of marijuana item or the condition of the marijuana item has fundamentally changed.

(7) The testing of marijuana items as required by this section must be conducted by a laboratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS 475B.565.

(8) In adopting rules under subsection (1) of this section, the authority:

(a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(b) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 10. ORS 475B.600 is amended to read:

475B.600. As used in ORS 475B.600 to 475B.655:

(1) "Adult use cannabinoid" includes, but is not limited to, tetrahydrocannabinols, tetrahydrocannabinolic acids that are artificially or naturally derived, delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, the optical isomers of delta-8-tetrahydrocannabinol or delta-9-tetrahydrocannabinol and any artificially derived cannabinoid that is reasonably determined to have an intoxicating effect.

(2) "Artificially derived cannabinoid" has the meaning given that term in ORS 475B.015.

[*(1)*] **(3)** "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

[*(2)*] **(4)** "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

[*(3)*] **(5)** "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

[*(4)(a)*] **(6)(a)** "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or

(C) Industrial hemp, as defined in ORS 571.269.

[*(5)(a)*] **(7)(a)** "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp, as defined in ORS 571.269; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

[*(6)*] **(8)** "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

[*(7)*] **(9)** "Processing" means the compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

[*(8)*] **(10)** "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

(11) "Total delta-9-THC" has the meaning given that term in ORS 475B.015.

[*(9)(a)*] **(12)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

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

SECTION 11. ORS 475B.625 is amended to read:

475B.625. (1) The **Oregon Liquor Control Commission, in consultation with the** Oregon Health Authority **and the State Department of Agriculture,** shall adopt rules establishing:

(a) The maximum concentration of [*tetrahydrocannabinol*] **total delta-9-THC** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract;

(b) The maximum concentration of adult use cannabinoid, any other cannabinoid or artificially derived cannabinoid that is permitted in a single serving of a cannabinoid product or a cannabinoid concentrate or extract; and

[*(b)*] **(c)** The number of servings that are permitted in a **package of** cannabinoid product or cannabinoid concentrate or extract [*package*].

(2)(a) In adopting rules under subsection (1)(a) **or (b)** of this section, the [*authority*] **commission** shall prescribe the different levels of concentration of [*tetrahydrocannabinol*] **total delta-9-THC, artificially derived cannabinoids, adult use cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for:

(A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

(b) In prescribing the levels of concentration of [*tetrahydrocannabinol*] **total delta-9-THC, artificially derived cannabinoids, adult use cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid registry identification card issued under ORS 475B.797, the [*authority*] **commission** shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

(3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and [*packaging*] **servings per package** standards adopted by rule pursuant to this section.

(4) In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control*] commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the concentration standards and [*packaging*] **servings per package** standards adopted by rule pursuant to this section.

SECTION 11a. If Senate Bill 408 becomes law, section 11 of this 2021 Act (amending ORS 475B.625) is repealed and ORS 475B.625, as amended by section 16, chapter ___, Oregon Laws 2021 (Enrolled Senate Bill 408), is amended to read:

475B.625. (1) The Oregon Liquor Control Commission**, in consultation with the Oregon Health Authority and the State Department of Agriculture,** shall adopt rules establishing:

(a) The maximum concentration of [*tetrahydrocannabinol*] **total delta-9-THC** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract; [*and*]

(b) The maximum concentration of adult use cannabinoid, any other cannabinoid or artificially derived cannabinoid that is permitted in a single serving of a cannabinoid product or a cannabinoid concentrate or extract; and

[*(b)*] **(c)** The number of servings that are permitted in a package of cannabinoid product or cannabinoid concentrate or extract.

(2)(a) In adopting rules under subsection (1)(a) **or (b)** of this section, the commission shall prescribe the different levels of concentration of [*tetrahydrocannabinol*] **total delta-9-THC, artificially derived cannabinoids, adult use cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for:

(A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

(b) In prescribing the levels of concentration of [*tetrahydrocannabinol*] **total delta-9-THC, artificially derived cannabinoids, adult use cannabinoids or any other cannabinoid** that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid registry identification card issued under ORS 475B.797, the commission shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

(3) In adopting rules under ORS 475B.785 to 475B.949, the [*Oregon Health*] authority shall adopt by rule requirements established by the commission by rule to require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and servings per package standards adopted by rule pursuant to this section.

(4)(a) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the concentration standards and servings per package standards adopted by rule pursuant to this section.

(b) The rules adopted by the commission under this subsection must allow for a concentration of up to 100 milligrams of [*tetrahydrocannabinol*] **adult use cannabinoid** per package of cannabinoid edibles.

SECTION 11b. If Senate Bill 408 becomes law, section 12 of this 2021 Act is amended to read:

Sec. 12. (1) The amendments to ORS 475B.025, 475B.090, 475B.227, 475B.253, 475B.254, 475B.550, 475B.555, 475B.600 and 475B.625 by sections 2, 3, 5, 5a, 6 and 8 to [*11*] **11a** of this 2021 Act become operative on January 1, 2022.

(2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority, the commission and the department 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 authority, the commission and the department by the amendments to ORS 475B.025, 475B.090, 475B.227, 475B.253, 475B.254, 475B.550, 475B.555, 475B.600 and 475B.625 by sections 2, 3, 5, 5a, 6 and 8 to [*11*] **11a** of this 2021 Act.

SECTION 12. (1) The amendments to ORS 475B.025, 475B.090, 475B.227, 475B.253, 475B.254, 475B.550, 475B.555, 475B.600 and 475B.625 by sections 2, 3, 5, 5a, 6 and 8 to 11 of this 2021 Act become operative on January 1, 2022.

(2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in sub-

section (1) of this section that is necessary to enable the authority, the commission and the department 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 authority, the commission and the department by the amendments to ORS 475B.025, 475B.090, 475B.227, 475B.253, 475B.254, 475B.550, 475B.555, 475B.600 and 475B.625 by sections 2, 3, 5, 5a, 6 and 8 to 11 of this 2021 Act.

MEDICAL MARIJUANA

SECTION 12a. ORS 475B.876 is amended to read:

475B.876. (1) The Oregon Health Authority shall maintain a telephone hotline for the following persons to inquire if an address is the location of a marijuana grow site, marijuana processing site or medical marijuana dispensary or is the proposed location of a marijuana grow site, marijuana processing site or medical marijuana dispensary:

(a) A person designated by a city or a county;

(b) A person designated by the Water Resources Department; [*and*]

(c) A person designated by the watermaster of any water district[.]**; and**

(d) A person designated by the State Department of Agriculture.

(2) The authority may disclose the address of a marijuana grow site for purposes of this section notwithstanding ORS 475B.882.

INDUSTRIAL HEMP

SECTION 13. Sections 14 to 18c of this 2021 Act are added to and made a part of ORS 571.260 to 571.348.

SECTION 14. (1) The State Department of Agriculture shall conduct a criminal records check under ORS 181A.195 on an individual who submits an application for a grower license under ORS 571.281.

(2) For the purpose of requesting a state or nationwide criminal records check, the department may require fingerprints of any individual listed on an application submitted under ORS 571.260 to 571.348, including:

(a) If the applicant is a limited partnership, each partner of the limited partnership;

(b) If the applicant is a limited liability company, each member of the limited liability company;

(c) If the applicant is a corporation, each director and officer of the corporation;

(d) Any individual who is a partner, member, director or officer of an entity with a financial interest in the applicant; and

(e) Other key participants with the applicant, as identified by the department by rule.

(3) ORS 181A.195 (10) does not apply to the department for purposes of conducting a criminal records check under this section.

SECTION 15. (1) Except as provided in subsection (2) of this section:

(a) If a person has been convicted of a felony related to a controlled substance under state or federal law, the person is ineligible for a license under ORS 571.281 to grow hemp issued by the State Department of Agriculture for 10 years following the date of the person's conviction.

(b) If a licensee or an applicant, or a person related to the applicant as described in section 14 (2)(e) of this 2021 Act, is convicted of a felony related to a controlled substance under state or federal law, the department may deny, revoke or refuse to renew a grower license under ORS 571.281 during the 10 years following the date of conviction.

(2) This section does not apply to a person who was registered to grow hemp with the department before October 31, 2019.

SECTION 16. Section 15 of this 2021 Act applies to convictions entered before, on and after October 31, 2019.

SECTION 16a. (1) A person licensed under ORS 571.281 may, within the boundaries of this state, transport to or receive from:

(a) A person licensed under ORS 571.281 or a laboratory licensed under ORS 475B.560 industrial hemp or an industrial hemp commodity that contains no more tetrahydrocannabinol than allowed by the State Department of Agriculture by rule if the industrial hemp or industrial hemp used in the industrial hemp commodity originated from a crop inspected under ORS 571.281 (7) that was found to not contain an average tetrahydrocannabinol concentration exceeding the concentration specified by the department by rule.

(b) A person licensed under ORS 475B.090, 475B.100 or 475B.105 industrial hemp or an industrial hemp commodity or product that contains no more tetrahydrocannabinol than allowed by the Oregon Liquor Control Commission by rule if the industrial hemp or industrial hemp used in the industrial hemp commodity or product originated from a crop inspected under ORS 571.281 (7) that was found to not contain an average tetrahydrocannabinol concentration exceeding the concentration specified by the department by rule.

(2) Industrial hemp or an industrial hemp commodity or product transported or received as described in this section may not be considered a "marijuana item."

SECTION 17. The Oregon Liquor Control Commission, in consultation with the State Department of Agriculture, shall adopt rules to establish:

(1) The maximum concentration of tetrahydrocannabinol permitted in a single serving of an industrial hemp product;

(2) The maximum concentration of any other cannabinoid, adult use cannabinoid or artificially derived cannabinoid that is permitted in a single serving of an industrial hemp product; and

(3) The number of servings that are permitted in a package of industrial hemp products.

SECTION 18. (1) As used in this section, "industrial hemp commodities and products intended for human consumption" means industrial hemp concentrates, industrial hemp extracts and any other industrial hemp item intended for ingestion or inhalation.

(2) The State Department of Agriculture shall establish by rule requirements for tracking the transfer of industrial hemp commodities and products intended for human consumption. The tracking described in this section may include:

(a) Associating the results from tests performed under ORS 571.330 with the batch of industrial hemp on which the tests were performed; and

(b) Identifying the origin and destination of industrial hemp commodities and products intended for human consumption transferred by a person registered under ORS 571.281.

(3) Any requirements established by the department pursuant to subsection (2) of this section may require the use of the system developed and maintained under ORS 475B.177.

SECTION 18a. (1) The State Department of Agriculture shall adopt rules to require that a grower registered under ORS 571.281 accurately report to the department:

(a) That the grower does not intend to plant an industrial hemp crop at the location for which a registration is issued under ORS 571.281; or

(b) Any loss of all or part of an industrial hemp crop.

(2) The rules adopted under this section must include a timeline for reporting to the department and may include other rules necessary to carry out this section.

SECTION 18b. (1) If the industrial hemp crop of a grower registered under ORS 571.281 is found to contain an average tetrahydrocannabinol concentration that exceeds the limit described in ORS 571.281 (7) and the State Department of Agriculture requires the grower to destroy or remediate the industrial hemp crop, the grower shall provide documentation to the department of the destruction or remediation.

(2) The department shall adopt rules to carry out this section, including rules to specify acceptable documentation for purposes of subsection (1) of this section and timelines for providing the documentation to the department.

SECTION 18c. (1)(a) Except as provided in paragraph (b) of this subsection, if a person plants an industrial hemp crop or commits a violation of ORS 571.260 to 571.348 prior to applying for a grower registration under ORS 571.281, the State Department of Agriculture shall refuse to issue a registration to the person.

(b) If the crop described in paragraph (a) of this subsection is removed and the department determines that the violation is resolved, the person described in paragraph (a) of this subsection may apply for a registration under ORS 571.281.

(2) If a person plants an industrial hemp crop or commits a violation of ORS 571.260 to 571.348 prior to being issued a grower registration under ORS 571.281, the department shall:

(a)(A) Prioritize the person's industrial hemp crop for inspection under ORS 571.281 (7), if the person planted the industrial hemp crop as described in this subsection; and

(B) Require the person to enter into a corrective action plan with the department; or

(b) Refuse to issue a registration to the person if the department determines that a corrective action plan is insufficient to address the violation.

(3) If the person described in subsection (2) of this section does not enter into a corrective action plan pursuant to subsection (2) of this section, the department may not issue a registration to the person under ORS 571.281.

(4) The department may adopt rules to carry out this section, including rules to establish the corrective action plan described in subsection (2) of this section.

SECTION 18d. Section 18 of this 2021 Act is amended to read:

Sec. 18. (1) As used in this section, "industrial hemp commodities and products intended for human consumption" means industrial hemp concentrates, industrial hemp extracts and any other industrial hemp item intended for ingestion or inhalation.

(2) The State Department of Agriculture shall establish by rule requirements for tracking the transfer of industrial hemp commodities and products intended for human consumption. The tracking described in this section may include:

(a) Associating the results from tests performed under ORS 571.330 with the batch of industrial hemp on which the tests were performed; and

(b) Identifying the origin and destination of industrial hemp commodities and products intended for human consumption transferred by a person [*registered*] **licensed** under ORS 571.281.

(3) Any requirements established by the department pursuant to subsection (2) of this section may require the use of the system developed and maintained under ORS 475B.177.

SECTION 18e. Section 18a of this 2021 Act is amended to read:

Sec. 18a. (1) The State Department of Agriculture shall adopt rules to require that a grower [*registered*] **licensed** under ORS 571.281 accurately report to the department:

(a) That the grower does not intend to plant an industrial hemp crop at the location for which a [*registration*] **license** is issued under ORS 571.281; or

(b) Any loss of all or part of an industrial hemp crop.

(2) The rules adopted under this section must include a timeline for reporting to the department and may include other rules necessary to carry out this section.

SECTION 18f. Section 18b of this 2021 Act is amended to read:

Sec. 18b. (1) If the industrial hemp crop of a grower [*registered*] **licensed** under ORS 571.281 is found to contain an average tetrahydrocannabinol concentration that exceeds the limit described in ORS 571.281 (7) and the State Department of Agriculture requires the grower to destroy or remediate the industrial hemp crop, the grower shall provide documentation to the department of the destruction or remediation.

(2) The department shall adopt rules to carry out this section, including rules to specify acceptable documentation for purposes of subsection (1) of this section and timelines for providing the documentation to the department.

SECTION 18g. Section 18c of this 2021 Act is amended to read:

Sec. 18c. (1)(a) Except as provided in paragraph (b) of this subsection, if a person plants an industrial hemp crop or commits a violation of ORS 571.260 to 571.348 prior to applying for a grower [*registration*] **license** under ORS 571.281, the State Department of Agriculture shall refuse to issue a [*registration*] **license** to the person.

(b) If the crop described in paragraph (a) of this subsection is removed and the department determines that the violation is resolved, the person described in paragraph (a) of this subsection may apply for a [*registration*] **license** under ORS 571.281.

(2) If a person plants an industrial hemp crop or commits a violation of ORS 571.260 to 571.348 prior to being issued a grower [*registration*] **license** under ORS 571.281, the department shall:

(a)(A) Prioritize the person's industrial hemp crop for inspection under ORS 571.281 (7), if the person planted the industrial hemp crop as described in this subsection; and

(B) Require the person to enter into a corrective action plan with the department; or

(b) Refuse to issue a [*registration*] **license** to the person if the department determines that a corrective action plan is insufficient to address the violation.

(3) If the person described in subsection (2) of this section does not enter into a corrective action plan pursuant to subsection (2) of this section, the department may not issue a [*registration*] **license** to the person under ORS 571.281.

(4) The department may adopt rules to carry out this section, including rules to establish the corrective action plan described in subsection (2) of this section.

SECTION 19. ORS 571.260 is amended to read:

571.260. ORS 571.260 to 571.348 shall be known and may be cited as the [*Oregon Industrial Hemp Agricultural Pilot Program and Research Act*] **Oregon Hemp Act**.

SECTION 20. ORS 571.263 is amended to read:

571.263. The State Department of Agriculture shall administer an Oregon [*Industrial Hemp Agricultural Pilot Program for the purpose of studying the growth, cultivation and marketing of industrial hemp in this state. In carrying out the program, the department:*] **Hemp State Program for the production, processing and sale of hemp in this state. In carrying out the program, the department:**

(1) Shall administer ORS 571.260 to 571.348[*;*]**.**

(2)(a) Shall adopt rules to implement a state plan for the production of hemp in accordance with the Agriculture Improvement Act of 2018 (P.L. 115-334) and subsequent federal law. The rules adopted under this subsection must conform to, and not be more restrictive than, the rules related to hemp promulgated by the United States Department of Agriculture.

(b) In adopting rules under this subsection, the State Department of Agriculture shall include public input.

(c) The rules adopted under this subsection may include the adoption by reference of any federal laws, rules, regulations or guidelines, or standards, practices or requirements, related to the production of hemp.

[*(2)*] **(3)** Shall adopt by rule any record keeping and reporting requirements necessary to administer the program[*;*]**.**

[*(3)*] **(4)** May purchase, possess, seize or dispose of industrial hemp products or commodities as the department deems necessary to enforce and ensure compliance with ORS 571.260 to 571.348 or department rules relating to ORS 571.260 to 571.348[*; and*]**.**

[*(4)*] **(5)** May exercise any other power or perform any other function necessary to administer the program.

SECTION 21. ORS 571.269 is amended to read:

571.269. As used in ORS 571.260 to 571.348:

(1) "Adult use cannabinoid" has the meaning given that term in ORS 475B.015.

(2) "Adult use cannabis item" has the meaning given that term in ORS 475B.015.

[*(1)*] **(3)** "Agricultural hemp seed" means Cannabis seed:

(a) That is sold to or intended to be sold to [*registered*] **licensed** growers for planting; or

(b) That remains in an unprocessed or partially processed condition that is capable of germination.

(4) "Artificially derived cannabinoid" has the meaning given that term in ORS 475B.015.

(5) "Consumption" means to ingest, inhale or topically apply to the skin or hair.

[*(2)*] **(6)** "Crop" means industrial hemp grown under a single [*registration*] **license**.

[*(3)*] **(7)** "Grower" means a person, joint venture or cooperative that produces industrial hemp.

[*(4)*] **(8)** "Handler" means a person, joint venture or cooperative that receives industrial hemp for processing into commodities, products or agricultural hemp seed **and any other activities identified by the State Department of Agriculture by rule**.

[*(5)*] **(9)(a)** "Industrial hemp":

[*(a) Except as provided in this paragraph, means all nonseed parts and varieties of the Cannabis plant, whether growing or not, that contain an average tetrahydrocannabinol concentration that does not exceed 0.3 percent on a dry weight basis. The State department of Agriculture, by rule, may adopt any higher average tetrahydrocannabinol concentration limit established in federal law.*]

[*(b) Means any Cannabis seed:*]

[*(A) That is part of a crop;*]

[*(B) That is retained by a grower for future planting;*]

[*(C) That is agricultural hemp seed;*]

[*(D) That is for processing into or for use as agricultural hemp seed; or*]

[*(E) That has been processed in a manner or to an extent that the Cannabis seed is incapable of germination.*]

[*(c) Does not mean industrial hemp commodities or products.*]

(A) Means the plant species Cannabis sativa that has a tetrahydrocannabinol concentration that complies with the concentration specified by the department by rule; and

(B) Has the meaning given that term as it is further defined by the department by rule.

(b) "Industrial hemp" does not mean industrial hemp commodities or products.

[*(6)*] **(10)** "Industrial hemp concentrate" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A mechanical process;

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

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the department by rule.

[*(7)*] **(11)** "Industrial hemp extract" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

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

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

(c) Any other process identified by the department by rule.

(12) "Licensee" means a grower, handler, agricultural hemp seed producer or other person licensed under ORS 571.281.

SECTION 21a. If Senate Bill 96 becomes law, ORS 571.269, as amended by section 21 of this 2021 Act, is amended to read:

571.269. As used in ORS 571.260 to 571.348:

(1) "Adult use cannabinoid" has the meaning given that term in ORS 475B.015.

(2) "Adult use cannabis item" has the meaning given that term in ORS 475B.015.

(3) "Agricultural hemp seed" means Cannabis seed:

(a) That is sold to or intended to be sold to licensed growers for planting; or

(b) That remains in an unprocessed or partially processed condition that is capable of germination.

(4) "Artificially derived cannabinoid" has the meaning given that term in ORS 475B.015.

(5) "Consumption" means [*to ingest, inhale or topically apply*] **ingestion, inhalation or topical application** to the skin or hair.

(6) "Crop" means industrial hemp grown under a single license.

(7) "Grower" means a person, joint venture or cooperative that produces industrial hemp.

(8) "Handler" means a person, joint venture or cooperative that receives industrial hemp for processing into commodities, products or agricultural hemp seed and any other activities identified by the State Department of Agriculture by rule.

(9)(a) "Industrial hemp":

(A) Means the plant species Cannabis sativa that has a tetrahydrocannabinol concentration that complies with the concentration specified by the department by rule; and

(B) Has the meaning given that term as it is further defined by the department by rule.

(b) "Industrial hemp" does not mean industrial hemp commodities or products.

(10) "Industrial hemp concentrate" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

(a) A mechanical process;

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

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the department by rule.

(11) "Industrial hemp extract" means an industrial hemp product obtained by separating cannabinoids from industrial hemp by:

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

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

(c) Any other process identified by the department by rule.

(12) "Licensee" means a grower, handler, agricultural hemp seed producer or other person licensed under ORS 571.281.

SECTION 22. ORS 571.272 is amended to read:

571.272. (1) Industrial hemp is an agricultural product that is subject to regulation by the State Department of Agriculture.

(2)**(a)** For purposes of ORS chapter 616, the department may not consider industrial hemp or industrial hemp commodities or products to be an adulterant.

(b) Paragraph (a) of this subsection does not prohibit the department from considering artificially derived cannabinoids to be adulterants.

SECTION 23. ORS 571.281 is amended to read:

571.281. (1)**(a)** To grow or handle industrial hemp, a person must be [*registered with*] **licensed by** the State Department of Agriculture as a grower or handler.

(b) The department may identify by rule activities related to growing or handling hemp in addition to those described in ORS 571.269 and may require licensure to engage in those activities. The department may issue, renew, suspend, revoke or refuse to issue or renew a license required pursuant to this subsection.

(2)(a) Only a grower or handler [*registered*] **licensed** under this section may produce agricultural hemp seed. For a grower or handler to produce agricultural hemp seed, the grower or handler must be [*registered with*] **licensed by** the department as an agricultural hemp seed producer.

(b) Notwithstanding paragraph (a) of this subsection:

(A) A grower [*registered*] **licensed** under this section that retains agricultural hemp seed for the purpose of personally propagating industrial hemp in a subsequent year is not required to [*register with*] **be licensed by** the department as an agricultural hemp seed producer; and

(B) A grower or handler [*registered*] **licensed** under this section that produces Cannabis seeds that are incapable of germination, or a handler [*registered*] **licensed** under this section that processes Cannabis seeds that are incapable of germination into commodities or products, is not required to [*register with*] **be licensed by** the department as an agricultural hemp seed producer.

(3) An applicant for [*registration*] **a license** under this section must submit to the department, in a form and manner prescribed by the department, the following information:

(a) The name and address of the applicant;

(b) The name and address of the industrial hemp operation of the applicant; and

(c) Any other information required by the department by rule.

(4) [*Registration under this section is valid for a one-year term, beginning on January 1.*] **The department shall adopt rules specifying the period of time for which a license issued under this section is valid.** A [*grower, handler or agricultural hemp seed producer may renew a registration*] **licensee may renew a license** under this section in a form and manner prescribed by the department.

(5) A [*registration*] **license** under this section is a personal privilege and is not transferable.

(6) A grower or handler [*registered*] **licensed** under this section must keep records as required by the department by rule. Upon not less than three days' notice, the department may subject the records to inspection or audit during normal business hours. The department may make an inspection or audit for the purpose of ensuring compliance with:

(a) A provision of ORS 571.260 to 571.348;

(b) A rule adopted under a provision of ORS 571.260 to 571.348; or

(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.

(7) In addition to any inspection conducted pursuant to ORS 561.275, the department may inspect any crop during the crop's growth phase and take a representative composite sample for field analysis. If a crop contains an average tetrahydrocannabinol concentration exceeding [*0.3 percent on a dry weight basis or a tetrahydrocannabinol concentration exceeding the concentration allowed under federal law, whichever is greater*] **the concentration specified by the department by rule**, the department may detain, seize or embargo the crop as provided under ORS 561.605 to 561.620, subject to any process established under ORS 571.345.

(8)**(a)** The department may charge [*growers, handlers and agricultural hemp seed producers application fees, registration and renewal of registration fees, administrative change fees and fees for other services*] **licensees the following fees** in amounts reasonably calculated by the department to pay the cost of administering ORS 571.260 to 571.348[.]**:**

(A) Application fees;

(B) License and license renewal fees;

(C) Administrative change fees; and

(D) Fees for other services.

(b) Moneys from fees charged under this subsection shall be deposited in the Industrial Hemp Fund established under ORS 571.278.

(9) The department may adopt rules establishing public health and safety standards and industry best practices for growers and handlers [*registered*] **licensed** under this section.

SECTION 24. ORS 571.285 is amended to read:

571.285. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture may revoke [*the registration of a grower, handler or agricultural hemp seed producer*] **a licensee's license** or refuse to [*register*] **issue** or renew the [*registration*] **license** if a [*grower, handler or agricultural hemp seed producer*] **licensee** violates:

(a) A provision of ORS 571.260 to 571.348;

(b) A rule adopted under a provision of ORS 571.260 to 571.348;

(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348**, including an order of detainment issued under ORS 571.281**; or

(d) Any statutory law or department rule related to agricultural activities other than industrial hemp operations.

[*(2) The department may not discipline a grower, handler or agricultural hemp seed producer under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.*]

(2) The department may adopt rules to prohibit a licensee from reapplying for a license under ORS 571.281 for a period of time specified by rule by the department if the licensee violates:

(a) A provision of ORS 571.260 to 571.348;

(b) A rule adopted pursuant to ORS 571.260 to 571.348; or

(c) An order issued by the department pursuant to ORS 571.260 to 571.348 or a rule adopted pursuant to ORS 571.260 to 571.348.

SECTION 25. ORS 571.288 is amended to read:

571.288. A grower [*registered*] **licensed** under ORS 571.281 may use any propagation method, including planting seeds or starts or the use of clones or cuttings, to produce industrial hemp.

SECTION 26. ORS 571.294 is amended to read:

571.294. The State Department of Agriculture may charge growers and handlers [*registered*] **licensed** under ORS 571.281 fees reasonably calculated by the department to pay the cost of sampling or testing industrial hemp or industrial hemp commodities or products under ORS 571.330 and 571.333. Moneys from fees charged under this section shall be deposited in the Industrial Hemp Fund established under ORS 571.278.

SECTION 27. ORS 571.302 is amended to read:

571.302. (1) For purposes of ORS 633.511 to 633.750, agricultural hemp seed is an agricultural seed or a flower seed, as those terms are defined in ORS 633.511.

(2) The Director of Agriculture, or the director's agent, and the Dean of the College of Agricultural Sciences of Oregon State University, or the dean's agent, shall establish a program for the labeling and certification of agricultural hemp seed. For purposes of the program:

(a) The director and the dean shall perform their respective duties under ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and dean perform their respective duties under ORS 633.511 to 633.750 with respect to other agricultural seed or flower seed, including but not limited to those duties related to labeling, testing and certifying seeds; and

(b) The director and the dean shall exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed in the same manner that the director and dean exercise their respective functions and powers under ORS 633.511 to 633.750 with respect to other agricultural seed or flower seed, including but not limited to inspecting and sampling seeds and making rules and regulations under ORS 633.680.

(3) Notwithstanding subsections (1) and (2) of this section, if the director in consultation with the dean determines that a specific provision of ORS 633.511 to 633.750, or a specific rule or regulation made under ORS 633.511 to 633.750, that applies to other agricultural seed or flower seed is inadequate or not suitable for the regulation of agricultural hemp seed, the director may by rule exempt agricultural hemp seed from the provision, rule or regulation and make rules providing more adequate or suitable regulation of agricultural hemp seed.

(4)(a) The director and the dean shall collaborate with growers [*registered*] **licensed** under ORS 571.281 in performing their respective duties and exercising their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

(b) The director and the dean may collaborate with growers [*registered*] **licensed** under ORS 571.281 and other stakeholders to develop a heritage agricultural hemp seed for this state.

(5) The director and the dean may collaborate with entities authorized to certify seeds under the laws of other states in performing their respective duties and exercising their respective functions and powers under ORS 633.511 to 633.750 with respect to agricultural hemp seed.

(6) A grower [*registered*] **licensed** under ORS 571.281 is not required, for purposes related to growing industrial hemp, to use an agricultural hemp seed variety certified under the program described in this section.

(7) The State Department of Agriculture may establish by rule waivers to, or exemptions from, tests that would otherwise be conducted to determine a crop's average tetrahydrocannabinol concentration for crops planted with agricultural hemp seed varieties certified pursuant to the program described in this section.

SECTION 28. ORS 571.327 is amended to read:

571.327. (1) An agricultural hemp seed producer [*registered*] **licensed** under ORS 571.281:

(a) Must sell agricultural hemp seed in a manner that complies with any standard established by the Director of Agriculture under ORS 633.511 to 633.750; and

(b) May sell agricultural hemp seed only if the agricultural hemp seed meets any packaging or labeling requirement, or any quality standard, adopted by the director under subsection (2) of this section.

(2) The director may adopt rules establishing packaging requirements, labeling requirements and quality standards for agricultural hemp seed.

(3) The State Department of Agriculture shall make available to growers [*registered*] **licensed** under ORS 571.281 information that identifies agricultural hemp seed producers [*registered*] **licensed** under ORS 571.281 from whom the growers may purchase agricultural hemp seed.

SECTION 29. ORS 571.330 is amended to read:

571.330. [*(1) For purposes of this section, "consumption" means to ingest, inhale or topically apply to the skin or hair.*]

[*(2)(a)*] **(1)(a)** A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test industrial hemp and industrial hemp commodities and products **whether or not the industrial hemp or industrial hemp commodities or products were** produced or processed by a [*grower, handler or agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

(b) An accredited independent testing laboratory that has been approved by the authority or the State Department of Agriculture may test industrial hemp and industrial hemp commodities and products **whether or not the industrial hemp or industrial hemp commodities or products were** produced or processed by a [*grower, handler or agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

[*(3)*] **(2)** A [*grower or handler*] **person** may not sell or transfer an industrial hemp commodity or product that is intended for human consumption **and that was produced, processed or manufactured in this state** unless the commodity or product is tested by a laboratory described in subsection [*(2)*] **(1)** of this section to ensure that the commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2) for testing marijuana items.

[*(4)*] **(3)** For purposes of this section, the department shall adopt rules:

(a) Establishing protocols for the testing of industrial hemp commodities and products; and

(b) Establishing procedures for determining batch sizes and for sampling industrial hemp commodities and products.

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

(a) Agricultural hemp seed;

(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable of germination;

(c) Products derived from seeds described in paragraph (b) of this subsection; or

(d) Other parts of industrial hemp that the department identifies by rule as exempt.

SECTION 29a. If Senate Bill 96 becomes law, section 29 of this 2021 Act (amending ORS 571.330) is repealed and ORS 571.330, as amended by section 13, chapter ___, Oregon Laws 2021 (Enrolled Senate Bill 96), is amended to read:

571.330. [*(1) For purposes of this section, "consumption" means ingestion, inhalation or topical application to the skin or hair.*]

[*(2)(a)*] **(1)(a)** A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test industrial hemp and industrial hemp commodities and products **whether or not the industrial hemp or industrial hemp commodities or products were** produced or processed by a [*grower, handler or agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

(b) An accredited independent testing laboratory that has been approved by the authority or the State Department of Agriculture may test industrial hemp and industrial hemp commodities and products **whether or not the industrial hemp or industrial hemp commodities or products were** produced or processed by a [*grower, handler or agricultural hemp seed producer registered under ORS 571.281*] **licensee**.

[*(3)*] **(2)** A [*grower or handler*] **person** may not sell or transfer an industrial hemp commodity or product that is intended for human consumption **and that was produced, processed or manufactured in this state** unless the commodity or product is tested by a laboratory described in subsection [*(2)*] **(1)** of this section to ensure that the commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) for testing marijuana items and industrial hemp-derived vapor items and ORS 475B.555 (2) for testing cannabinoid edibles.

[*(4)*] **(3)** Industrial hemp commodities or products that are intended for use in an inhalant delivery system, as defined in ORS 431A.175, must meet the requirements of ORS 475B.550 to 475B.590 and 475B.600 to 475B.655 that apply to industrial hemp-derived vapor items as defined in ORS 475B.550 and 475B.600.

[*(5)*] **(4)** For purposes of this section, the department shall adopt rules:

(a) Establishing protocols for the testing of industrial hemp commodities and products; and

(b) Establishing procedures for determining batch sizes and for sampling industrial hemp commodities and products.

[*(6)*] **(5)** This section does not apply to:

(a) Agricultural hemp seed;

(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable of germination;

(c) Products derived from seeds described in paragraph (b) of this subsection; or

(d) Other parts of industrial hemp that the department identifies by rule as exempt.

SECTION 30. ORS 571.336 is amended to read:

571.336. (1) As used in this section, "licensee," "marijuana," "marijuana item" and "marijuana processor" have the meanings given those terms in ORS 475B.015.

(2) A grower [*registered*] **licensed** under ORS 571.281 may deliver industrial hemp, and a handler [*registered*] **licensed** under ORS 571.281 may deliver industrial hemp concentrates and industrial hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:

(a) The grower or handler and the marijuana processor are registered with the Oregon Liquor Control Commission, in a form and manner prescribed by the commission, for the purpose of processing industrial hemp, industrial hemp concentrates and industrial hemp extracts;

(b) The marijuana processor is provided with the results of any test conducted on the industrial hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.260 to 571.348 as a condition of the marijuana processor's receiving the industrial hemp, industrial hemp concentrate or industrial hemp extract;

(c) The marijuana processor keeps the results of any test that the marijuana processor receives pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;

(d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using the system developed and maintained under ORS 475B.177 when the industrial hemp, industrial hemp concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and

(e) The grower or handler and the marijuana processor meet any other requirement established by the commission by rule.

(3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed by a marijuana processor registered under this section into any industrial hemp commodity or product or used by a marijuana processor registered under this section to supplement the processing of any marijuana item.

(4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item processed pursuant to this section may be delivered by a marijuana processor registered under this section to a licensee as described in ORS 475B.206, provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

(5) The commission may impose an annual fee reasonably calculated to not exceed the cost of administering this section on growers registered under this section, handlers registered under this section and marijuana processors registered under this section. Fees collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296. Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the commission for the purpose of administering this section.

SECTION 31. ORS 571.337 is amended to read:

571.337. (1) As used in this section:

[*(a) "Consumption" has the meaning given that term in ORS 571.330.*]

[*(b)*] **(a)** "Processor" means a person licensed under ORS 475B.090.

[*(c)*] **(b)** "Retailer" means a person licensed under ORS 475B.105.

[*(d)*] **(c)** "Wholesaler" means a person licensed under ORS 475B.100.

(2) [*Except as provided in ORS 571.341,*] A processor, retailer or wholesaler may purchase, receive, transfer, sell or transport industrial hemp, or an industrial hemp commodity or product that contains cannabinoids and is intended for human consumption, only if:

(a) The processor, retailer or wholesaler received the hemp, commodity or product from a grower or handler [*registered*] **licensed** under ORS 571.281 or a processor;

(b) The grower, handler or processor under paragraph (a) of this subsection is registered [*by*] **with** the Oregon Liquor Control Commission as provided under ORS 571.336; and

(c) The hemp, commodity or product meets the requirements for marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the commission.

(3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter **the** hemp, commodity or product that contains cannabinoids, is intended for human consumption and is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, commodity or product is transferred to a laboratory described in ORS 571.330 [*(2)*] **(1)** for testing of a type described under ORS 475B.555. The commission shall continue to track the hemp, commodity or product entered into the system under this subsection when the hemp, commodity or product is transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other areas under the control of the premises licensee.

(4) A processor may transfer, sell or transport an industrial hemp commodity or product to a person that is not a processor, retailer or wholesaler if the industrial hemp commodity or product:

(a) Is tested as described in ORS 475B.555 and otherwise meets the requirements for marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the commission;

(b) Is entered into the tracking system described in ORS 475B.177;

(c) Prior to the transfer, sale or transport, is held by the processor for the duration and in the manner required by the commission by rule; and

(d) Meets any other requirements established by the commission by rule.

[*(4)*] **(5)** The State Department of Agriculture shall adopt rules regarding the activities of growers and handlers under this section.

[*(5)*] **(6)(a)** The commission shall adopt rules regarding the activities of processors, retailers, wholesalers and laboratories under this section.

(b) The commission may adopt rules to carry out subsection (4) of this section.

SECTION 32. ORS 571.339 is amended to read:

571.339. [*A person may not make a retail sale of industrial hemp commodities or products in this state unless the industrial hemp commodities or products and the industrial hemp used to process the industrial hemp commodities or products meet the requirements for processing industrial hemp commodities or products or growing industrial hemp set forth in ORS 571.260 to 571.348 and rules adopted under ORS 571.260 to 571.348.*]

(1) For purposes of this section, "consumer" means a person that purchases, acquires, owns, holds or uses an industrial hemp commodity or product other than for the purpose of resale.

(2) A person may not sell, transfer or deliver to a consumer an industrial hemp commodity or product that contains cannabinoids and is intended for human consumption unless:

(a) The industrial hemp commodity or product has been tested in accordance with ORS 571.330 and any rules adopted pursuant to ORS 571.330;

(b) If the hemp commodity or product is intended for human consumption by ingestion, the hemp commodity or product was processed in a facility licensed by the State Department of Agriculture under ORS 616.695 to 616.755 or in a facility in another state or jurisdiction that meets requirements substantially similar to requirements established under ORS 616.695 to 616.755;

(c) The person obtains and maintains documentation of the results of the testing;

(d) If the industrial hemp commodity or product is sold to a person under 21 years of age or any representations are made to the consumer about the concentration of delta-8-tetrahydrocannabinol, the results of the testing required under this subsection demonstrate the concentration of delta-8-tetrahydrocannabinol;

(e) The industrial hemp commodity or product does not contain more than 0.3 percent tetrahydrocannabinol or the concentration of tetrahydrocannabinol allowed under federal law, whichever is greater; and

(f) The industrial hemp commodity or product does not exceed the concentration of adult use cannabinoids established by the Oregon Liquor Control Commission, in conjunction with the Oregon Health Authority and State Department of Agriculture, by rule.

(3) The testing required under subsection (2) of this section may be conducted only by:

(a) A laboratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS 475B.565; or

(b) If the industrial hemp commodity or product was processed outside of this state, a laboratory accredited to the same or more stringent standards as a laboratory described in paragraph (a) of this subsection.

(4) A person may not sell or deliver an adult use cannabis item to a person under 21 years of age.

(5) This section does not apply to the retail sale of industrial hemp commodities or products by a marijuana retailer, as defined in ORS 475B.015, that holds a license issued under ORS 475B.105.

SECTION 33. ORS 571.345 is amended to read:

571.345. The State Department of Agriculture may by rule or order establish a process providing for the remediation of a violation of ORS 571.330 or 571.333 that is committed by a grower or handler [*registered*] **licensed** under ORS 571.281 and is not committed intentionally.

SECTION 33a. ORS 571.348 is amended to read:

571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture may impose a civil penalty not to exceed $2,500 on a person for violating:

(a) A provision of ORS 571.260 to 571.348;

(b) A rule adopted under a provision of ORS 571.260 to 571.348; or

(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.

(2) In addition to the penalty described in subsection (1) of this section, subject to the provisions of ORS chapter 183, the department may impose a civil penalty not to exceed $10,000 on a person if the person is a grower registered under ORS 571.281 and the department determines that the person's industrial hemp crop contains an average tetrahydrocannabinol concentration of at least 10 percent on a dry weight basis.

[*(2)*] **(3)** The department may not discipline a person under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.

[*(3)*] **(4)** All moneys collected by the department under this section shall be deposited in the General Fund in the State Treasury to the credit of the Industrial Hemp Fund established under ORS 571.278.

SECTION 33b. ORS 571.348, as amended by section 33a of this 2021 Act, is amended to read:

571.348. (1) Subject to the provisions of ORS chapter 183, the State Department of Agriculture may impose a civil penalty not to exceed $2,500 on a person for violating:

(a) A provision of ORS 571.260 to 571.348;

(b) A rule adopted under a provision of ORS 571.260 to 571.348; or

(c) An order issued by the department pursuant to a provision of ORS 571.260 to 571.348 or a rule adopted under a provision of ORS 571.260 to 571.348.

(2) In addition to the penalty described in subsection (1) of this section, subject to the provisions of ORS chapter 183, the department may impose a civil penalty not to exceed $10,000 on a person if the person is a grower [*registered*] **licensed** under ORS 571.281 and the department determines that the person's industrial hemp crop contains an average tetrahydrocannabinol concentration of at least 10 percent on a dry weight basis.

(3) The department may not discipline a person under this section on the basis that possessing, delivering and manufacturing industrial hemp are prohibited by federal law.

(4) All moneys collected by the department under this section shall be deposited in the General Fund in the State Treasury to the credit of the Industrial Hemp Fund established under ORS 571.278.

SECTION 34. ORS 571.341 is repealed.

SECTION 35. The State Department of Agriculture shall issue a license to grow or handle hemp under ORS 571.281 on the date the previous registration is due for renewal to a grower or handler who:

(1) Registered under ORS 571.281 on or before the operative date specified in section 36 of this 2021 Act; and

(2) Meets the requirements for registration renewal.

SECTION 36. (1) Sections 14 to 17 of this 2021 Act, the amendments to ORS 571.260, 571.263, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 19, 20, 23 to 33 and 33b of this 2021 Act, the amendments to sections 18 to 18c of this 2021 Act by sections 18d to 18g of this 2021 Act and the repeal of ORS 571.341 by section 34 of this 2021 Act become operative on January 1, 2022.

(2) The Oregon Health Authority, the Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority, the commission and the department 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 authority, the commission and the department by sections 14 to 17 of this 2021 Act, the amendments to ORS 571.260, 571.263, 571.281, 571.285, 571.288, 571.294, 571.302, 571.327, 571.330, 571.336, 571.337, 571.339, 571.345 and 571.348 by sections 19, 20, 23 to 33 and 33b of this 2021 Act, the amendments to sections 18 to 18c of this 2021 Act by sections 18d to 18g of this 2021 Act and the repeal of ORS 571.341 by section 34 of this 2021 Act.

TASK FORCE ON CANNABIS-DERIVED INTOXICANTS

SECTION 37. (1) The Task Force on Cannabis-Derived Intoxicants is established.

(2) The task force consists of 15 members appointed as follows:

(a) The President of the Senate shall appoint one member from among the members of the Senate;

(b) The Senate Minority Leader shall appoint one member from among the members of the Senate;

(c) The Speaker of the House of Representatives shall appoint one member from among the members of the House of Representatives;

(d) The House Minority Leader shall appoint one member from among the members of the House of Representatives; and

(e) The Governor shall appoint 11 members as follows:

(A) One member who represents counties in this state;

(B) One member who represents cities in this state;

(C) One member who represents law enforcement agencies;

(D) One member who represents industrial hemp growers registered or licensed under ORS 571.281;

(E) One member who represents industrial hemp handlers registered or licensed under ORS 571.281;

(F) The director of the Oregon State University Global Hemp Innovation Center, or a designee of the director;

(G) Two members who represent licensees, as defined in ORS 475B.015;

(H) The Director of Agriculture, or a designee of the director;

(I) The director of the Oregon Health Authority Public Health Division, or a designee of the director; and

(J) The administrator of the Oregon Liquor Control Commission, or a designee of the administrator.

(3) The task force shall consider:

(a) Changes to state law to support the regulation of intoxicating cannabis-derived products and artificially derived cannabinoids;

(b) The consolidation of administrative functions related to the regulation of cannabis;

(c) Methods to prevent sales to minors of industrial hemp commodities or products that contain intoxicating cannabinoids;

(d) Regulation to address genetic engineering of cannabis;

(e) Testing requirements and methods of enforcement of testing requirements for cannabinoids, including artificially derived cannabinoids, to protect the public health and safety;

(f) Policy changes related to interstate commerce and transportation of cannabis;

(g) Changes to state regulation of cannabis as a result of federal laws; and

(h) Input from marijuana and industrial hemp industry members.

(4) A majority of the members of the task force constitutes a quorum for the transaction of business.

(5) Official action by the task force requires the approval of a majority of the members of the task force.

(6) The task force shall elect one of its members to serve as chairperson.

(7) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(8) The task force shall meet at times and places specified by the call of the chairperson or of a majority of the members of the task force.

(9) The task force may adopt rules necessary for the operation of the task force.

(10) Not later than June 30, 2022, the State Department of Agriculture shall report to the task force on the implementation of section 18 of this 2021 Act.

(11)(a) The task force shall submit a report in the manner provided by ORS 192.245, and shall include initial findings and recommendations for legislation, to the interim committee of the Legislative Assembly related to economic development no later than December 31, 2021.

(b) The task force shall submit a report in the manner provided by ORS 192.245, and shall include final findings and recommendations for legislation, to the interim committee of the Legislative Assembly related to economic development no later than December 31, 2022. The report submitted under this paragraph must include a summary of the information submitted to the task force by the department under subsection (10) of this section.

(12) The Oregon Liquor Control Commission and the State Department of Agriculture, in consultation with the Oregon Health Authority and the Department of Revenue, shall provide staff support to the task force.

(13) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force.

(14) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of the duties of the task force and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the task force consider necessary to perform their duties.

SECTION 38. Section 37 of this 2021 Act is repealed on January 2, 2023.

ILLEGAL MARIJUANA MARKET ENFORCEMENT GRANT PROGRAM FUNDING

SECTION 39. Section 16, chapter 103, Oregon Laws 2018, is amended to read:

Sec. 16. (1) Notwithstanding ORS 475B.759, before making any other distribution from the Oregon Marijuana Account established under ORS 475B.759, the Department of Revenue shall first distribute quarterly from the account the following:

(a) $875,000 to the Oregon Liquor Control Commission for deposit in the Marijuana Control and Regulation Fund established under ORS 475B.296; and

(b) [*$375,000*] **$750,000** to the Oregon Criminal Justice Commission for deposit into the Illegal Marijuana Market Enforcement Grant Program Fund established under section 15 [*of this 2018 Act*]**, chapter 103, Oregon Laws 2018,** for the purposes of paying the costs incurred by the commission in carrying out the provisions of section 13 [*of this 2018 Act*]**, chapter 103, Oregon Laws 2018**.

(2) The final distribution made under subsection (1) of this section shall be made in the fiscal quarter beginning on October 1, 2023.

ENFORCEMENT

SECTION 40. (1) The Oregon Liquor Control Commission shall, with the assistance of the State Department of Agriculture, create and continually update a map of the locations of industrial hemp operations registered or licensed under ORS 571.281 and premises for which a license has been issued under ORS 475B.070.

(2) The commission shall make the map described in subsection (1) of this section available to law enforcement agencies in this state and public employees and officials who are responsible for the enforcement of state and local laws regulating industrial hemp or marijuana.

SECTION 41. (1) A person commits the crime of unlawful production of marijuana if the person produces marijuana or industrial hemp:

(a) At a location that is not confirmed by the Oregon Health Authority, the Oregon Liquor Control Commission or the State Department of Agriculture to be the location of an industrial hemp operation registered or licensed under ORS 571.281, a premises for which a license was issued under ORS 475B.090 or a marijuana grow site registered under ORS 475B.810; and

(b) In an amount that is not allowed by state law.

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

(3) Marijuana or industrial hemp that is unlawfully produced, as described in subsection (1) of this section, is considered contraband and may be destroyed by a law enforcement agency.

SECTION 41a. (1) The Oregon Liquor Control Commission, in consultation with the State Department of Agriculture, shall develop by rule a methodology to distinguish whether a cannabis plant is marijuana or industrial hemp for purposes of sections 40 to 44 of this 2021 Act. The methodology must include testing criteria and cannabinoid concentrations above which immature or mature cannabis plants are presumptively considered to be marijuana.

(2) The department may order a person registered or licensed under ORS 571.281 to destroy any cannabis plants located at an industrial hemp operation for which the person described in this subsection is responsible if the cannabis plants are presumptively considered to be marijuana under the methodology adopted pursuant to subsection (1) of this section.

SECTION 42. (1) The State Department of Agriculture may enter into an interagency agreement with the Oregon Liquor Control Commission to allow representatives of the commission to carry out inspections of industrial hemp crops under ORS 571.281 (7).

(2) The department and the commission may adopt rules to carry out this section.

SECTION 43. (1) Pursuant to rules adopted by the State Department of Agriculture under subsection (2) of this section:

(a) Law enforcement officers may accompany the department to an industrial hemp operation for the purposes of providing protection for the department's representatives; and

(b) Public employees and officials who are responsible for the enforcement of state and local laws may accompany the department to an industrial hemp operation in order to carry out inspections that the public employees or officials are authorized to perform.

(2) The department shall adopt rules to carry out this section.

SECTION 44. The Governor may order that the Oregon National Guard provide assistance and support to the State Department of Agriculture and law enforcement in carrying out inspections of industrial hemp crops under ORS 571.281 (7) and other duties of the department related to the enforcement of ORS 571.260 to 571.348.

SECTION 45. Sections 40 to 44 of this 2021 Act are repealed on January 1, 2024.

FISCAL PROVISIONS

SECTION 46. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 1 (2), chapter __, Oregon Laws 2021 (Enrolled House Bill 5018), for the biennium beginning July 1, 2021, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Liquor Control Commission for marijuana regulation - recreational, is increased by $399,007.

SECTION 47. Notwithstanding any other provision of law, the General Fund appropriation made to the Oregon Health Authority by section 1 (1), chapter __, Oregon Laws 2021 (Enrolled House Bill 5024), for the biennium beginning July 1, 2021, for health systems, health policy and analytics, and public health, is increased by $730,917.

SECTION 48. Notwithstanding any other law limiting expenditures, the limitation on expenditures established by section 3, chapter __, Oregon Laws 2021 (Enrolled House Bill 5005), for the biennium beginning July 1, 2021, as the maximum limit for payment of expenses from

fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Oregon Criminal Justice Commission, is increased by $3,000,000 for additional Illegal Marijuana Market Enforcement Grant Program grants.

OPERATIVE DATE FOR INTRASTATE DELIVERY PROVISIONS

SECTION 49. Section 8, chapter 155, Oregon Laws 2021 (Enrolled House Bill 2519), is amended to read:

Sec. 8. (1) Sections 2 and 3 [*of this 2021 Act*]**, chapter 155, Oregon Laws 2021,** and the amendments to ORS 475B.206, 475B.220, 475B.261 and 475B.301 by sections 4 to 7 [*of this 2021 Act*]**, chapter 155 Oregon Laws 2021,** become operative on January 1, [*2020*] **2022**.

(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 or after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by sections 2 and 3 [*of this 2021 Act*]**, chapter 155, Oregon Laws 2021,** and the amendments to ORS 475B.206, 475B.220, 475B.261 and 475B.301 by sections 4 to 7 [*of this 2021 Act*]**, chapter 155, Oregon Laws 2021**.

CAPTIONS

SECTION 50. The unit captions used in this 2021 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 2021 Act.

EMERGENCY CLAUSE

SECTION 51. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Passed by House June 21, 2021

Repassed by House June 26, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate June 25, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
House Bill 2284

Sponsored by Representatives CLEM, SMITH DB; Representatives CATE, EVANS, HELM, LEVY, WILLIAMS (Presession filed.)

CHAPTER .....

AN ACT

Relating to hemp; and prescribing an effective date.

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

SECTION 1. As used in sections 1 to 36 of this 2021 Act:

(1) "Fiscal year":

(a) Except as provided in paragraph (b) of this subsection, means the 12-month period commencing on July 1 and ending on June 30.

(b) If adopted by rule by the Oregon Hemp Commission, means the 12-month period commencing on January 1 and ending on December 31.

(2) "Hemp" means the plant species Cannabis sativa that:

(a) Has a tetrahydrocannabinol concentration that complies with the concentration specified by the State Department of Agriculture by rule; and

(b) Has the meaning as defined by the department by rule.

(3) "Processor" has the meaning given the term "handler" in ORS 571.269.

(4) "Producer" has the meaning given the term "grower" in ORS 571.269.

SECTION 2. (1) It is hereby declared, as a matter of legislative determination, that sections 1 to 36 of this 2021 Act are enacted in the exercise of the power of the state for the purposes of protecting and furthering the public health and welfare. It is further declared that the hemp industry of this state is affected with a public interest in that, among other things:

(a) The production, processing, manufacture and distribution of hemp and hemp products constitute a paramount industry of this state that not only provides substantial and required revenues for the state and its political subdivisions, and employment and a means of livelihood for many thousands of its population, but also provides essential foods, supplements and other agricultural, commercial and industrial products that are vital to the public health and welfare.

(b) The stabilization, maintenance and expansion of the hemp industry of Oregon, and of the state, national and international markets for hemp products, are necessary to assure the consuming public an adequate supply of foods and supplements that are indispensable in a proper human diet, as well as other agricultural, commercial and industrial products to protect, for the state and its political subdivisions, a necessary source of tax revenue, to provide and maintain an adequate standard of living for a great segment of the population of this state, to maintain proper wage scales for those engaged in the hemp industry and to maintain existing employment.

(c) The essential nature of hemp and hemp products is such as to require that the public be made aware of the essential nature of hemp and hemp products, and be protected against misrepresentation and deception, by the dissemination of accurate and scientific information about various hemp and hemp products, their various classifications, the food values and industrial and therapeutic uses of hemp and hemp products, the methods, care and precautions necessary to their proper production, processing, manufacture and distribution, the necessary costs and expenses of the production, processing, manufacture and distribution of hemp and hemp products and the necessity and desirability on the part of the public of using and consuming hemp and hemp products of the highest standards of quality.

(2) The purposes of sections 1 to 36 of this 2021 Act are:

(a) To enable the hemp industry, with the aid of the state, to develop, maintain and expand the state, national and international markets for hemp and hemp products produced, processed or manufactured in this state, and the use and consumption of hemp and hemp products in the state, national and international markets.

(b) In aid, but not in limitation, of the purposes described in paragraph (a) of this subsection, to authorize and enable the Oregon Hemp Commission to formulate and effectuate, directly or in cooperation with other agencies and instrumentalities specified in sections 1 to 36 of this 2021 Act, sales stimulation and consumer or other educational programs designed to increase the use and consumption of hemp and hemp products and to conduct research, education and information programs related to the hemp industry.

SECTION 3. (1) The State Department of Agriculture shall:

(a) Monitor the methods and practices used or proposed by the Oregon Hemp Commission in carrying out the goals and meeting the needs disclosed by the budget of the commission;

(b) Promote cooperation among the Oregon Hemp Commission, the commodity commissions, the Oregon Beef Council and the Oregon Wheat Commission, and assist in the interchange of information and experiences among those entities;

(c) Carry out the assigned organizational procedures under sections 1 to 36 of this 2021 Act, including the appointment and removal of members of the Oregon Hemp Commission;

(d) Review budgets submitted to the Director of Agriculture by the commission; and

(e) Adopt rules to carry out the provisions of sections 1 to 36 of this 2021 Act.

(2) The department shall review, and may approve or disapprove, plans and projects recommended by the Oregon Hemp Commission for promotion, advertising and research and for the dissemination of consumer and hemp industry information. In reviewing a plan or project under this subsection, the department shall consider whether the plan or project is:

(a) Factual;

(b) Not disparaging to other agricultural commodities; and

(c) Consistent with the purposes of sections 1 to 36 of this 2021 Act.

SECTION 4. (1) In the same manner as that provided in ORS 576.206, the Director of Agriculture shall appoint seven temporary members to the Oregon Hemp Commission. In appointing the temporary members, the director shall consider any recommendations by commodity commissions, producers and producer associations. All temporary members of the commission must be citizens of the United States and residents of this state.

(2)(a) A majority of the temporary members must be producers.

(b) A producer member appointed under subsection (1) of this section must have produced hemp under a license or registration issued by the State Department of Agriculture for at least three years prior to the member's appointment.

(c) At least one member must be a processor. A processor member appointed under this subsection must have processed hemp under a license or registration issued by the department for at least three years prior to the member's appointment.

(d) At least one member must be a member of the public who is not associated with the production or processing of hemp.

(3) The temporary members shall adopt rules for the commission in accordance with ORS chapter 183, including but not limited to rules:

(a) Establishing the number and geographic representation of the commissioners;

(b) Providing for recommending the removal of commissioners;

(c) Setting a stipend and per diem for the commissioners; and

(d) Relating to the assessment rate and procedures described in sections 1 to 36 of this 2021 Act.

(4) The terms of temporary members expire on the date of the first meeting of the commissioners appointed under subsection (6) of this section, but not later than one year after the effective date of this 2021 Act.

(5) A qualified temporary member is eligible for appointment to a term on the commission under subsection (6) of this section.

(6) Except as provided in subsection (11) of this section, the director shall appoint the commissioners to the commission in accordance with rules adopted under subsection (3) of this section. In appointing the commissioners, the director shall consider any recommendations by commodity commissions, producers and producer associations. The commissioners appointed under this subsection may be the same as the temporary members appointed under subsection (1) of this section. All commissioners must be citizens of the United States and residents of this state.

(7)(a) All commissioners other than processors and the members of the public must be producers.

(b) A majority of the commissioners must be producers that have produced hemp under a license or registration issued by the department for at least three years prior to appointment to the commission.

(c) At least one commissioner must be a processor that has processed hemp under a license or registration issued by the department for at least three years prior to the commissioner's appointment.

(d) At least one commissioner must be a member of the public who is not associated with the production or processing of hemp.

(8) The term of a commissioner appointed under subsection (6) of this section is four years unless a shorter term is established by the commission by rule to provide for staggered terms. A commissioner is eligible for reappointment unless otherwise provided by the commission by rule. Before the expiration of a commissioner's term, the director shall appoint a successor to assume office upon expiration of the term. If there is a vacancy on the commission for any reason, including a reason specified in section 6 or 7 of this 2021 Act, the director shall appoint a person to the unexpired term.

(9) The commission shall select one member to serve as chairperson, another member to serve as vice chairperson and another member to serve as secretary-treasurer with the duties and powers that the commission deems appropriate to those offices.

(10) A temporary member of the commission and a commissioner are entitled to compensation and expenses in the manner and amounts provided in ORS 292.495. Claims for compensation earned and expenses incurred in performing the functions of the commission shall be paid out of funds available to the commission.

(11) The commission may amend the rules adopted by the temporary members under subsection (3) of this section.

SECTION 5. The Director of Agriculture and the Dean of the College of Agricultural Sciences of Oregon State University are ex officio nonvoting members of the Oregon Hemp Commission.

SECTION 6. The Director of Agriculture shall immediately declare the office of a member of the Oregon Hemp Commission who is a producer or processor vacant if the director finds that:

(1) The member is no longer actively engaged in hemp production or processing;

(2) The member has become a resident of another state; or

(3) The member is otherwise unable to perform the duties of the office.

SECTION 6a. The Director of Agriculture shall immediately declare the office of a member of the Oregon Hemp Commission who is a member of the public vacant if the director finds that the member has become a producer or processor.

SECTION 7. (1) The Director of Agriculture may remove a member of the Oregon Hemp Commission for inefficiency, neglect of duty or misconduct in office if the director provides:

(a) At least 10 days before the date of a public hearing on the issue of removal of the member, service on the member of:

(A) A copy of the charges against the member; and

(B) Notice of the time and place of the public hearing on the issue of removal; and

(b) A public hearing on the issue of removal of the member at which the member must have the opportunity to be heard in person or by counsel and to present evidence to answer the charges and explain the facts alleged against the member.

(2) In the case of removal, the director shall file with the office of the Secretary of State a complete statement of all charges against the member, and the findings on the charges, along with a record of the entire removal proceedings.

SECTION 8. (1) The Oregon Hemp Commission may adopt rules to establish the amount of payment that a member of the commission receives under ORS 292.495 for each day, or portion of a day, during which the member is engaged in the performance of official duties. Any rules adopted under this section must specify that the amount must be at least the amount of payment that would otherwise be provided under ORS 292.495.

(2) Members, officers and employees of the commission must receive their actual and necessary travel and other expenses reasonably incurred in the performance of their official duties. Subject to any limitations described under ORS 292.495 (2), the commission shall adopt rules governing the incurring and paying of the expenses described in this subsection.

SECTION 9. (1) The Oregon Hemp Commission shall establish a meeting place anywhere in this state, but must consider in selecting the location the convenience of the majority of those persons most likely to have business with the commission or to be affected by the acts of the commission.

(2) Notwithstanding subsection (1) of this section, the commission may participate in meetings outside the state for the purposes of advancing the work of the commission.

(3) The commission may take action only at meetings held within this state.

SECTION 10. The Oregon Hemp Commission may:

(1) Conduct scientific research to discover and develop the commercial value of hemp and hemp products.

(2) Disseminate reliable information founded upon the research conducted under sections 1 to 36 of this 2021 Act that shows the value of hemp and hemp products for any purpose for which hemp and hemp products may be found useful and profitable.

(3) Study federal and state legislation with respect to tariffs, duties, reciprocal trade agreements, import quotas and other matters concerning the effect of the legislation on the hemp industry, and represent and protect the interests of the hemp industry with respect to any legislation, proposed legislation or executive action that may affect the hemp industry.

(4) Act jointly and in cooperation with the federal government, or any federal agency, in the administration of any program of the federal government or federal agency that the commission determines is beneficial to the hemp industry in this state, and expend funds in connection with the administration of a program described in this subsection, provided that the program is compatible with the powers conferred on the commission by sections 1 to 36 of this 2021 Act.

(5) Enter into contracts for advertising hemp and for developing new markets through advertising.

(6) Develop plans or projects for promotion and advertising research, consumer information and industry information, and create programs that will lead to the development of new markets, marketing strategies, increased efficiency and activities to enhance the image of the hemp industry.

(7) Appoint all subordinate officers and employees of the commission and establish their duties and compensation.

(8) Levy the assessments described in section 18 of this 2021 Act.

(9) Borrow money in amounts that do not exceed estimated revenues from assessments for the year.

(10) Enter into contracts for carrying out the duties of the commission, in addition to those duties described in subsection (5) of this section.

(11) Subject to ORS 30.260 to 30.300, sue and be sued in the name of the commission.

(12) Request that the Attorney General prosecute in the name of the State of Oregon suits and actions for the collection of assessments levied by the commission.

(13) Participate in federal and state hearings or other proceedings concerning regulation of the manufacture, distribution, sale or use of pesticides as defined in ORS 634.006 or other chemicals that are of use or potential use to producers. This subsection does not authorize the commission to regulate the use of pesticides.

(14) To the extent consistent with the duties of the commission, participate in and cooperate with local, state, national and international private organizations or governmental agencies that engage in work similar to that of the commission.

(15) Provide mechanisms for maintaining and expanding existing markets and developing new domestic and international markets for hemp, including but not limited to:

(a) Public relations programs;

(b) Media relations programs;

(c) Paid print and electronic advertising;

(d) Point of sale promotion and coupon programs; and

(e) Activities that prevent, modify or eliminate trade barriers that obstruct the free flow of hemp to market.

(16) Conduct and fund research, in addition to that described in subsection (1) of this section, to:

(a) Enhance the commercial value of hemp and hemp products;

(b) Discover the benefits to public health, the environment or the economy of consuming or otherwise using hemp;

(c) Develop better and more efficient production, harvesting, irrigation, processing, transportation, handling, marketing and uses of hemp;

(d) Control or eradicate hazards to hemp, including but not limited to hazards from diseases, pests and weeds, while supporting coexistence between hemp and other agricultural crops, including marijuana;

(e) Develop viable alternatives for the rotation of crops;

(f) Determine new or potential demand for hemp and develop appropriate market development strategies for capturing that demand; and

(g) Measure the effectiveness of marketing, advertising or promotional programs.

(17) Gather, publicize and disseminate information that shows the importance of the consumption and other uses of hemp to public health, the environment, the economy and the proper nutrition of children and adults.

(18) Further the purposes of this section by funding scholarships for or providing financial assistance to persons or entities interested in hemp.

(19) Adopt rules as necessary to carry out the duties, functions and powers conferred on the commission by this section.

SECTION 11. **(1)(a) The Oregon Hemp Commission may contract with an independent contractor for the performance of any service, except that the commission may not contract with an independent contractor to perform discretionary functions of the commission.**

(b) ORS 279.835 to 279.855 and ORS chapters 240, 279A, 279B and 279C do not apply to the commission in obtaining services described in this subsection, except that a contract for services described in this subsection may not take effect until the contract is approved by the State Department of Agriculture under subsection (7) of this section and the Department of Justice under subsection (8) of this section.

(2)(a) The commission may rent space or acquire supplies and equipment from any contractor as described in subsection (1) of this section.

(b) ORS 276A.206, 279.835 to 279.855 and 283.085 to 283.092 and ORS chapters 276, 278, 279A, 279B, 279C and 283 do not apply to rentals or acquisitions described in this subsection.

(3) Except as provided in this section, a contractor described in subsection (1) of this section shall be considered an independent contractor and not an employee, eligible employee, public employee or employee of the state for purposes of Oregon law, including ORS chapters 236, 238, 238A, 240, 243, 291, 316 and 652.

(4) Nothing in this section precludes the state or the commission from being considered the employer of the contractor described in subsection (1) of this section for purposes of unemployment compensation under ORS 670.600 and ORS chapter 657.

(5) A contractor described in subsection (1) of this section shall be considered an independent contractor and not a worker for purposes of ORS 670.600 and ORS chapter 656.

(6) A contractor described in subsection (1) of this section may not be considered a public official, public officer, state officer or executive official for purposes of Oregon law, including ORS 171.725 to 171.785 and ORS chapters 236, 244, 292, 295 and 297.

(7) The State Department of Agriculture shall review the contract described in subsection (1) of this section for the adequacy of the clauses pertaining to statement of work, starting and ending dates, consideration, subcontracts, funds authorized in the budget, amendments, termination, compliance with applicable law, assignment and waiver, access to records, indemnity, ownership of work product, nondiscrimination, successors in interest, attorney fees, tax certification or merger or any other clause the department deems necessary.

(8) The Department of Justice shall review any contracts, agreements and similar funding devices that meet or exceed the fund threshold established by the department by rule.

(9) The Oregon Department of Administrative Services, in consultation with the State Department of Agriculture, shall adopt rules necessary for the screening and selection of independent contractors under this section.

(10) Except as provided under subsection (9) of this section, the State Department of Agriculture may adopt rules as necessary to carry out this section.

SECTION 12. **(1) The Oregon Hemp Commission shall:**

(a) Adopt a budget, obtain budget approval and submit financial statements in the same manner as a commodity commission acting under ORS 576.416.

(b) Receive, deposit, invest, expend and budget moneys in the same manner as a commodity commission acting under sections 26, 31, 32 and 33 of this 2021 Act.

(2) The commission may accept grants, donations or contributions from any source and for expenditures for any purpose consistent with the powers conferred on the commission.

SECTION 13. **(1) Upon request by the Oregon Hemp Commission, the Oregon Department of Administrative Services may:**

(a) Purchase or otherwise provide for acquiring or furnishing supplies, materials, equipment and services, other than personal services, that the commission requires and for independent contractors to furnish professional services to the commission.

(b) Provide for printing and multiple duplication work for the commission under ORS 282.010 to 282.050, except for printing and binding that advertises or promotes hemp or hemp products.

(c) Provide for services to the commission for disposing of surplus, obsolete or unused supplies, materials and equipment under ORS 279A.280.

(d) Provide for central telephone service, central mail service and messenger services to the commission under ORS 283.140.

(e) Provide motor vehicles for use by members, officers and employees of the commission under ORS 283.305 to 283.350.

(2) The commission shall pay to the department an amount for services performed by the department under subsection (1) of this section that the department determines is adequate to reimburse the department.

(3) Upon request by the commission, the department may design and supervise the installation of an accounting system for the commission. The commission shall pay to the department an amount for services performed by the department under this subsection that the department determines is adequate to reimburse the department.

SECTION 14. (1) The Oregon Hemp Commission may elect to provide services, facilities and materials to commodity commissions created under ORS 576.051 to 576.455, the Oregon Wheat Commission, the Oregon Beef Council and other state agencies and officers under ORS 283.110.

(2) Upon request by the Oregon Hemp Commission, any other entity described in subsection (1) of this section may provide services, facilities and materials to the commission under ORS 283.110.

SECTION 15. ORS 291.026, 291.201 to 291.222, 291.232 to 291.260, 291.322 to 291.334, 292.210 to 292.250, 293.260 to 293.280, 293.295 to 293.346 and 293.590 to 293.640 do not apply to the Oregon Hemp Commission or to the administration and enforcement of sections 1 to 36 of this 2021 Act.

SECTION 16. (1) Wages or salaries of employees of the Oregon Hemp Commission are not subject to personnel compensation plans for state employees established by the Oregon Department of Administrative Services under ORS 240.235 to 240.250.

(2) The commission is not required to utilize office space provided or obtained by the department as provided in ORS chapter 276.

(3) The State Department of Agriculture may charge and collect from the commission an assessment or fee to reimburse the department for supervisory or administrative functions the department is required by law to perform for the commission. The department shall establish the amount of the assessment or fee by rule.

SECTION 17. (1) As used in this section, "intellectual property" means patents, copyrights, trademarks, inventions, discoveries, processes, ideas and other similar property, whether or not they are patentable or copyrightable.

(2)(a) The Oregon Hemp Commission may:

(A) Consistent with the purposes of the commission, develop intellectual property that relates to hemp or assists in the implementation, maintenance or development of commission programs.

(B) Take all necessary and proper actions, including but not limited to entering into contracts and other agreements and owning, managing, disposing of or using the intellectual property.

(b) The commission shall adopt rules to govern the ownership, management, disposal and use of intellectual property and other activities of the commission relating to intellectual property.

(3) Moneys received by the commission as a result of the ownership, management, disposal or use of intellectual property, or other activities of the commission relating to intel-

lectual property, must be deposited into the account established by the commission as described in section 26 of this 2021 Act.

SECTION 18. (1) As used in this section:

(a) "Commodity" means hemp.

(b) "Industry average unit price" means the average unit price for the raw commodity within the industry and includes prices that are calculated using a one-year, two-year or three-year average and data from the most recent complete year or years preceding the year of determination.

(2)(a) The Oregon Hemp Commission may assess, levy and collect an assessment in an amount determined by rule, on all units of the commodity grown or produced in this state and sold or transferred in commercial channels. The commission may not apply an assessment to a transaction that occurred prior to the effective date of the rule in which the commission adopted the assessment.

(b) The commission may assess, levy and collect a differential assessment in an amount determined by the commission by rule, based on the intended use, type or variety and value of the commodity.

(c) Casual sales made by a producer directly to a consumer are exempt from the assessment described in this subsection.

(d) The commission may by rule define and regulate processing and casual sales of the commodity and the methods of assessment under this section.

(3) The amount of the assessment provided for in subsection (2) of this section is limited as follows:

(a) If the commission assesses on a unit basis, the maximum assessment may not exceed 1.5 percent of the industry average unit price. The commission may determine the industry average unit price by considering data and estimates of the United States Department of Agriculture, Oregon State University or other reliable sources.

(b) If the commission assesses on a percentage of the dollar value basis, the maximum assessment may not exceed 1.5 percent of the dollar value that a producer receives for the raw commodity. If the dollar value is not otherwise determinable, the commission may establish the dollar value based on the industry average unit price for that year for the raw commodity.

(4) The commission shall assess, levy and collect an assessment under subsection (2) of this section from the producer at the time and in the manner provided by the commission by rule. The commission is the owner of a collected assessment. A person who collects an assessment holds the assessment in trust for the benefit of the commission and the state, and shall remit the assessment as required by the commission under section 20 of this 2021 Act.

(5) Notwithstanding subsection (4) of this section, the commission may assess, levy and collect an assessment from a producer as determined by the commission by rule. Except as provided in subsection (6) of this section, the assessment may not exceed the limits described in subsection (3) of this section.

(6) Notwithstanding subsection (5) of this section, the commission may assess, levy and collect an assessment in excess of the limits described in subsection (3) of this section pursuant to a federal marketing order or agreement.

(7) A person who believes that the amount of an assessment is incorrect may apply to the commission for a refund not later than 60 days after the date on which the person paid the assessment.

SECTION 19. (1) The Oregon Hemp Commission may establish by rule exemptions from the assessments described in section 18 of this 2021 Act based on:

(a) Hemp quantities;

(b) Types of hemp sales;

(c) Types of hemp producers; and

(d) Types of hemp processors.

(2) In adopting a rule under subsection (1) of this section, the commission shall consider:

(a) Federal laws and rules, and laws and rules of other states, that relate to commodity commissions, boards and marketing orders;

(b) The practices, procedures and customs unique to the production, processing and trading of hemp and to producers; and

(c) The cost of collecting the particular assessment and any practical problems relating to the collection.

(3) A producer or processor that is exempted from assessment but required to submit reports to the commission is subject to section 22 of this 2021 Act.

SECTION 20. (1) A person responsible for collecting an assessment on behalf of the Oregon Hemp Commission:

(a) Shall report to the commission as required by the commission by rule.

(b) Who fails to deduct an assessment at the time of sale shall report and pay the assessment to the commission.

(2) This section applies to a producer that is required to report and pay an assessment.

SECTION 21. (1) When a processor lives, or has the processor's office, in Oregon, the producer shall report all transfers or sales made to the processor on forms provided by the Oregon Hemp Commission and pay the assessment moneys directly to the commission.

(2) When a processor lives, or has the processor's office, in another state or country or is a federal or other governmental agency, the producer shall report all transfers or sales made to the processor on forms provided by the Oregon Hemp Commission and pay the assessment moneys directly to the commission.

(3) If a producer is also licensed as a processor and performs all or part of the producer's processing functions that would normally be performed by another person in the role of processor, the producer shall report all transfers or sales of hemp from the production of the producer on forms provided by the commission and pay the assessment moneys directly to the commission.

SECTION 22. (1) A person required to pay or collect an assessment on hemp under sections 1 to 36 of this 2021 Act shall maintain accurate records sufficient to enable the Oregon Hemp Commission to determine by inspection and audit the accuracy of assessments paid or due to the commission and of reports made or due to the commission.

(2) For purposes of determining the accuracy of assessments paid or due to the commission, the commission, or a person authorized by the commission, may:

(a) Make an inspection during normal business hours of the business premises of a person required to pay or collect an assessment; and

(b) Audit the records of a person required to pay or collect an assessment.

(3) For purposes of determining the accuracy of assessments paid or due to the commission, the commission may issue a subpoena for the production of any books, records or documents related to the payment or collection of an assessment to a person required to pay or collect the assessment.

(4) If an audit determines that a person is delinquent in the payment or collection of an assessment, the person shall pay the cost of the audit, not to exceed an amount equal to the delinquent assessment.

SECTION 23. (1) In addition to the penalties prescribed in section 36 of this 2021 Act, a person who delays transmittal of funds beyond the time set by the Oregon Hemp Commission shall pay a penalty of 10 percent of the amount due and one and one-half percent interest per month on the unpaid balance of the assessment.

(2) The commission may waive the penalty and interest described in subsection (1) of this section upon a showing of good cause, as determined by the commission by rule.

(3) Notwithstanding subsection (1) of this section, if an assessment is collected pursuant to a federal marketing order or agreement, the commission may establish a penalty or interest rate that is consistent with the federal marketing order or agreement.

SECTION 24. (1) If a person responsible for the transmittal of assessment moneys to the Oregon Hemp Commission fails to relinquish assessment moneys collected, the person shall pay an amount equal to twice the amount of the unrelinquished assessment moneys.

(2) The commission may commence a civil action or utilize any other available legal or equitable remedy to collect an assessment or civil penalty, obtain injunctive relief or obtain specific performance under sections 1 to 36 of this 2021 Act.

(3) If the person responsible for the transmittal of assessment moneys is a cooperative, corporation or joint venture, all directors and officers of the cooperative, corporation or joint venture are personally liable for a failure to relinquish the assessment moneys collected by the cooperative, corporation or joint venture.

(4) If the commission obtains a favorable judgment in an action or suit under subsection (2) of this section, the court shall award to the commission costs and reasonable attorney fees.

SECTION 25. (1) A producer may dispute the amount of an assessment levied against the producer on a unit basis under section 18 of this 2021 Act if the total assessment levied against the producer during an assessment period established by the Oregon Hemp Commission by rule exceeds the total dollar value received by the producer for the hemp during that assessment period multiplied by the maximum lawful assessment percentage.

(2) A producer who disputes the amount of an assessment as provided under subsection (1) of this section may file a challenge to the assessment with the commission not more than 60 days after the close of the assessment period. The challenge must be filed on a form provided by the State Department of Agriculture. The commission shall process a challenge under this section pursuant to rules adopted under subsection (4) of this section.

(3) A producer filing a challenge under this section has the burden of proving the total dollar value received by the producer during the assessment period. If the producer is also licensed as a processor, the producer also has the burden of proving the prices paid to the producer are equivalent to prices paid in arm's-length transactions. The commission shall refund the amount of the assessment that the producer proves is in excess of the total dollar value received by the producer for the hemp during the assessment period multiplied by the maximum lawful assessment percentage.

(4)(a) The department shall adopt rules to carry out this section. Rules adopted under this paragraph must include, but need not be limited to, procedures for filing, processing and formal or informal resolution of challenges and for determining hemp prices paid in arm's-length transactions.

(b) The commission shall adopt rules establishing assessment periods and may adopt other rules as necessary and that do not conflict with the rules adopted by the department under this subsection.

SECTION 26. (1)(a) Moneys a person collects or receives from the assessment levied pursuant to section 18 of this 2021 Act, and other moneys the Oregon Hemp Commission receives, must be paid to the authorized agent of the commission and promptly deposited into an account established by the commission in a depository, as defined in ORS 295.001, that is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

(b) In a manner consistent with the requirements of ORS 295.001 to 295.108, the chairperson, vice chairperson and secretary-treasurer for the commission shall ensure that sufficient collateral secures any amount of funds on deposit that exceeds the coverage limits established by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund.

(c) All moneys in the account are continuously appropriated to the commission for the purposes of carrying out the commission's duties, functions and powers.

(2) Moneys may not be withdrawn from or paid out of the account except upon order of the commission, and upon checks or other orders upon accounts signed by the secretary-treasurer or other member of the commission that the commission designates and countersigned by another member, officer or employee of the commission that the commission designates. The commission shall keep a receipt, voucher or other written record showing clearly the nature and items covered by each check or other order.

(3) Subject to approval by the Director of Agriculture, the commission may invest moneys the commission collects or receives. Investments the commission makes are:

(a) Limited to investments described in ORS 294.035;

(b) Subject to the investments maturity date limitations described in ORS 294.135; and

(c) Subject to the conduct prohibitions listed in ORS 294.145.

(4) Interest earned from any moneys the commission invests under subsection (3) of this section is available to the commission in a manner consistent with the commission's annual budget.

(5) In addition to, or in lieu of, investments described in subsection (3) of this section, the commission may invest in the investment pool described in ORS 294.805. For purposes of ORS 294.805 to 294.895, the commission is a public corporation and the secretary-treasurer of the commission is the local government official.

SECTION 27. (1) A person authorized by the Oregon Hemp Commission to receive or disburse moneys under sections 1 to 36 of this 2021 Act shall obtain a fidelity bond from the Oregon Department of Administrative Services.

(2) The bond must be in an amount equal to the maximum amount of moneys that the commission determines the person may control. The commission may establish conditions on the person's control of moneys under this section.

(3) The commission shall pay the cost of the bond.

(4) If the person is an employee of the commission, the department shall purchase the bond and the commission shall pay the cost of the bond.

SECTION 28. The Oregon Hemp Commission may cancel an uncollectible assessment consistent with ORS 293.240. Subsequent collection of debt written off under ORS 293.240 is governed by ORS 293.245.

SECTION 29. The Oregon Hemp Commission shall maintain accurate books, records and accounts of its dealings. The books, records and accounts of the commission must be open to inspection and audit by the Secretary of State.

SECTION 30. (1) The Oregon Hemp Commission shall adopt an annual budget, using classifications of expenditures and revenues required by ORS 291.206. The budget described in this subsection is not subject to review by the Legislative Assembly or to future modification by the Emergency Board or the Legislative Assembly.

(2)(a) The commission shall follow generally accepted accounting principles and keep financial and statistical information as necessary to completely and accurately disclose the financial operations of the commission as required by the Secretary of State.

(b) The budget must show:

(A) The estimated receipts and expenditures by or under the authority of the commission under sections 1 to 36 of this 2021 Act for the fiscal year for which the budget is adopted; and

(B) The actual receipts and expenditures by or under the authority of the commission for the fiscal year preceding the fiscal year in which the proposed budget is prepared, and the estimated receipts and expenditures by or under the authority of the commission for the fiscal year in which the budget is prepared.

(3) Estimated receipts and expenditures for the fiscal year for which the budget is adopted must be fully itemized and be prepared and arranged clearly to show each item of

receipts and expenditures. To the extent practicable, the items of receipts and expenditures must be arranged under major groups or categories that are the same as the most recent classifications of revenue and expenditures established pursuant to ORS 291.206.

(4) The budget must contain only one estimate for emergency or other expenditures that are unforeseen at the time the budget is prepared.

(5)(a) The commission shall call and hold at least one public meeting on the proposed budget. The commission shall, in determining the time and place of the meeting, consider the convenience of the majority of the producers licensed by the State Department of Agriculture.

(b) At a meeting described in this subsection, any person has the right to be heard with respect to the proposed budget.

(6) At least 14 days prior to the date of a meeting described in subsection (5) of this section, the commission shall publish notice at least once in a newspaper of general circulation in this state. The notice must include the purpose, time and place of the meeting and state that a copy of the proposed budget is available for public inspection at the place of business of the commission or other location.

(7)(a) After a budget has been adopted, the commission shall submit to the Director of Agriculture a copy of the budget and an affidavit setting forth the pertinent facts relating to the preparation and adoption of the budget. The director shall examine the budget and affidavit within 30 days of their receipt.

(b) If the director determines that the estimated receipts and expenditures conform with the authority of the commission and other requirements, and the facts set forth in the affidavit indicate the budget was lawfully prepared and adopted, the director shall certify those determinations on the copy of the budget and make the budget final.

(c) If the director determines that the budget fails to meet requirements, the director shall immediately notify the commission of the failures. The commission shall promptly take all practicable measures to remedy the failures and resubmit a copy of the budget to the director.

(d) The director shall retain the certified copy of the final budget and make the budget available for public inspection during normal business hours of the State Department of Agriculture.

(8) The commission shall:

(a) Prepare an annual financial statement of commission revenues and expenses and make the statement available for public review;

(b) Provide a copy of the annual financial statement and other required reports to the department not later than 20 days after the end of the fiscal year; and

(c) Upon request of the Secretary of State, provide a copy of the statement to the secretary.

SECTION 31. An expenditure of moneys for a fiscal year may not be made or incurred by or under the authority of the Oregon Hemp Commission under sections 1 to 36 of this 2021 Act unless the commission complies with section 30 of this 2021 Act.

SECTION 32. (1) Except as otherwise provided in subsection (2) of this section, an expenditure of moneys for a fiscal year may not be made or incurred by or under the authority of the Oregon Hemp Commission under sections 1 to 36 of this 2021 Act:

(a) In excess of the total amount of expenditures estimated for the fiscal year in the budget adopted for the fiscal year or in excess of the total amount of expenditures estimated for any major category in the budget adopted for the fiscal year.

(b) For any purpose different than that indicated by the major category in the budget adopted for the fiscal year.

(2) An expenditure of moneys for a fiscal year unforeseen at the time the budget is prepared may not be made or incurred by or under the authority of the commission under

sections 1 to 36 of this 2021 Act in excess of the amount of unforeseen expenditures estimated as provided in section 30 of this 2021 Act.

SECTION 33. (1) Subject to section 32 (2) of this 2021 Act, expenditures of moneys for a fiscal year unforeseen at the time the Oregon Hemp Commission budget is prepared may be made or incurred by order of the commission. When an unforeseen expenditure of moneys occurs in a fiscal year, the commissioners must approve a motion for an order of a fund transfer. The motion must include:

(a) The amount and purpose of the expenditure and why the expenditure was unforeseen;

(b) A request for the certification by the Director of Agriculture of the order;

(c) The specific major category of the budget to which the specific funds are to be allocated; and

(d) The specific major category of the budget from which the funds are to be transferred.

(2) At least one copy of the order for the fund transfer must be filed in the office of the commission and made available for public inspection during normal business hours of the commission.

(3) The commission shall send the request for certification of the order for the fund transfer to the director. The director shall:

(a) Examine the request, the commission's most recent financial statement, the minutes of the meeting at which the commissioners approved the motion to request the order and the budget to which the order relates.

(b) Certify the order if the director determines that the form of the order is in accordance with the law, that the facts set forth in the order and the budget to which the order relates indicate that the order is in accordance with the law and that the proposed unforeseen expenditure is appropriate to accomplish the goals and needs of the commission.

(c) Immediately notify the commission if the director determines that the order is defective because:

(A) Of a failure to comply with section 30 of this 2021 Act;

(B) The final budget or the preparation or adoption of the final budget is defective; or

(C) The estimated expenditures do not conform with statutory requirements.

(4) If the director finds that the order is defective, the commission shall promptly take all practicable steps to remedy the defects.

(5) After certifying an order under this section, the director shall retain the certified copy of the order and make the copy available for public inspection during normal business hours of the State Department of Agriculture.

SECTION 34. (1) Unless the Legislative Assembly orders a refund pursuant to subsection (2) of this section, if the Legislative Assembly abolishes the Oregon Hemp Commission, any moneys remaining in the possession of the abolished commission on the effective date of the abolishment are transferred to Oregon State University and are continuously appropriated to the university for research benefitting producers.

(2) The Legislative Assembly may order in an Act dissolving the commission that any moneys remaining in the possession of the abolished commission on the effective date of the abolishment be refunded on a proportional basis to the persons who paid assessments to the commission during the assessment year in which the commission was abolished.

SECTION 35. Any sale of hemp by a producer or processor is a sale in commercial channels for the purposes of section 36 of this 2021 Act.

SECTION 36. Violation of any provision of sections 1 to 36 of this 2021 Act is a Class C misdemeanor.

SECTION 37. Sections 1 to 36 of this 2021 Act apply to hemp produced, processed, delivered, transferred or sold on and after the operative date specified in section 38 of this 2021 Act.

SECTION 38. (1) Sections 1 to 36 of this 2021 Act become operative on January 1, 2022.

(2) The Director of Agriculture, the State Department of Agriculture, the Department of Justice and the Oregon Department of Administrative Services may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the director and the departments 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 director and the departments by sections 1 to 36 of this 2021 Act.

SECTION 39. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

Passed by House April 26, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate June 2, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
Senate Bill 408

Sponsored by Senator PROZANSKI (at the request of Oregon Retailers of Cannabis Association, Oregon Cannabis Association, F.A.R.M.S. Inc.) (Presession filed.)

CHAPTER .....

AN ACT

Relating to marijuana; creating new provisions; amending ORS 475B.060, 475B.070, 475B.105, 475B.206, 475B.256, 475B.337, 475B.341, 475B.615 and 475B.625; and declaring an emergency.

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

ENFORCEMENT REFORM

SECTION 1. ORS 475B.060 is amended to read:

475B.060. (1) The Oregon Liquor Control Commission shall approve or deny an application to be licensed under ORS 475B.010 to 475B.545. **Except as provided in subsection (2) of this section,** upon receiving an application under ORS 475B.040, the commission may not [*unreasonably*] delay processing, approving or denying the application or, if the application is approved, issuing the license.

(2) The commission may delay processing, approving or denying an application described in subsection (1) of this section only if:

(a) The applicant, or a person named on the application, holds a license issued under ORS 475B.010 to 475B.545 and the commission has issued a notice proposing revocation of the license for one or more violations of ORS 475B.010 to 475B.545 that are administrative in nature, as determined by the commission, or a notice proposing suspension of the license pursuant to ORS 305.385;

(b) The applicant is applying for a license at a premises where the applicant seeks to assume ownership of an existing business for which a license has been issued under ORS 475B.010 to 475B.545 and the commission has issued a notice proposing revocation of the license for the existing business or a notice proposing suspension of the license for the existing business pursuant to ORS 305.385; or

(c) The commission has received information from law enforcement that the applicant or a person named on the application is engaging, or has engaged, in the unregulated commerce of marijuana items or unlawful manufacture or delivery of controlled substances.

[*(2)*] **(3)** The licenses described in ORS 475B.010 to 475B.545 must be issued by the commission, subject to the provisions of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.

[*(3)*] **(4)** The commission may not license a premises that does not have defined boundaries. A premises does not need to be enclosed by a wall, fence or other structure, but the commission may

require a premises to be enclosed as a condition of issuing or renewing a license. The commission may not license a mobile premises.

SECTION 2. The amendments to ORS 475B.060 by section 1 of this 2021 Act apply to applications received by the Oregon Liquor Control Commission on or after the effective date of this 2021 Act.

SECTION 3. ORS 475B.256 is amended to read:

475B.256. (1) **Subject to subsection (3) of this section,** the Oregon Liquor Control Commission may revoke, suspend or restrict a license issued under ORS 475B.010 to 475B.545 or require a licensee or licensee representative to undergo training if the commission finds or has reasonable ground to believe [*any of the following to be true:*]

[*(a)*] that the licensee or licensee representative:

[*(A)*] **(a)** Has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

(b) Has diverted marijuana to the interstate market or an illicit market or has diverted resources to a criminal enterprise.

(c) Has introduced into the marijuana industry regulated under ORS 475B.010 to 475B.545 cannabinoids or marijuana not produced or processed by a licensee and not tracked in the system developed and maintained under ORS 475B.177.

[*(B)*] **(d)** Has made any false representation or statement to the commission **regarding compliance with a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545** in order to induce or prevent action by the commission.

[*(C) Is insolvent or incompetent or physically unable to carry on the management of the establishment of the licensee.*]

[*(D)*] **(e)** Is in the habit of using alcoholic liquor, habit-forming drugs, marijuana or controlled substances to excess.

[*(E)*] **(f)** Has misrepresented to a customer or the public any marijuana items sold by the licensee or licensee representative.

[*(F)*] **(g)** Since the issuance 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 premises for which the license has been issued.

(h) Has sold a marijuana item to a person under 21 years of age.

[*(b) That there is any other reason that, in the opinion of the commission, based on public convenience or necessity, warrants revoking, suspending or restricting the license.*]

(2) In addition to the grounds listed in subsection (1) of this section, the commission may take an action described in subsection (1) of this section if there is a history of a lack of institutional control involving the premises for which a license has been issued under ORS 475B.010 to 475B.545.

(3)(a) The commission may revoke a license under subsection (1)(a) of this section only when the conduct poses a significant risk to public health or safety.

(b) The commission shall consider as mitigating factors to the conduct described in subsection (1) of this section the following:

(A) Self-reporting by a licensee or applicant;

(B) A demonstration that, to the satisfaction of the commission, the conduct of the licensee or applicant is not persistent or serious; and

(C) A demonstration that, to the satisfaction of the commission, the licensee's willingness and ability to adequately control the premises for which a license has been issued under ORS 475B.010 to 475B.545 and any inventory stored at the premises.

(4) The commission may suspend or restrict a license issued under ORS 475B.010 to 475B.545 or require a licensee or licensee representative to undergo training if the commission finds or has reasonable grounds to believe that the licensee or licensee representative has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

(5) The commission may suspend or revoke a permit issued under ORS 475B.266 to an individual rather than suspend or revoke a license issued under ORS 475B.010 to 475B.545 if the commission determines that permit suspension or revocation is more appropriate.

[*(2)(a)*] **(6)(a)** The commission [*shall*] **may** revoke a marijuana retailer license issued under ORS 475B.105 if the licensee fails to:

(A) Pay the tax as required under ORS 475B.710 twice in any four consecutive quarters and the Department of Revenue has issued to the licensee a distraint warrant under ORS 475B.715 for the nonpayment of tax; or

(B) File a return as required under ORS 475B.710 twice in any four consecutive quarters and the department has issued to the licensee a notice of determination and assessment under ORS 475B.715 for failure to file a return.

(b) The department's written notice to the commission that a licensee described under this subsection has failed to pay a tax or file a return twice in any four consecutive quarters, and that the department has issued a distraint warrant or notice of determination and assessment, shall constitute prima facie evidence of the licensee's failure to pay the tax or file a return.

SECTION 4. Section 5 of this 2021 Act is added to and made a part of ORS 475B.010 to 475B.545.

SECTION 5. The Oregon Liquor Control Commission shall establish by rule a schedule outlining the numbers and types of violations described in ORS 475B.256 that, if committed within a two-year period by an applicant for a license issued under ORS 475B.010 to 475B.545 or a licensee indicate a disregard for the law or a failure to control the premises for which a license has been issued under ORS 475B.010 to 475B.545. The schedule adopted under this section must include a definition of the categories of violations, elements of the violations and a method by which to apply any aggravating or mitigating circumstances to the violations.

SECTION 6. (1) Not later than December 31, 2021, the Oregon Liquor Control Commission shall submit a report, in the manner provided under ORS 192.245, to an interim committee of the Legislative Assembly related to the judiciary. The report must summarize the commission's rulemaking activities under section 5 of this 2021 Act between the effective date of this 2021 Act and December 31, 2021, including but not limited to rulemaking focused on the commission's mission to support businesses, public safety and community livability through public education and the enforcement of marijuana laws.

(2) Not later than December 31, 2022, the commission shall submit a report, in the manner provided under ORS 192.245, to an interim committee of the Legislative Assembly related to the judiciary, that summarizes the commission's rulemaking activities under section 5 of this 2021 Act between January 1, 2022 and December 31, 2022. The report must include a summary of at least the following:

(a) Rulemaking focused on the commission's mission to support businesses, public safety and community livability through public education and the enforcement of marijuana laws; and

(b) The cannabis industry's participation in the rulemaking process, the number of violations in each category defined under section 5 of this 2021 Act with which the commission has charged an applicant or licensee, as defined in ORS 475B.015, and an analysis of voluntary compliance by applicants and licensees that receive warnings of violations from the commission.

SECTION 7. Section 6 of this 2021 Act is repealed on January 1, 2024.

TRANSFER OF MARIJUANA

SECTION 8. Sections 9 and 10 of this 2021 Act are added to and made a part of ORS 475B.010 to 475B.545.

SECTION 9. **(1) As used in this section, "commonly owned" means, as further defined by the Oregon Liquor Control Commission by rule, that a person included on an application for a license under ORS 475B.070 has an interest in or authority over the management of another entity for which a license has been issued under ORS 475B.070.**

(2) A marijuana producer that holds a license issued under ORS 475B.070 may deliver to or receive from a marijuana processor that holds a license issued under ORS 475B.090:

(a) Cannabinoid products, cannabinoid extracts and cannabinoid concentrates processed by the marijuana processor from marijuana produced by the marijuana producer and that do not contain marijuana produced by any other marijuana producer; and

(b) Marijuana produced by the marijuana producer that the marijuana processor received from the marijuana producer but that the marijuana processor did not process.

(3) Two or more marijuana producers that hold licenses issued under ORS 475B.070 and are commonly owned by the same person may deliver to and receive from one another marijuana and usable marijuana.

SECTION 10. **(1) In order to transport marijuana items, a licensee must create a manifest that contains the following information:**

(a) The name of the driver of the transport vehicle;

(b) Identifying information for the driver's permit issued under ORS 475B.266;

(c) The license plate number, make and model of the transport vehicle;

(d) The name of the licensee from which the marijuana or marijuana items are being transported;

(e) A detailed inventory of the marijuana and marijuana items being transported;

(f) The location of any overnight stop during transportation, and the estimated time of the overnight stop; and

(g) The destination of the marijuana and marijuana items being transported.

(2) Except as provided in subsection (1)(f) of this section, a manifest created under this section is not required to include transport route information.

(3) The transport driver shall carry in the transport vehicle a copy of the manifest.

SECTION 11. ORS 475B.105 is amended to read:

475B.105. (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. To hold a retail license under this section, a marijuana retailer:

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

(b) Must provide proof that the applicant is 21 years of age or older;

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

(d) Except as provided in ORS 475B.109, may not be located within 1,000 feet of:

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

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Notwithstanding ORS 475B.206, allow a marijuana retailer to deliver marijuana items to another marijuana retailer that [*is owned by the same or substantially the same persons*] **has on the marijuana retailer's license application a person that has an interest in or authority over the management of the other marijuana retailer**;

(e) Subject to the limitations and privileges described in ORS 475B.146 (3), allow a marijuana retailer registered under ORS 475B.146 to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana retailer to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail, excepting those circumstances where differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

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

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

MARIJUANA PLANT DIVERSITY

SECTION 12. ORS 475B.070 is amended to read:

475B.070. (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. To hold a production license issued under this section, a marijuana producer:

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

(b) Must provide proof that the applicant is 21 years of age or older; and

(c) Must meet the requirements of any rule adopted by the commission under subsections (3) and (4) of this section.

(3)(a) If the applicant is not the owner of the premises at which the marijuana is to be produced, the applicant shall submit to the commission signed informed consent from the owner of the premises to produce marijuana at the premises.

(b) The commission may adopt rules regarding the informed consent described in this subsection.

(4) The commission shall adopt rules that:

(a) Require a marijuana producer to annually renew a license issued under this section;

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

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

(d) Assist the viability of marijuana producers that are independently owned and operated and that are limited in size and revenue with respect to other marijuana producers, by minimizing barriers to entry into the regulated system and by expanding, to the extent practicable, transportation options that will support their access to the retail market;

(e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for medical purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana producer to produce marijuana for nonmedical purposes, excepting those circumstances where differentiating between the production of marijuana for medical purposes and the production of marijuana for nonmedical purposes is necessary to protect the public health and safety;

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

(g) Require a marijuana producer to meet any public health and safety standards and industry best practices established by the commission by rule related to the production of marijuana or the propagation of immature marijuana plants and marijuana seeds**; and**

(h) Support marijuana plant diversity by allowing a qualified marijuana producer to receive marijuana seeds from any source in this state, but not more than a total of 200 marijuana seeds per month from all sources combined.

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545;

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

(c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 13. ORS 475B.206 is amended to read:

475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and rules adopted pursuant to ORS 475B.070**, a marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued under ORS 475B.100 may deliver marijuana items only to or on a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105, or to a registry identification cardholder or designated primary caregiver as allowed under ORS 475B.010 to 475B.545.

(2) A licensee to which marijuana items may be delivered under subsection (1) of this section may receive marijuana items only from:

(a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued under ORS 475B.100, marijuana retailer that holds a license issued under ORS 475B.105 or a laboratory licensed under ORS 475B.560;

(b) A researcher of cannabis that holds a certificate issued under ORS 475B.286 and that transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

(c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167; or

(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS 475B.825 and any procedures adopted by rule by the commission.

(3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises for which the license has been issued, but deliveries may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the premises prior to delivery.

(4) The commission may by order waive the requirements of subsections (1) and (2) of this section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued under this subsection does not constitute a waiver of any other requirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

POSSESSION AND CONCENTRATION LIMITS

SECTION 14. ORS 475B.337 is amended to read:

475B.337. (1) Except for licensees and licensee representatives acting in accordance with ORS 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545, it is unlawful for any person 21 years of age or older to possess, knowingly or intentionally:

(a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess of the amount allowed under ORS 475B.301 (1).

(b) More than [*one ounce*] **two ounces** of usable marijuana in a public place.

(c) More than eight ounces of usable marijuana.

(d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

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

(f) More than one ounce of cannabinoid extracts.

(g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105.

(2) Except as provided in subsection (3) of this section, unlawful possession of a marijuana item is a Class A misdemeanor.

(3) Unlawful possession of a marijuana item is:

(a) A Class B violation, if the amount possessed is not more than two times the applicable maximum amount specified in subsection (1)(a) to (f) of this section.

(b) A 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 (1)(a) to (f) of this section.

(c) A Class C felony, if the amount possessed is:

(A) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (e) or (f) of this subsection;

(B) More than eight pounds of usable marijuana in a public place; or

(C) More than one-quarter ounce of cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105.

SECTION 15. ORS 475B.341 is amended to read:

475B.341. (1) Except for licensees and licensee representatives acting in accordance with ORS 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545, it is unlawful for any person under 21 years of age to possess, knowingly or intentionally:

(a) An amount of plants in the genus Cannabis within the plant family Cannabaceae in excess of the amount allowed under ORS 475B.301 (1).

(b) More than [*one ounce*] **two ounces** of usable marijuana in a public place.

(c) More than eight ounces of usable marijuana.

(d) More than 16 ounces of cannabinoid products in solid form or cannabinoid concentrates.

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

(f) More than one ounce of cannabinoid extracts.

(g) A cannabinoid extract that was not purchased from a marijuana retailer that holds a license under ORS 475B.105.

(2) Except as provided in subsection (3) of this section, unlawful possession of a marijuana item by a person under 21 years of age is a Class A misdemeanor.

(3) Unlawful possession of a marijuana item by a person under 21 years of age is a Class C felony, if the amount possessed is:

(a) More than 16 times the applicable maximum amount specified in subsection (1)(a), (c), (d), (e) or (f) of this subsection;

(b) More than eight pounds of usable marijuana in a public place; or

(c) More than one-quarter ounce of cannabinoid extract that was not purchased from a marijuana retailer that holds a license issued under ORS 475B.105.

SECTION 16. ORS 475B.625 is amended to read:

475B.625. (1) The [*Oregon Health Authority*] **Oregon Liquor Control Commission** shall adopt rules establishing:

(a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract; and

(b) The number of servings that are permitted in a **package of** cannabinoid product or cannabinoid concentrate or extract [*package*].

(2)(a) In adopting rules under subsection (1)(a) of this section, the [*authority*] **commission** shall prescribe the different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for:

(A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

(b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid registry identification card issued under ORS 475B.797, the [*authority*] **commission** shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

(3) In adopting rules under ORS 475B.785 to 475B.949, the **Oregon Health** Authority shall **adopt by rule requirements established by the commission by rule to** require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and [*packaging*] **servings per package** standards adopted by rule pursuant to this section.

(4)**(a)** In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control*] commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the concentration standards and [*packaging*] **servings per package** standards adopted by rule pursuant to this section.

(b) The rules adopted by the commission under this subsection must allow for a concentration of up to 100 milligrams of tetrahydrocannabinol per package of cannabinoid edibles.

PACKAGING REQUIREMENTS

SECTION 17. ORS 475B.615 is amended to read:

475B.615. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control Commission shall adopt rules establishing standards for the packaging of marijuana items, including but not limited to:

(a) Ensuring that [*usable marijuana,*] cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products are:

(A) Packaged in child-resistant safety packaging; and

(B) Not marketed in a manner that:

(i) Is untruthful or misleading;

(ii) Is attractive to minors; or

(iii) Otherwise creates a significant risk of harm to public health and safety; [*and*]

(b) Ensuring that usable marijuana, including usable marijuana that is pre-rolled, is not marketed in a manner that:

(A) Is untruthful and misleading;

(B) Is attractive to minors; or

(C) Otherwise creates a significant risk of harm to public health and safety; and

[*(b)*] **(c)** Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a manner that is attractive to minors.

(2) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section**,** the commission:

(a) May establish different packaging standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts;

(b) May establish different minimum packaging standards for persons registered under ORS 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;

(c) May consider the effect on the environment of requiring certain packaging;

(d) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(e) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 18. The Oregon Liquor Control Commission shall study the laws of this state and the commission rules related to recreational marijuana and identify any changes to laws or rules that would further reduce the use of plastics by the recreational marijuana industry. Not later than December 31, 2022, the commission shall report its findings and recommendations for legislation and rule changes to an interim committee of the Legislative Assembly related to the environment.

SECTION 19. Section 18 of this 2021 Act is repealed on January 2, 2023.

CAPTIONS

SECTION 20. The unit captions used in this 2021 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 2021 Act.

OPERATIVE AND EFFECTIVE DATES

SECTION 21. (1) Sections 9 and 10 of this 2021 Act and the amendments to ORS 475B.070, 475B.105, 475B.206, 475B.256, 475B.337, 475B.341, 475B.615 and 475B.625 by sections 3 and 11 to 17 of this 2021 Act become operative on January 1, 2022.

(2) The Oregon Liquor Control Commission and the Oregon Health Authority may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission and the authority 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 and the authority by sections 9 and 10 of this 2021 Act and the amendments to ORS 475B.070, 475B.105, 475B.206, 475B.256, 475B.337, 475B.341, 475B.615 and 475B.625 by sections 3 and 11 to 17 of this 2021 Act.

SECTION 22. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Passed by Senate May 6, 2021

Repassed by Senate June 9, 2021

.....
Lori L. Brocker, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House June 7, 2021

.....
Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
House Bill 2519

Sponsored by Representative HELM, Senator PROZANSKI; Representatives FAHEY, POWER, REARDON, WILDE, WITT, Senator FREDERICK (Presession filed.)

CHAPTER .....

AN ACT

Relating to intrastate delivery of marijuana items; creating new provisions; amending ORS 475B.206, 475B.220, 475B.261 and 475B.301; and prescribing an effective date.

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

SECTION 1. Sections 2 and 3 of this 2021 Act are added to and made a part of ORS 475B.010 to 475B.545.

SECTION 2. (1) The governing body of a city or county may adopt ordinances that allow the delivery of marijuana items to consumers located within the jurisdiction of the city or county from an adjacent city or county.

(2) If the governing body of a city or county adopts an ordinance under this section, the governing body must provide the text of the ordinance to the Oregon Liquor Control Commission.

(3) A city or county that adopts an ordinance under this section may not impose a tax or fee on the retail price or delivery cost of marijuana items delivered within the city or county.

SECTION 3. (1) A marijuana retailer that holds a license issued under ORS 475B.105 may make deliveries to a consumer pursuant to the consumer's bona fide order received by the marijuana retailer. The delivery of marijuana items under this section may be made to a consumer:

(a) Within the same city or unincorporated area of the county in which the marijuana retailer is located; or

(b) In a city or the unincorporated area of a county that is adjacent to the city or unincorporated area of the county in which the marijuana retailer is located, provided the adjacent city or county has adopted an ordinance allowing for the delivery of marijuana items by a marijuana retailer located in an adjacent city or unincorporated area of a county.

(2) A marijuana retailer that makes deliveries under this section shall:

(a) Ensure that deliveries are made in an efficient and timely manner.

(b) Upon request, provide to the Oregon Liquor Control Commission information on each vehicle used to make deliveries of marijuana items under this section, including the make, model, year, color, vehicle identification number and registration plate number.

(c) Maintain an electronic or physical record of each bona fide order for the delivery of marijuana items that the marijuana retailer fulfills.

(d) Report to the commission, and as necessary to the appropriate law enforcement agency, any accidents or losses involving a delivery vehicle.

(3) An individual who makes deliveries on behalf of a marijuana retailer under this section:

(a) Shall:

(A) Hold a permit issued under ORS 475B.266 and carry the permit while making deliveries under this section.

(B) Have a method of secure electronic communication in order to communicate with the marijuana retailer for which the individual is making deliveries.

(C) Maintain an electronic or physical record of a bona fide order for a delivery of a marijuana item.

(D) Present to the consumer a printed or electronic delivery manifest and obtain on the manifest the consumer's written or electronic signature verifying completion of the delivery of marijuana items.

(E) Except in the case of an emergency or unsafe road conditions or as necessary for fuel, rest or vehicle repair, travel only between the premises of the marijuana retailer and the locations at which the deliveries of marijuana items are made.

(b) May not:

(A) Leave a delivery vehicle that contains marijuana items unattended unless the delivery vehicle is locked and equipped with an active vehicle alarm system.

(B) Carry more than $10,000 worth of marijuana items in a delivery vehicle at any one time.

(C) Consume, or be under the influence of, marijuana while making deliveries under this section.

(4) A delivery vehicle must:

(a) While being used for making deliveries, be equipped with an active global positioning system device that tracks the location of the delivery vehicle and enables the marijuana retailer for which the deliveries are being made to identify the location of the delivery vehicle.

(b) Be equipped with a lockable container in a secured cargo area of the delivery vehicle that is of a size appropriate to contain the marijuana items being delivered.

(c) Be free of any markings that may indicate that the delivery vehicle is used for the purpose of delivering marijuana items.

(5) A delivery of marijuana items may not be made to a consumer who is located on land owned or leased by the federal government.

(6) The commission may adopt rules to carry out the purposes of this section.

SECTION 4. ORS 475B.206 is amended to read:

475B.206. (1) Except as provided in ORS 475B.136 and 475B.873, a marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued under ORS 475B.100 may deliver marijuana items only to or on a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105, or to a registry identification cardholder or designated primary caregiver as allowed under ORS 475B.010 to 475B.545.

(2) A licensee to which marijuana items may be delivered under subsection (1) of this section may receive marijuana items only from:

(a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued under ORS 475B.100, marijuana retailer that holds a license issued under ORS 475B.105 or a laboratory licensed under ORS 475B.560;

(b) A researcher of cannabis that holds a certificate issued under ORS 475B.286 and that transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

(c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167; or

(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS 475B.825 and any procedures adopted by rule by the commission.

(3) **Except as provided in section 3 of this 2021 Act,** the sale of marijuana items by a marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises for which the license has been issued[*, but deliveries may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the premises prior to delivery*].

(4) The commission may by order waive the requirements of subsections (1) and (2) of this section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued under this subsection does not constitute a waiver of any other requirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

SECTION 5. ORS 475B.220 is amended to read:

475B.220. (1) As used in this section, "information that may be used to identify a consumer" means information that may be acquired through the production of a piece of identification as described in ORS 475B.216, whether the information is contained in a piece of identification described in ORS 475B.216 or in a different document or record.

(2) A consumer may not be required to procure for the purpose of acquiring or purchasing a marijuana item a piece of identification other than:

(a) A piece of identification described in ORS 475B.216; and

(b) If the consumer is a registry identification cardholder, as defined in ORS 475B.791, a registry identification card, as defined in ORS 475B.791.

(3) A marijuana retailer may not record and retain any information that may be used to identify a consumer, except as necessary to make deliveries to consumers pursuant to [*ORS 475B.206 (3)*] **section 3 of this 2021 Act**, as required by any rules adopted under [*ORS 475B.206 (3)*] **section 3 of this 2021 Act**.

(4) A marijuana retailer may not transfer any information that may be used to identify a consumer to any other person.

(5)(a) Notwithstanding subsection (3) of this section, a marijuana retailer may record and retain the name and contact information of a consumer for the purpose of notifying the consumer of services that the marijuana retailer provides or of discounts, coupons and other marketing information if:

(A) The marijuana retailer asks the consumer whether the marijuana retailer may record and retain the information; and

(B) The consumer consents to the recording and retention of the information.

(b) This subsection does not authorize a marijuana retailer to transfer information that may be used to identify a consumer.

(6) This section does not apply to deidentified information the documentation and transfer of which is required by the Department of Revenue for purposes of ORS 475B.707.

SECTION 6. ORS 475B.261 is amended to read:

475B.261. (1) An individual who performs work for or on behalf of a licensee must have a valid permit issued by the Oregon Liquor Control Commission under ORS 475B.266 if the individual participates in:

(a) The **delivery,** possession, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued;

(b) The recording of the **delivery,** possession, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued; or

(c) The verification of any document described in ORS 475B.216.

(2) A licensee must verify that an individual has a valid permit issued under ORS 475B.266 before allowing the individual to perform any work described in subsection (1) of this section at the premises for which the license has been issued.

SECTION 7. ORS 475B.301 is amended to read:

475B.301. ORS 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.055, 475B.060, 475B.063, 475B.065, 475B.068, 475B.070, 475B.085, 475B.090, 475B.100, 475B.105, 475B.115, 475B.119, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.173, 475B.177, 475B.206, 475B.211, 475B.216, 475B.224, 475B.232, 475B.236, 475B.241, 475B.246, 475B.256, 475B.261, 475B.266, 475B.276, 475B.281, 475B.286, 475B.296, 475B.461, 475B.474, 475B.479, 475B.486, 475B.491, 475B.501, 475B.506, 475B.514, 475B.518, 475B.521, 475B.523, 475B.526 and 475B.529 **and sections 2 and 3 of this 2021 Act** do not apply:

(1) To the production or storage of homegrown plants in the genus Cannabis within the plant family Cannabaceae that are otherwise subject to ORS 475B.010 to 475B.545 at a household by one or more persons 21 years of age and older, if the total amount of homegrown plants at the household does not exceed four plants at any time.

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

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

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

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

(6) To the possession of cannabinoid extracts at a household by one or more persons 21 years of age or older, if the cannabinoid extracts were purchased from a marijuana retailer that holds a license under ORS 475B.105, or transferred by a medical marijuana dispensary registered by the Oregon Health Authority under ORS 475B.858, and the total amount of cannabinoid extracts at the household does not exceed one ounce at any time.

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

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

(9) To the delivery of not more than 72 ounces of cannabinoid products in liquid form at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

(10) To the delivery of not more than 16 ounces of cannabinoid concentrates at a time by a person 21 years of age or older to another person 21 years of age or older for noncommercial purposes.

SECTION 8. (1) Sections 2 and 3 of this 2021 Act and the amendments to ORS 475B.206, 475B.220, 475B.261 and 475B.301 by sections 4 to 7 of this 2021 Act become operative on January 1, 2020.

(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 or after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by sections 2 and 3 of this 2021 Act and the amendments to ORS 475B.206, 475B.220, 475B.261 and 475B.301 by sections 4 to 7 of this 2021 Act.

<u>SECTION 9.</u> This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

Passed by House April 10, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 20, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
Senate Bill 808

Sponsored by COMMITTEE ON JUDICIARY AND BALLOT MEASURE 110 IMPLEMENTATION

CHAPTER .....

AN ACT

Relating to cannabis; amending ORS 133.005; and declaring an emergency.

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

SECTION 1. ORS 133.005 is amended to read:

133.005. As used in ORS 133.005 to 133.400 and 133.410 to 133.450, unless the context requires otherwise:

(1) "Arrest" means to place a person under actual or constructive restraint or to take a person into custody for the purpose of charging that person with an offense. A "stop" as authorized under ORS 131.605 to 131.625 is not an arrest.

(2) "Federal officer" means a special agent or law enforcement officer employed by a federal agency who is empowered to effect an arrest with or without a warrant for violations of the United States Code and who is authorized to carry firearms in the performance of duty.

(3) "Peace officer" means:

(a) A member of the Oregon State Police;

(b) A sheriff, constable, marshal, municipal police officer or reserve officer or a police officer commissioned by a university under ORS 352.121 or 353.125;

(c) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or any other state;

(d) An investigator of the Criminal Justice Division of the Department of Justice of the State of Oregon;

(e) A humane special agent as defined in ORS 181A.345;

(f) A regulatory specialist exercising authority described in ORS 471.775 (2)**, 475B.025 or 475B.299**;

(g) An authorized tribal police officer as defined in ORS 181A.680; or

(h) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181A.540.

(4) "Reserve officer" means an officer or member of a law enforcement agency who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission or the Governor or a member of the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

<u>SECTION 2.</u> This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Passed by Senate May 5, 2021

.....
Lori L. Brocker, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House June 1, 2021

.....
Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
House Bill 3295

Sponsored by Representatives KROPF, ZIKA

CHAPTER .....

AN ACT

Relating to marijuana revenue; creating new provisions; amending ORS 475B.759 and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)); and prescribing an effective date.

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

SECTION 1. ORS 475B.759, as amended by section 10, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), is amended to read:

475B.759. (1) There is established the Oregon Marijuana Account, separate and distinct from the General Fund.

(2) The account shall consist of moneys transferred to the account under ORS 475B.760.

(3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the Oregon Marijuana Account.

(b) Before making other transfers of moneys required by this section, the department shall transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon Marijuana Account in excess of $11,250,000.

[*(b)*] **(c)** Subject to subsection (4) of this section, and after making the transfer of moneys required by [*subsection (7) of this section*] **paragraph (b) of this subsection**, the department shall transfer quarterly 20 percent of the moneys in the Oregon Marijuana Account as follows:

(A) Ten percent of the moneys in the account must be transferred to the cities of this state in the following shares:

(i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the population of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a) of this section compared to the population of all cities of this state that are not exempt from this paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

(ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each city compared to the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises in this state located in cities; and

(B) Ten percent of the moneys in the account must be transferred to counties in the following shares:

(i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of the calendar quarter preceding the date of the transfer for all premises located in each county compared to the total commercially available area of all

grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of that calendar quarter for all premises located in this state; and

(ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each county compared to the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.105 on the last business day of that calendar quarter for all premises in this state.

[*(c)*] **(d)** After making the transfer of moneys required by [*subsection (7) of this section, eighty*] **paragraph (b) of this subsection, 80** percent of the remaining moneys in the Oregon Marijuana Account must be used as follows:

(A) Forty percent of the moneys in the account must be used solely for purposes for which moneys in the State School Fund established under ORS 327.008 may be used;

(B) Twenty percent of the moneys in the account must be used solely for mental health treatment or for alcohol and drug abuse prevention, early intervention and treatment;

(C) Fifteen percent of the moneys in the account must be used solely for purposes for which moneys in the State Police Account established under ORS 181A.020 may be used; and

(D) Five percent of the moneys in the account must be used solely for purposes related to alcohol and drug abuse prevention, early intervention and treatment services.

(4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys under subsection [*(3)(b)(A)*] **(3)(c)(A)** of this section.

(b) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070 is required is not eligible to receive transfers of moneys under subsection [*(3)(b)(B)(i)*] **(3)(c)(B)(i)** of this section.

(c) A county that has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.090, 475B.100 or 475B.105 is required is not eligible to receive transfers of moneys under subsection [*(3)(b)(B)(ii)*] **(3)(c)(B)(ii)** of this section.

(d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county ordinance adopted on or after January 1, 2018, that prohibits the establishment of a premises for which a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required but allows in the unincorporated area of the county the continued operation of an existing premises for which a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required.

(B) A county that adopts an ordinance described in subparagraph (A) of this paragraph shall certify the adoption of the ordinance under subsection (6) of this section.

(5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer of moneys for that quarter shall return the amount transferred to the Department of Revenue, with interest as described under paragraph (f) of this subsection. An ineligible city or county may voluntarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligible transfer.

(b) If the Director of the Oregon Department of Administrative Services determines that a city or county received a transfer of moneys under subsection [*(3)(b)*] **(3)(c)** of this section but was ineligible to receive that transfer under subsection (4) of this section, the director shall provide notice to the ineligible city or county and order the city or county to return the amount received to the Department of Revenue, with interest as described under paragraph (f) of this subsection. A city or county may appeal the order within 30 days of the date of the order under the procedures for a contested case under ORS chapter 183.

(c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall notify the Department of Revenue and the ineligible city or county. Upon notification, the Department of Revenue immediately shall proceed to collect the amount stated in the notice.

(d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the collection of income and excise taxes and may proceed to collect the amounts described in the no-

tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection described in this subsection is not precluded by any statute of limitations.

(e) If a city or county is subject to an order to return moneys from an ineligible transfer, the city or county shall be denied any further relief in connection with the ineligible transfer on or after the date that the order becomes final.

(f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on the date the ineligible transfer was made.

(g) Both the moneys and the interest collected from or returned by an ineligible city or county shall be redistributed to the cities or counties that were eligible to receive a transfer under subsection [*(3)(b)*] **(3)(c)** of this section on the date the ineligible transfer was made.

(6)(a) Not later than July 1 of each year, each city and county in this state shall certify with the Oregon Department of Administrative Services whether the city or county has an ordinance prohibiting the establishment of a premises for which issuance of a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105 is required **and whether the county has an ordinance described in subsection (4)(d) of this section**. The certification shall be made concurrently with the certifications under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative Services.

(b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of moneys under subsection [*(3)(b)(A)*] **(3)(c)(A)** of this section. If a county fails to comply with this subsection, the county is not eligible to receive transfers of moneys under subsection [*(3)(b)(B)*] **(3)(c)(B)** of this section.

(c) A city or county that repeals an ordinance as provided in ORS 475B.496 shall file an updated certification with the Oregon Department of Administrative Services in a form and manner prescribed by the department, noting the effective date of the change. A city or county that repeals an ordinance as provided in ORS 475B.496 is eligible to receive quarterly transfers of moneys under this section for quarters where the repeal is effective for the entire quarter and the updated certification was filed at least 30 days before the date of transfer.

[*(7) Before making the transfer of moneys required by subsection (3) of this section, the department shall transfer quarterly to the Drug Treatment and Recovery Services Fund all moneys in the Oregon Marijuana Account in excess of $11,250,000.*]

SECTION 2. Section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), is amended to read:

Sec. 5. (1) The Drug Treatment and Recovery Services Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the **Drug Treatment and Recovery Services** Fund shall be credited to the fund.

(2) The Drug Treatment and Recovery Services Fund shall consist of:

(a) Moneys deposited into the fund pursuant to section 6**, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020))**;

(b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;

(c) Moneys allocated from the Oregon Marijuana Account, pursuant to ORS 475B.759 [*(7)*] **(3)(b)**; and[,]

(d) All other moneys deposited [*in*] **into** the fund from any source.

(3) Moneys in the fund shall be continuously appropriated to the Oregon Health Authority for the purposes set forth in section 2**, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020))**.

[*(4) Unexpended moneys in the fund may not lapse and shall be carried forward and may be used without regard to fiscal year or biennium.*]

[*(5)(a)*] **(4)(a)** Pursuant to subsection (2)(b) of this section, the Legislative Assembly shall appropriate or transfer to the fund an amount sufficient to fully fund the grants program required by section 2**, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020))**.

(b) The total amount deposited and transferred into the fund shall not be less than $57 million for the first year [*this Act*] **chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)),** is in effect.

(c) In each subsequent year, [*that*] **the minimum transfer** amount set forth in **paragraph (b) of this** subsection [*(5)(b) of this section*] shall be increased by not less than **the sum of**:

[*(i)*] **(A) $57 million multiplied by** the percentage [*(if any)*]**, if any,** by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending [*December*] **August** 31 of the prior calendar year exceeds the monthly index for the fourth quarter of the calendar year 2020; and[,]

[*(ii)*] **(B)** [*An amount not less than the increase*] **The annual increase, if any,** in moneys distributed pursuant to ORS 475B.759 [*(7)*] **(3)(b)**.

SECTION 3. (1) Prior to adopting an ordinance described in ORS 475B.759 (4)(d), a county shall convene a cannabis advisory panel to provide recommendations to the county commission regarding the county's regulation of marijuana and use of moneys transferred to the county under ORS 475B.759 (4). The county commission shall appoint the following members to the county cannabis advisory panel:

(a) A person who holds a license issued under ORS 475B.070 for a premises located in the county;

(b) A person who holds a license issued under ORS 475B.105 for a premises located in the county;

(c) A designee of the county sheriff;

(d) A designee of the county commission;

(e) A member of the public;

(f) A watermaster, as described in ORS 540.020, who is appointed for a water district in, partially in or near the county; and

(g) A representative of the county who is knowledgeable about economic development in the county.

(2) A county cannabis advisory panel shall provide recommendations to the county commission on at least the following:

(a) The use of moneys transferred to the county under ORS 475B.759;

(b) Increases in public safety measures related to marijuana use and marijuana entities in the county; and

(c) Issues presented by the production, processing, wholesaling and distribution of marijuana in the unincorporated area subject to the jurisdiction of the county.

(3)(a) A county cannabis advisory panel shall meet at least quarterly during the time in which the county receives transfers of moneys under ORS 475B.759, beginning not later than the date on which an ordinance described under ORS 475B.759 (4)(d) is proposed by the county.

(b) A county that adopts an ordinance described in ORS 475B.759 (4)(d) and that does not appoint a county cannabis advisory panel under this section is not eligible to receive transfers of moneys under ORS 475B.759.

SECTION 4. Notwithstanding section 3 (3) of this 2021 Act, a county that adopts an ordinance described in ORS 475B.759 (4)(d) between January 1, 2018, and September 1, 2021, is eligible to receive transfers of moneys under ORS 475B.759 when the county appoints a county cannabis advisory panel, as described in section 3 of this 2021 Act.

SECTION 5. (1) Sections 3 and 4 of this 2021 Act and the amendments to ORS 475B.759 and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), by sections 1 and 2 of this 2021 Act become operative on January 1, 2022.

(2) The Department of Revenue and a county may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department and the county 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 department and the county by sections 3 and 4 of this 2021 Act and the amendments to ORS 475B.759 and section 5, chapter 2, Oregon Laws 2021 (Ballot Measure 110 (2020)), by sections 1 and 2 of this 2021 Act.

<u>SECTION 6.</u> This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

Passed by House June 15, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate June 25, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
House Bill 3369

Sponsored by Representatives NOSSE, PRUSAK, WILDE; Representatives ALONSO LEON, CAMPOS, DEXTER, SCHOUTEN, Senator MANNING JR

CHAPTER .....

AN ACT

Relating to marijuana; creating new provisions; and amending ORS 475B.791, 475B.797, 475B.913, 475B.916 and 475B.952.

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

SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS 475B.785 to 475B.949.

SECTION 2. A nurse licensed under ORS 678.040 to 678.101 may discuss the medical use of marijuana with a person with whom the nurse has a patient-provider relationship.

SECTION 3. ORS 475B.791 is amended to read:

475B.791. As used in ORS 475B.785 to 475B.949:

(1) "Attending [*physician*] **provider**" means [*a physician licensed under ORS chapter 677*] **one of the following health care providers** who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition[.]**:**

(a) A physician licensed under ORS chapter 677;

(b) A physician assistant licensed under ORS 677.505 to 677.525;

(c) A nurse practitioner licensed under ORS 678.375 to 678.390;

(d) A clinical nurse specialist licensed under ORS 678.370 and 678.372;

(e) A certified registered nurse anesthetist as defined in ORS 678.245; or

(f) A naturopathic physician licensed under ORS chapter 685.

(2) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

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

(d) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission, by rule.

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

(5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:

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

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

(c) Any other process identified by the Oregon Health Authority, in consultation with the Oregon Liquor Control Commission, by rule.

(6) "Debilitating medical condition" means:

(a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of those medical conditions;

(b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(A) Cachexia;

(B) Severe pain;

(C) Severe nausea;

(D) Seizures, including seizures caused by epilepsy; or

(E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

(c) Post-traumatic stress disorder; or

(d) Any other medical condition or side effect related to the treatment of a medical condition adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition filed under ORS 475B.946.

(7)(a) "Delivery" has the meaning given that term in ORS 475.005.

(b) "Delivery" does not include transfer of marijuana by a registry identification cardholder to another registry identification cardholder if no consideration is paid for the transfer.

(8)(a) "Designated primary caregiver" means an individual:

(A) Who is 18 years of age or older;

(B) Who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition; and

(C) Who is designated as the person responsible for managing the well-being of a person who has been diagnosed with a debilitating medical condition on that person's application for a registry identification card or in other written notification submitted to the authority.

(b) "Designated primary caregiver" does not include a person's attending [*physician*] **provider**.

(9) "High heat" means a temperature exceeding 180 degrees.

(10) "Immature marijuana plant" means a marijuana plant that is not flowering.

(11)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp, as defined in ORS 571.269; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

(12) "Marijuana grow site" means a location registered under ORS 475B.810 where marijuana is produced for use by a registry identification cardholder.

(13) "Marijuana processing site" means a marijuana processing site registered under ORS 475B.840 or a site for which an applicant has submitted an application for registration under ORS 475B.840.

(14) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.

(15)(a) "Medical cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

(b) "Medical cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp, as defined in ORS 571.269.

(16) "Medical marijuana dispensary" means a medical marijuana dispensary registered under ORS 475B.858 or a site for which an applicant has submitted an application for registration under ORS 475B.858.

(17) "Medical use of marijuana" means the production, processing, possession, delivery or administration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the symptoms or effects of a debilitating medical condition.

(18) "Person designated to produce marijuana by a registry identification cardholder" means a person designated to produce marijuana by a registry identification cardholder under ORS 475B.810 who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides or at an address where more than 12 mature marijuana plants are produced.

(19) "Process" means the compounding or conversion of marijuana into medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

(20) "Production" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves or flowers.

(21) "Registry identification card" means a document issued by the Oregon Health Authority under ORS 475B.797 that identifies a person authorized to engage in the medical use of marijuana and, if the person has a designated primary caregiver under ORS 475B.804, the person's designated primary caregiver.

(22) "Registry identification cardholder" means a person to whom a registry identification card has been issued under ORS 475B.797.

(23)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

(B) Waste material that is a by-product of producing marijuana.

(24) "Written documentation" means a statement signed by the attending [*physician*] **provider** of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

SECTION 4. ORS 475B.797 is amended to read:

475B.797. (1) The Oregon Health Authority shall establish a program for the issuance of registry identification cards to applicants who meet the requirements of this section.

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

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

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

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

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

(e) The name and address of the applicant's designated primary caregiver, if the applicant is designating a primary caregiver under ORS 475B.804; and

(f) The information described in ORS 475B.810 (2), if the applicant is applying to produce marijuana or designate another person under ORS 475B.810 to produce marijuana.

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

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

(B) The custodial parent or legal guardian who is responsible for the health care decisions of the applicant signs and submits to the authority a written statement that:

(i) The applicant's attending [*physician*] **provider** has explained to the applicant and to the custodial parent or legal guardian the possible risks and benefits of the medical use of marijuana;

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

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

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

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

(4) The authority shall:

(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application under subsection (2) or (3) of this section; and

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

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

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

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

(C) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the name and address of the registry identification cardholder's designated primary caregiver; and

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

(b) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the authority shall issue an identification card to the designated primary caregiver. The identification card must contain the information required by paragraph (a) of this subsection.

(6) A registry identification cardholder shall:

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

(A) Name, address or attending [*physician*] **provider**;

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

(C) Person responsible for a marijuana grow site, including the designation of a person responsible for a marijuana grow site made at a time other than at the time of applying for or renewing a registry identification card.

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

(A) Updated written documentation from the registry identification cardholder's attending [*physician*] **provider** stating that the registry identification cardholder still has a debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the registry identification cardholder's debilitating medical condition;

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

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

(7) The authority shall:

(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application under subsection (6)(b) of this section; and

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

(8)(a) If the registry identification cardholder's attending [*physician*] **provider** determines that the registry identification cardholder no longer has a debilitating medical condition, or determines that the medical use of marijuana is contraindicated for the registry identification cardholder's debilitating medical condition, the registry identification cardholder shall return the registry identification card to the authority within 30 calendar days after receiving notice of the determination.

(b) If, because of circumstances beyond the control of the registry identification cardholder, a registry identification cardholder is unable to obtain a second medical opinion about the registry identification cardholder's continuing eligibility for the medical use of marijuana before having to return the registry identification card to the authority, the authority may grant the registry identification cardholder additional time to obtain a second medical opinion.

(9)(a) The authority may deny an application for a registry identification card or an application to renew a registry identification card, or may suspend or revoke a registry identification card, if:

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

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

(C) The authority determines that the applicant or registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

(b) If a registry identification card is revoked, any associated identification card issued under subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.810 (6), shall also be revoked.

(c) A person whose application is denied, or whose registry identification card is revoked, under this subsection may not reapply for a registry identification card for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.804, or suspend or revoke an associated identification card issued under subsection (5)(b) of this section, if the authority determines that the designee or the registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

(b) A person whose designation has been denied, or whose identification card has been revoked, under this subsection may not be designated as a primary caregiver under ORS 475B.804 for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry identification card, or a registry identification cardholder applying for renewal of a registry identification card, submits to the authority proof of having served in the Armed Forces of the United States, the authority may not impose a fee that is greater than $20 for the issuance or renewal of the registry identification card.

(b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identification cardholder include in the application to renew a registry identification card updated written documentation from the cardholder's attending [*physician*] **provider** regarding the cardholder's continuing debilitating medical condition does not apply to a service-disabled veteran who:

(A) Has been assigned a total and permanent disability rating for compensation that rates the veteran as unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities as described in 38 C.F.R. 4.16; or

(B) Has a United States Department of Veterans Affairs total disability rating of 100 percent as a result of an injury or illness that the veteran incurred, or that was aggravated, during active military service and who received a discharge or release under other than dishonorable conditions.

(12) For any purpose described in ORS 475B.785 to 475B.949, including exemption from criminal liability under ORS 475B.907, a receipt issued by the authority verifying that an application has been submitted to the authority under subsection (2), (3) or (6)(b) of this section has the same legal effect as a registry identification card for 30 days following the date on which the receipt was issued to the applicant.

SECTION 5. ORS 475B.913 is amended to read:

475B.913. (1) Except as provided in ORS 475B.910, a person has an affirmative defense to a criminal charge of possession, delivery or manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, if the person charged with the offense:

(a) Was diagnosed with a debilitating medical condition within 12 months of the date on which the person was arrested and was advised by the person's attending [*physician*] **provider** that the medical use of marijuana may mitigate the symptoms or effects of that debilitating medical condition;

(b) Is engaged in the medical use of marijuana; and

(c) Possesses, delivers or manufactures marijuana only in quantities permitted under ORS 475B.831.

(2) A person does not need to lawfully possess a registry identification card to assert the affirmative defense established in this section.

(3) A person engaged in the medical use of marijuana who claims that marijuana provides medically necessary benefits and who is charged with a crime pertaining to the use of marijuana is not precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition, provided that:

(a) The person possesses, delivers or manufactures marijuana only as permitted under ORS 475B.831 (1); and

(b) The person has taken a substantial step toward complying with the provisions of ORS 475B.785 to 475B.949.

(4) A defendant proposing to use the affirmative defense established in this section in a criminal action shall, not less than five days before the trial of the cause, file and serve upon the district attorney a written notice of the intention to assert the affirmative defense. The notice must specifically state the reasons why the defendant is entitled to assert the affirmative defense and the factual basis for the affirmative defense. If the defendant fails to file and serve the notice, the defendant is not permitted to assert the affirmative defense at the trial of the cause unless the court orders, for good cause, otherwise.

SECTION 6. ORS 475B.916 is amended to read:

475B.916. The **Oregon Board of Naturopathic Medicine,** Oregon Medical Board **and Oregon State Board of Nursing** may not impose a civil penalty or take other disciplinary action against an attending [*physician*] **provider** for:

(1) Advising a person diagnosed as having a debilitating medical condition by the attending [*physician*] **provider** or another physician licensed under ORS chapter 677**, physician assistant licensed under ORS 677.505 to 677.525, nurse practitioner licensed under ORS 678.375 to 678.390, clinical nurse specialist licensed under ORS 678.370 and 678.372, certified registered nurse anesthetist as defined in ORS 678.245 or naturopathic physician licensed under ORS chapter 685** about the risks and benefits associated with the medical use of marijuana or that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition, provided that the advice is based on the attending [*physician's*] **provider's** personal assessment of the person's medical history and current medical condition; or

(2) Providing the written documentation necessary for issuance or renewal of a registry identification card under ORS 475B.797, provided that the written documentation is based on the attending [*physician's*] **provider's** personal assessment of the person's medical history and current

medical condition and the attending [*physician*] **provider** has discussed with the person the potential risks and benefits associated with the medical use of marijuana.

SECTION 7. ORS 475B.952 is amended to read:

475B.952. (1) The Oregon Cannabis Commission is established within the Oregon Health Authority. The commission consists of:

(a) The Public Health Officer or the Public Health Officer's designee; and

(b) Eight members appointed by the Governor as follows:

(A) A registry identification cardholder, as defined in ORS 475B.791;

(B) A person designated to produce marijuana by a registry identification cardholder, as defined in ORS 475B.791;

(C) An attending [*physician*] **provider**, as defined in ORS 475B.791;

(D) A person representing the Oregon Health Authority;

(E) A person representing the Oregon Liquor Control Commission;

(F) A local health officer, as described in ORS 431.418;

(G) A law enforcement officer; and

(H) A person knowledgeable about research proposal grant protocols.

(2) The term of office of each member of the commission is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 1 of the following year. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The appointment of each member of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(4) Members of the commission are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495.

Passed by House April 16, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 19, 2021

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
Senate Bill 307

Sponsored by Senator RILEY; Senator MANNING JR, Representatives SOLLMAN, WILDE (Presession filed.)

CHAPTER .....

AN ACT

Relating to cannabis; creating new provisions; and amending ORS 475B.797.

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

SECTION 1. ORS 475B.797 is amended to read:

475B.797. (1) The Oregon Health Authority shall establish a program for the issuance of registry identification cards to applicants who meet the requirements of this section.

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

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

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

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

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

(e) The name and address of the applicant's designated primary caregiver, if the applicant is designating a primary caregiver under ORS 475B.804; and

(f) The information described in ORS 475B.810 (2), if the applicant is applying to produce marijuana or designate another person under ORS 475B.810 to produce marijuana.

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

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

(B) The custodial parent or legal guardian who is responsible for the health care decisions of the applicant signs and submits to the authority a written statement that:

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

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

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

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

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

(4) The authority shall:

(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application under subsection (2) or (3) of this section; and

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

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

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

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

(C) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the name and address of the registry identification cardholder's designated primary caregiver; and

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

(b) If the registry identification cardholder designated a primary caregiver under ORS 475B.804, the authority shall issue an identification card to the designated primary caregiver. The identification card must contain the information required by paragraph (a) of this subsection.

(6) A registry identification cardholder shall:

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

(A) Name, address or attending physician;

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

(C) Person responsible for a marijuana grow site, including the designation of a person responsible for a marijuana grow site made at a time other than at the time of applying for or renewing a registry identification card.

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

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

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

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

(7) The authority shall:

(a) On the date on which the authority receives an application described in subsection (2) of this section, issue a receipt to the applicant verifying that the authority received an application under subsection (6)(b) of this section; and

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

(8)(a) If the registry identification cardholder's attending physician determines that the registry identification cardholder no longer has a debilitating medical condition, or determines that the medical use of marijuana is contraindicated for the registry identification cardholder's debilitating medical condition, the registry identification cardholder shall return the registry identification card to the authority within 30 calendar days after receiving notice of the determination.

(b) If, because of circumstances beyond the control of the registry identification cardholder, a registry identification cardholder is unable to obtain a second medical opinion about the registry

identification cardholder's continuing eligibility for the medical use of marijuana before having to return the registry identification card to the authority, the authority may grant the registry identification cardholder additional time to obtain a second medical opinion.

(9)(a) The authority may deny an application for a registry identification card or an application to renew a registry identification card, or may suspend or revoke a registry identification card, if:

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

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

(C) The authority determines that the applicant or registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

(b) If a registry identification card is revoked, any associated identification card issued under subsection (5)(b) of this section, or marijuana grow site registration card issued under ORS 475B.810 (6), shall also be revoked.

(c) A person whose application is denied, or whose registry identification card is revoked, under this subsection may not reapply for a registry identification card for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(10)(a) The authority may deny a designation of a primary caregiver made under ORS 475B.804, or suspend or revoke an associated identification card issued under subsection (5)(b) of this section, if the authority determines that the designee or the registry identification cardholder violated a provision of ORS 475B.785 to 475B.949 or a rule adopted under ORS 475B.785 to 475B.949.

(b) A person whose designation has been denied, or whose identification card has been revoked, under this subsection may not be designated as a primary caregiver under ORS 475B.804 for six months from the date of the denial or revocation unless otherwise authorized by the authority.

(11)(a) Notwithstanding subsection (2) or (6)(b) of this section, if an applicant for a registry identification card, or a registry identification cardholder applying for renewal of a registry identification card, submits to the authority proof of having served in the Armed Forces of the United States, the authority**:**

(A) May not impose a fee that is greater than $20 for the issuance or renewal of the registry identification card[.]**; and**

(B) Must waive the fee for the issuance or renewal of the registry identification card if the applicant submits proof of having a United States Department of Veterans Affairs total disability rating of at least 50 percent as a result of an injury or illness that the veteran incurred, or that was aggravated, during active military service and who received a discharge or release under other than dishonorable conditions.

(b) Notwithstanding subsection (6)(b)(A) of this section, the requirement that a registry identification cardholder include in the application to renew a registry identification card updated written documentation from the cardholder's attending physician regarding the cardholder's continuing debilitating medical condition does not apply to a service-disabled veteran who:

(A) Has been assigned a total and permanent disability rating for compensation that rates the veteran as unable to secure or follow a substantially gainful occupation as a result of service-connected disabilities as described in 38 C.F.R. 4.16; or

(B) Has a United States Department of Veterans Affairs total disability rating of 100 percent as a result of an injury or illness that the veteran incurred, or that was aggravated, during active military service and who received a discharge or release under other than dishonorable conditions.

(12) For any purpose described in ORS 475B.785 to 475B.949, including exemption from criminal liability under ORS 475B.907, a receipt issued by the authority verifying that an application has been submitted to the authority under subsection (2), (3) or (6)(b) of this section has the same legal effect as a registry identification card for 30 days following the date on which the receipt was issued to the applicant.

<u>SECTION 2.</u> The amendments to ORS 475B.797 by section 1 of this 2021 Act apply to applicants who submit an application for a registry identification card, or renewal of a registry identification card, on or after the effective date of this 2021 Act.

Passed by Senate April 26, 2021

.....
Lori L. Brocker, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 20, 2021

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Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
House Bill 2111

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor Kate Brown for Oregon Liquor Control Commission)

CHAPTER .....

AN ACT

Relating to the Oregon Liquor and Cannabis Commission; creating new provisions; amending ORS 25.750, 25.756, 25.780, 165.117, 165.805, 167.780, 181A.010, 181A.265, 181A.275, 181A.355, 181A.550, 181A.840, 181A.845, 221.770, 221.785, 238.005, 244.045, 244.050, 279A.025, 297.210, 317A.100, 459.992, 459A.700, 459A.702, 459A.705, 459A.715, 459A.717, 459A.718, 459A.725, 459A.730, 459A.735, 459A.737, 459A.738, 459A.741, 459A.742, 459A.744, 461.217, 471.001, 471.038, 471.039, 471.040, 471.105, 471.115, 471.130, 471.155, 471.157, 471.159, 471.162, 471.166, 471.168, 471.175, 471.180, 471.182, 471.184, 471.186, 471.190, 471.200, 471.221, 471.223, 471.227, 471.230, 471.235, 471.242, 471.244, 471.251, 471.268, 471.274, 471.282, 471.292, 471.294, 471.297, 471.302, 471.305, 471.311, 471.313, 471.315, 471.316, 471.318, 471.322, 471.326, 471.327, 471.329, 471.331, 471.333, 471.341, 471.342, 471.344, 471.346, 471.351, 471.360, 471.370, 471.375, 471.380, 471.385, 471.396, 471.400, 471.403, 471.404, 471.405, 471.410, 471.412, 471.425, 471.430, 471.442, 471.446, 471.473, 471.475, 471.478, 471.480, 471.482, 471.495, 471.500, 471.510, 471.541, 471.542, 471.547, 471.549, 471.551, 471.553, 471.557, 471.559, 471.561, 471.565, 471.567, 471.605, 471.610, 471.615, 471.630, 471.645, 471.666, 471.695, 471.700, 471.703, 471.705, 471.710, 471.715, 471.720, 471.725, 471.730, 471.732, 471.735, 471.737, 471.740, 471.745, 471.747, 471.750, 471.752, 471.754, 471.757, 471.760, 471.765, 471.770, 471.775, 471.790, 471.795, 471.800, 471.802, 471.805, 471.810, 471.817, 473.020, 473.030, 473.045, 473.047, 473.050, 473.060, 473.065, 473.070, 473.080, 473.100, 473.110, 473.120, 473.130, 473.140, 473.150, 473.160, 473.170, 474.115, 475B.015, 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.060, 475B.063, 475B.070, 475B.085, 475B.090, 475B.096, 475B.100, 475B.105, 475B.109, 475B.115, 475B.119, 475B.122, 475B.127, 475B.129, 475B.131, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.167, 475B.173, 475B.177, 475B.182, 475B.186, 475B.191, 475B.194, 475B.199, 475B.201, 475B.206, 475B.216, 475B.224, 475B.232, 475B.236, 475B.246, 475B.253, 475B.256, 475B.261, 475B.266, 475B.271, 475B.281, 475B.286, 475B.291, 475B.296, 475B.299, 475B.316, 475B.376, 475B.409, 475B.416, 475B.429, 475B.436, 475B.442, 475B.496, 475B.501, 475B.506, 475B.514, 475B.518, 475B.537, 475B.539, 475B.541, 475B.548, 475B.555, 475B.560, 475B.562, 475B.564, 475B.575, 475B.577, 475B.593, 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.635, 475B.645, 475B.655, 475B.705, 475B.710, 475B.712, 475B.730, 475B.750, 475B.769, 475B.791, 475B.825, 475B.828, 475B.892, 475B.895, 475B.931, 475B.934, 475B.937, 475B.952, 475B.961, 475B.968, 565.515, 571.275, 571.330, 571.336, 571.337, 571.341, 576.871, 576.874, 659A.320 and 802.250 and section 3, chapter 464, Oregon Laws 2019; and declaring an emergency.

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

SECTION 1. ORS 25.750 is amended to read:

25.750. (1) All licenses, certificates, permits or registrations that a person is required by state law to possess in order to engage in an occupation or profession or to use a particular occupational or professional title, all annual licenses issued to individuals by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, all driver licenses or permits issued by the Department of Transportation and recreational hunting and fishing licenses, as defined by rule of the Department of Justice, are subject to suspension by the respective issuing entities upon certification to the issuing entity by the administrator that a child support case record is being maintained by the Department of Justice, that the case is being enforced by the administrator under the provisions of ORS 25.080 and that one or both of the following conditions apply:

(a) That the party holding the license, certificate, permit or registration is in arrears under any child support judgment or order, in an amount equal to the greater of three months of support or $2,500, and:

(A) Has not entered into an agreement with the administrator with respect to the child support obligation; or

(B) Is not in compliance with an agreement entered into with the administrator; or

(b) That the party holding the license, certificate, permit or registration has failed, after receiving appropriate notice, to comply with a subpoena or other procedural order relating to a parentage or child support proceeding and:

(A) Has not entered into an agreement with the administrator with respect to compliance; or

(B) Is not in compliance with such an agreement.

(2) The Department of Justice by rule shall specify the conditions and terms of agreements, compliance with which precludes the suspension of the license, certificate, permit or registration.

SECTION 2. ORS 25.756 is amended to read:

25.756. The Department of Justice shall enter into agreements regarding the identification of persons who are subject to the provisions of ORS 25.750 to 25.783 and who hold licenses, certificates, permits or registrations with:

(1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**;

(2) All entities that issue licenses, certificates, permits or registrations that a person is required by state law to possess to engage in an occupation, profession or recreational hunting or fishing or to use a particular occupational or professional title; and

(3) The Department of Transportation.

SECTION 3. ORS 25.780 is amended to read:

25.780. In addition to any other grounds for suspension provided by law:

(1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and any entity that issues licenses, certificates, permits or registrations that a person is required by state law to possess to engage in an occupation, profession or recreational hunting or fishing or to use a particular occupational or professional title shall suspend without further hearing the licenses, certificates, permits or registrations of a person upon certification by the administrator that the person is subject to an order suspending the license, certificate, permit or registration. The certification must include the information specified in ORS 25.750 (1).

(2) The Department of Transportation shall suspend without further hearing the driver license or driver permit of a person upon certification by the administrator that the person is subject to an order suspending the license or permit. The certification must include the information specified in ORS 25.750 (1).

SECTION 4. ORS 165.117 is amended to read:

165.117. (1) Before completing a transaction, a scrap metal business engaged in business in this state shall:

(a) Create a metal property record for the transaction at the time and in the location where the transaction occurs. The record must:

(A) Be accurate and written clearly and legibly in English;

(B) Be entered onto a standardized printed form or an electronic form that is securely stored and is capable of ready retrieval and printing; and

(C) Contain all of the following information:

(i) The signature of the individual with whom the scrap metal business conducts the transaction.

(ii) The time, date, location and monetary amount or other value of the transaction.

(iii) The name of the employee who conducts the transaction on behalf of the scrap metal business.

(iv) The name and telephone number of the individual with whom the scrap metal business conducts the transaction and a street address or, if a post office box is listed on the government-issued photo identification described in sub-subparagraph (vi) of this subparagraph, a post office box, to which the scrap metal business will mail payment to the individual.

(v) A description of, and the license number and issuing state shown on the license plate affixed to, the motor vehicle, if any, used to transport the individual who conducts, or the nonferrous metal property or private metal property that is the subject of, the transaction.

(vi) A photocopy of a current, valid driver license or other government-issued photo identification belonging to the individual with whom the scrap metal business conducts the transaction.

(vii) A photograph of, or video surveillance recording depicting, a recognizable facial image of the individual with whom the scrap metal business conducts the transaction.

(viii) A general description of the nonferrous metal property or private metal property that constitutes the predominant part of the transaction. The description must include any identifiable marks on the property, if readily discernible, and must specify the weight, quantity or volume of the nonferrous metal property or private metal property.

(b) Require the individual with whom the scrap metal business conducts a transaction to sign and date a declaration printed in conspicuous type, either on the record described in this subsection or on a receipt issued to the individual with whom the scrap metal business conducts the transaction, that states:

I, _____, AFFIRM UNDER PENALTY OF LAW THAT THE PROPERTY I AM SELLING IN THIS TRANSACTION IS NOT, TO THE BEST OF MY KNOWLEDGE, STOLEN PROPERTY.

(c) Require the employee of the scrap metal business who conducts the transaction on behalf of the scrap metal business to witness the individual sign the declaration, and also to sign and date the declaration in a space provided for that purpose.

(d) For one year following the date of the transaction, keep a copy of the record and the signed and dated declaration described in this subsection. If the scrap metal business uses a video surveillance recording as part of the record kept in accordance with this subsection, the scrap metal business need not keep the video surveillance recording for one year, but shall retain the video surveillance recording for a minimum of 30 days following the date of the transaction. The scrap metal business shall at all times keep the copies at the current place of business for the scrap metal business.

(2) A scrap metal business engaged in business in this state may not do any of the following:

(a) Purchase or receive kegs or similar metallic containers used to store or dispense alcoholic beverages, except from a person that manufactures the kegs or containers or from a person licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 471.155.

(b) Conduct a transaction with an individual if the individual does not at the time of the transaction consent to the creation of the record described in subsection (1) of this section and produce for inspection a valid driver license or other government-issued photo identification that belongs to the individual.

(c) Conduct a transaction with an individual in which the scrap metal business pays the individual other than by electronic funds transfer, stored value card or stored value device, or by

mailing a nontransferable check, made payable to the individual, for the amount of the transaction to the street address or post office box the individual provided under subsection (1)(a)(C)(iv) of this section. Payment must be made not earlier than three business days after the date of the transaction. The check, electronic funds transfer or stored value device must be drawn on or must draw from an account that the scrap metal business maintains with a financial institution, as defined in ORS 706.008. A stored value card may be issued by a money transmission business licensed under ORS 717.200 to 717.320 or exempt from the licensing requirement under ORS 717.210.

(d) Purchase metal property from a nonprofit corporation other than by electronic funds transfer, stored value card or stored value device, or by mailing a nontransferable check, made payable to the nonprofit corporation, for the amount of the purchase price to the business address provided under subsection (4)(a)(B) of this section. Payment must be made not earlier than three business days after the date of the purchase. The check, electronic funds transfer or stored value device must be drawn on or must draw from an account that the scrap metal business maintains with a financial institution, as defined in ORS 706.008. A stored value card may be issued by a money transmission business licensed under ORS 717.200 to 717.320 or exempt from the licensing requirement under ORS 717.210.

(e) Cash or release a check issued in payment for a transaction or for a purchase described in paragraph (d) of this subsection other than as provided in this paragraph or paragraph (c) or (d) of this subsection. If a check is not delivered to the intended recipient within 10 days of the date of the transaction or the purchase, the scrap metal business may release the check directly to the individual or nonprofit corporation with the written approval of a law enforcement agency having jurisdiction over the scrap metal business. If a check is returned as undelivered or undeliverable, the scrap metal business shall:

(A) Release the check directly to the individual or nonprofit corporation with the written approval of a law enforcement agency having jurisdiction over the scrap metal business; or

(B) Retain the check until the individual or nonprofit corporation to which the check was mailed provides a valid address in accordance with subsection (1)(a)(C)(iv) or (4)(a)(B) of this section. If after 30 days following the date of the transaction or the purchase described in paragraph (d) of this subsection the individual or nonprofit corporation fails to provide a valid address, the scrap metal business may cancel the check and the individual or nonprofit corporation shall forfeit to the scrap metal business the amount due as payment.

(3) If a scrap metal business obtains the approval of a law enforcement agency under subsection (2)(e) of this section, the scrap metal business shall retain the written approval for one year following the date the approval is received.

(4) Before purchasing or receiving metal property from a commercial seller, a scrap metal business shall:

(a) Create and maintain a commercial account with the commercial seller. As part of the commercial account, the scrap metal business shall enter accurately, clearly and legibly in English onto a standardized printed form, or an electronic form that is securely stored and is capable of ready retrieval and printing, the following information:

(A) The full name of the commercial seller;

(B) The business address and telephone number of the commercial seller; and

(C) The full name of each employee, agent or other individual the commercial seller authorizes to receive payment for metal property from the scrap metal business.

(b) Record as part of the commercial account at the time the scrap metal business purchases or receives metal property from a commercial seller the following information:

(A) The time, date and location at which the commercial seller delivered the metal property for purchase or receipt;

(B) The monetary amount or other value of the metal property;

(C) A description of the type of metal property that constitutes the predominant part of the purchase or receipt; and

(D) The signature of the individual who delivered the metal property to the scrap metal business.

(5) A scrap metal business may require an individual from whom the business obtains metal property to provide the individual's thumbprint to the scrap metal business.

(6) A scrap metal business shall make all records and accounts required to be maintained under this section available to any peace officer on demand.

(7)(a) Violation of this section is a specific fine violation, and the presumptive fine for the violation is $1,000.

(b) Notwithstanding paragraph (a) of this subsection, the presumptive fine for a violation of a provision of this section is $5,000 if the scrap metal business has at least three previous convictions for violations of a provision of this section.

SECTION 5. ORS 165.805 is amended to read:

165.805. (1) A person commits the crime of misrepresentation of age by a minor if:

(a) Being less than a certain, specified age, the person knowingly purports to be of any age other than the true age of the person with the intent of securing a right, benefit or privilege which by law is denied to persons under that certain, specified age; or

(b) Being unmarried, the person knowingly represents that the person is married with the intent of securing a right, benefit or privilege which by law is denied to unmarried persons.

(2) Misrepresentation of age by a minor is a Class C misdemeanor.

(3)(a) In addition to and not in lieu of any other penalty established by law, if a person, using a driver permit or license or other identification issued by the Department of Transportation of this state or its equivalent in another state, commits the crime of misrepresentation of age by a minor in order to purchase or consume alcoholic liquor or cannabis:

(A) The person may be required to perform community service; and

(B) The court may order that the person's driving privileges and right to apply for driving privileges be suspended for a period not to exceed one year upon:

(i) The person's second or subsequent conviction or adjudication for an offense described in this paragraph;

(ii) The person's first conviction or adjudication if the person has previously entered into a formal accountability agreement under ORS 419C.230 for an offense described in this paragraph; or

(iii) The person's first conviction or adjudication if the offense involved the operation of a motor vehicle.

(b) 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 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.

(4) The prohibitions of this section do not apply to any person acting under the direction of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or a regulatory specialist or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of alcoholic beverages or marijuana items, as defined in ORS 475B.015, to persons who are under a certain, specified age.

(5) The prohibitions of this section do not apply to a person under the age of 21 years who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of alcoholic beverages or marijuana items, as defined in ORS 475B.015, to persons who are under the age of 21 years.

SECTION 6. ORS 167.780 is amended to read:

167.780. (1) As used in this section and ORS 167.775, "vending machine" means a device that, upon the insertion of tokens, money or another form of payment, dispenses tobacco products or inhalant delivery systems.

(2) A person may not sell or dispense tobacco products or inhalant delivery systems from a vending machine, except in an establishment where the premises are permanently and entirely off-

limits to persons under 21 years of age as required by rules adopted by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(3) A person who violates this section commits a Class B violation. Each day that the person commits the violation constitutes a separate offense.

SECTION 7. ORS 181A.010 is amended to read:

181A.010. As used in ORS 181A.010 to 181A.350, unless the context requires otherwise:

(1) "Criminal justice agency" means:

(a) The Governor;

(b) Courts of criminal jurisdiction;

(c) The Attorney General;

(d) District attorneys, city attorneys with criminal prosecutorial functions, attorney employees of the office of public defense services and nonprofit public defender organizations established under contract with the Public Defense Services Commission;

(e) Law enforcement agencies;

(f) The Department of Corrections;

(g) The Oregon Youth Authority;

(h) The State Board of Parole and Post-Prison Supervision;

(i) The Department of Public Safety Standards and Training;

(j) The enforcement division of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in performing duties related to investigating and enforcing the criminal laws of this state that the commission is charged to enforce;

(k) Regional information systems that share programs to track, identify and remove cross-jurisdictional criminal and terrorist conspiracies; and

(L) Any other state or local agency with law enforcement authority.

(2) "Criminal offender information" includes records and related data as to physical description and vital statistics, fingerprints received and compiled for purposes of identifying criminal offenders and alleged offenders, records of arrests and the nature and disposition of criminal charges, including sentencing, confinement, parole and release.

(3) "Department" means the Department of State Police established under ORS 181A.015.

(4) "Deputy superintendent" means the Deputy Superintendent of State Police appointed under ORS 181A.035.

(5) "Designated agency" means any state, county or municipal government agency where Oregon criminal offender information is required to implement a federal or state statute, executive order or administrative rule that expressly refers to criminal conduct and contains requirements or exclusions expressly based on such conduct or for agency employment purposes, licensing purposes or other demonstrated and legitimate needs when designated by order of the Governor.

(6) "Disposition report" means a form or process prescribed or furnished by the department, containing a description of the ultimate action taken subsequent to an arrest.

(7) "Law enforcement agency" means:

(a) County sheriffs, municipal police departments, police departments established by a university under ORS 352.121 or 353.125 and state police;

(b) Other police officers of this state or another state, including humane special agents as defined in ORS 181A.345;

(c) A tribal government as defined in ORS 181A.680 that employs authorized tribal police officers as defined in ORS 181A.680; and

(d) Law enforcement agencies of the federal government.

(8) "State police" means the sworn members of the state police force appointed under ORS 181A.050.

(9) "Superintendent" means the Superintendent of State Police appointed under ORS 181A.030.

SECTION 8. ORS 181A.265 is amended to read:

181A.265. (1) The Department of State Police or another criminal justice agency that the State Chief Information Officer designates shall operate a Criminal Justice Information Standards program that coordinates information among state criminal justice agencies. The program must:

(a) Ensure that in developing new information systems, data can be retrieved to support evaluating criminal justice planning and programs, including, but not limited to, evaluating the ability of the programs to reduce future criminal conduct;

(b) Ensure that maximum effort is made for the safety of public safety officers;

(c) Establish methods and standards for data interchange and information access between criminal justice information systems, in compliance with information technology rules, policies and standards that the State Chief Information Officer adopts;

(d) Design and implement improved applications for exchange of agency information; and

(e) Implement the capability to exchange images between criminal justice agencies.

(2) The program shall develop a plan to accelerate data sharing and information integration among criminal justice agencies. The plan must include, but is not limited to including, priorities, timelines, development costs, resources needed, the projected ongoing cost of support, critical success factors and any known barriers to accomplishing the plan. The plan must align with and support the Enterprise Information Resources Management Strategy described in ORS 276A.203. Representatives of criminal justice agencies and public safety agencies, including but not limited to local law enforcement agencies, courts of criminal jurisdiction, district attorneys, city attorneys with criminal prosecutive functions, public defender organizations established under ORS chapter 151, community corrections directors, jail managers and county juvenile departments, shall be invited to participate in the planning process. The program shall present the plan to the State Chief Information Officer no later than May 30 of each even-numbered year for development of the Governor's budget. The program shall submit the plan to the Joint Legislative Committee on Information Management and Technology no later than December 31 of each even-numbered year.

(3) Notwithstanding the meaning given "criminal justice agency" in ORS 181A.010, as used in this section and ORS 181A.270, "criminal justice agency" includes, but is not limited to:

(a) The Judicial Department;

(b) The Attorney General;

(c) The Department of Corrections;

(d) The Department of State Police;

(e) Any other state agency with law enforcement authority designated by order of the Governor;

(f) The Department of Transportation;

(g) The State Board of Parole and Post-Prison Supervision;

(h) The Department of Public Safety Standards and Training;

(i) The State Department of Fish and Wildlife;

(j) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**;

(k) The Oregon Youth Authority;

(L) The Youth Development Division; and

(m) A university that has established a police department under ORS 352.121 or 353.125.

SECTION 9. ORS 181A.275 is amended to read:

181A.275. (1) There is established a Criminal Justice Information Standards Advisory Board to advise the Department of State Police or the criminal justice agency that the State Chief Information Officer designates under ORS 181A.265 (1) about the department's or the agency's duties under ORS 181A.265. The board consists of the following members:

(a) The State Court Administrator or the administrator's designee;

(b) The Director of the Department of Corrections or the director's designee;

(c) The Superintendent of State Police or the superintendent's designee;

(d) The executive director of the Oregon Criminal Justice Commission or the executive director's designee;

(e) The Director of Transportation or the director's designee;

(f) The chairperson of the State Board of Parole and Post-Prison Supervision or the chairperson's designee;

(g) The Director of the Department of Public Safety Standards and Training or the director's designee;

(h) A chief of police designated by the Oregon Association Chiefs of Police;

(i) A sheriff designated by the Oregon State Sheriffs' Association;

(j) A jail manager designated by the Oregon Sheriff's Jail Command Council;

(k) A county juvenile department director designated by the Oregon Juvenile Department Directors' Association;

(L) A community corrections agency director designated by the Oregon Association of Community Corrections Directors;

(m) A district attorney designated by the Oregon District Attorneys Association;

(n) The State Chief Information Officer or the State Chief Information Officer's designee;

(o) The Director of the Oregon Youth Authority or the director's designee;

(p) The State Fish and Wildlife Director or the director's designee;

(q) The administrator of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or the administrator's designee; and

(r) The Youth Development Director or the director's designee.

(2) The board shall meet at such times and places as the board deems necessary.

(3) The members of the board are not entitled to compensation but are entitled to expenses as provided in ORS 292.495.

SECTION 10. ORS 181A.355 is amended to read:

181A.355. As used in ORS 181A.355 to 181A.670, unless the context requires otherwise:

(1) "Abuse" has the meaning given that term in ORS 107.705.

(2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to ORS 181A.360.

(3) "Certified reserve officer" means a reserve officer who has been designated by a local law enforcement unit, has received training necessary for certification and has met the minimum standards and training requirements established under ORS 181A.410.

(4) "Commissioned" means being authorized to perform various acts or duties of a police officer, certified reserve officer or reserve officer and acting under the supervision and responsibility of a county sheriff or as otherwise provided by law.

(5) "Corrections officer" means an officer or member employed full-time by a law enforcement unit who:

(a) Is charged with and primarily performs the duty of custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined in a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or

(b) Has been certified as a corrections officer described in paragraph (a) of this subsection and has supervisory or management authority for corrections officers described in paragraph (a) of this subsection.

(6) "Department" means the Department of Public Safety Standards and Training.

(7) "Director" means the Director of the Department of Public Safety Standards and Training.

(8) "Domestic violence" means abuse between family or household members.

(9) "Emergency medical dispatcher" means a person who has responsibility to process requests for medical assistance from the public or to dispatch medical care providers.

(10) "Family or household members" has the meaning given that term in ORS 107.705.

(11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member of a public or private fire protection agency that is engaged primarily in fire investigation, fire prevention, fire safety, fire control or fire suppression or providing emergency medical services, light and heavy rescue services, search and rescue services or hazardous materials incident response. "Fire service professional" does not mean forest fire protection agency personnel.

(12) "Law enforcement unit" means:

(a) A police force or organization of the state, a city, university that has established a police department under ORS 352.121 or 353.125, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in ORS 181A.680 that employs authorized tribal police officers as defined in ORS 181A.680, the Criminal Justice Division of the Department of Justice, the Department of Corrections, the Oregon State Lottery Commission, the Security and Emergency Preparedness Office of the Judicial Department or common carrier railroad the primary duty of which, as prescribed by law, ordinance or directive, is one or more of the following:

(A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating to airport security;

(B) The custody, control or supervision of individuals convicted of or arrested for a criminal offense and confined to a place of incarceration or detention other than a place used exclusively for incarceration or detention of juveniles; or

(C) The control, supervision and reformation of adult offenders placed on parole or sentenced to probation and investigation of adult offenders on parole or probation or being considered for parole or probation;

(b) A police force or organization of a private entity with a population of more than 1,000 residents in an unincorporated area the employees of which are commissioned by a county sheriff;

(c) A district attorney's office;

(d) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** with regard to regulatory specialists; or

(e) A humane investigation agency as defined in ORS 181A.340.

(13) "Parole and probation officer" means:

(a) An officer who is employed full-time by the Department of Corrections, a county or a court and who is charged with and performs the duty of:

(A) Community protection by controlling, investigating, supervising and providing or making referrals to reformative services for adult parolees or probationers or offenders on post-prison supervision; or

(B) Investigating adult offenders on parole or probation or being considered for parole or probation; or

(b) An officer who:

(A) Is certified and has been employed as a full-time parole and probation officer for more than one year;

(B) Is employed part-time by the Department of Corrections, a county or a court; and

(C) Is charged with and performs the duty of:

(i) Community protection by controlling, investigating, supervising and providing or making referrals to reformative services for adult parolees or probationers or offenders on post-prison supervision; or

(ii) Investigating adult offenders on parole or probation or being considered for parole or probation.

(14) "Police officer" means:

(a) An officer, member or employee of a law enforcement unit employed full-time as a peace officer who is:

(A) Commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in ORS 181A.680, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.121 or 353.125, the Governor or the Department of State Police; and

(B) Responsible for enforcing the criminal laws of this state or laws or ordinances relating to airport security;

(b) An investigator of a district attorney's office if the investigator is or has been certified as a peace officer in this or another state;

(c) A humane special agent commissioned under ORS 181A.340;

(d) A judicial marshal appointed under ORS 1.177 who is trained pursuant to ORS 181A.540; or

(e) An authorized tribal police officer as defined in ORS 181A.680.

(15) "Public or private safety agency" means a unit of state or local government, a special purpose district or a private firm that provides, or has authority to provide, fire fighting, police, ambulance or emergency medical services.

(16) "Public safety personnel" and "public safety officer" include corrections officers, youth correction officers, emergency medical dispatchers, parole and probation officers, police officers, certified reserve officers, reserve officers, telecommunicators, regulatory specialists and fire service professionals.

(17) "Regulatory specialist" has the meaning given that term in ORS 471.001.

(18) "Reserve officer" means an officer or member of a law enforcement unit who is:

(a) A volunteer or employed less than full-time as a peace officer commissioned by a city, port, school district, mass transit district, county, county service district authorized to provide law enforcement services under ORS 451.010, tribal government as defined in ORS 181A.680, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission, a university that has established a police department under ORS 352.121 or 353.125, the Governor or the Department of State Police;

(b) Armed with a firearm; and

(c) Responsible for enforcing the criminal laws and traffic laws of this state or laws or ordinances relating to airport security.

(19) "Telecommunicator" means a person employed as an emergency communications worker as defined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing and transmitting public safety information received through the emergency communications system as defined in ORS 403.105.

(20) "Youth correction officer" means an employee of the Oregon Youth Authority who is charged with and primarily performs the duty of custody, control or supervision of youth offenders confined in a youth correction facility.

SECTION 11. ORS 181A.550 is amended to read:

181A.550. (1) Except for a person who has requested and obtained an extension from the Department of Public Safety Standards and Training under subsection (2) of this section, subject to subsection (3) of this section the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may not employ a person as a regulatory specialist for more than 18 months unless the person is a citizen of the United States who has been certified under ORS 181A.410 as being qualified as a regulatory specialist and the certification has not:

(a) Lapsed; or

(b) Been revoked under ORS 181A.630, 181A.640 and 181A.650 (1) and not reissued under ORS 181A.630 (2).

(2) The department, upon the facts contained in an affidavit accompanying the request for extension, may find good cause for failure to obtain certification within the time period described in subsection (1) of this section. If the department finds that there is good cause for the failure, the department may extend for up to one year the period that a person may serve as a regulatory specialist without certification. The grant or denial of an extension is within the sole discretion of the department.

(3) The citizenship requirement in subsection (1) of this section does not apply to a person employed as a regulatory specialist on March 16, 2012, who continues to serve as a regulatory specialist without a lapse under subsection (4) of this section.

(4) The certification of a regulatory specialist shall lapse after three or more consecutive months of not being employed as a regulatory specialist unless the regulatory specialist is on leave from the commission. Upon reemployment as a regulatory specialist, the person whose certification has lapsed may apply to be certified under ORS 181A.355 to 181A.670.

(5) The commission shall pay the costs of training required for a regulatory specialist to be certified by the department.

SECTION 12. ORS 181A.840 is amended to read:

181A.840. As used in ORS 181A.360, 181A.840 to 181A.891, 181A.895 and 181A.995:

(1) "Certification" means recognition by the Department of Public Safety Standards and Training that a private security professional meets all of the qualifications listed in ORS 181A.855.

(2) "Executive manager" means a person:

(a) Who is authorized to act on behalf of a company or business in matters of licensure and certification;

(b) Who is authorized to hire and terminate personnel;

(c) Whose primary responsibility is the management of certified private security professionals; and

(d) Who has final responsibility for a company's or business's compliance with ORS 181A.840 to 181A.891.

(3) "Instructor" means any person who has been certified by the department as meeting the requirements to provide instruction to private security providers or applicants.

(4) "License" means recognition by the department that an executive manager or supervisory manager meets the requirements adopted by the Board on Public Safety Standards and Training as necessary to provide private security services.

(5) "Primary responsibility" means an activity that is fundamental to, and required or expected in, the regular course of employment and is not merely incidental to employment.

(6) "Private security professional" means an individual who performs, as the individual's primary responsibility, private security services for consideration, regardless of whether the individual, while performing the private security services, is armed or unarmed or wears a uniform or plain clothes, and regardless of whether the individual is employed part-time or full-time to perform private security services.

(7) "Private security provider" means any individual who performs the functions of a private security professional, executive manager, supervisory manager or instructor.

(8) "Private security services" means the performance of at least one of the following activities:

(a) Observing and reporting unlawful activity.

(b) Preventing or detecting theft or misappropriation of goods, money or other items of value.

(c) Protecting individuals or property, including but not limited to proprietary information, from harm or misappropriation.

(d) Controlling access to premises being protected or, with respect to a licensee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, controlling access to premises at an entry to the premises or any portion of the premises where minors are prohibited.

(e) Securely moving prisoners.

(f) Taking enforcement action by detaining persons or placing persons under arrest under ORS 133.225.

(g) Providing canine services for guarding premises or for detecting unlawful devices or substances.

(9) "Supervisory manager" means an employee of or a person supervised by an executive manager who has as a primary responsibility the supervision of certified private security professionals.

SECTION 13. ORS 181A.845 is amended to read:

181A.845. (1) ORS 181A.840 to 181A.891 do not apply to:

(a) A person certified by the Department of Public Safety Standards and Training as a police officer or a parole and probation officer.

(b) A law enforcement officer of the United States.

(c) An officer or employee of this state, Oregon Health and Science University established by ORS 353.020 or the United States while performing duties of the office or employment.

(d) A person appointed or commissioned by the Governor to perform law enforcement or security services.

(e) An attorney admitted to practice law in this state while engaged in the practice of law.

(f) An insurance adjuster licensed in this state while performing duties authorized by the license.

(g) A person who monitors alarm systems that are not designed to detect threats to public safety or personal well-being.

(h) A person while protecting the person's property.

(i) A person who repairs and installs intrusion alarms while repairing or installing intrusion alarms.

(j) A person acting as an investigator as defined in ORS 703.401.

(k) A person performing crowd management or guest services, including, but not limited to, a person described as a ticket taker, an usher, a parking attendant or event staff.

(L) A person who has a valid service permit issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** pursuant to ORS 471.360 and who is an employee of a licensee of the commission when the person is performing age verification and controlling access to premises of the licensee, if the person is not:

(A) Armed;

(B) Permitted to initiate confrontational activities, including physical contact and the confiscation of property; or

(C) Hired with the primary responsibility of taking enforcement action as described in ORS 181A.840 (8)(f).

(m) A person performing security services at a facility regulated by the United States Nuclear Regulatory Commission if the facility is operated by the person's employer.

(n) An individual while on active duty as a member of the armed services or while performing duties as a law enforcement officer.

(o) An employee of a financial institution who has been designated as a security officer for the financial institution pursuant to the Bank Protection Act of 1968 (12 U.S.C. 1881 et seq.) and regulations adopted under the act.

(p) A person who provides security services as a volunteer or for de minimis consideration other than money for an event operated for the benefit of a corporation that is organized not for profit pursuant to ORS chapter 65 or any predecessor of ORS chapter 65 or that is exempt from taxation under section 501(a) of the Internal Revenue Code as an organization described in section 501(c) of the Internal Revenue Code.

(q) A student enrolled in a community college as defined in ORS 341.005 while engaged in nonconfrontational activities that contribute to campus safety under the direct or indirect supervision of a law enforcement professional or private security professional certified or licensed by the Department of Public Safety Standards and Training, provided the community college has conducted a criminal background check on the student.

(2) The exemption provided by subsection (1)(k) of this section applies only:

(a) To a person who is not:

(A) Armed;

(B) Permitted to initiate confrontational activities, including physical contact and the confiscation of property; or

(C) Hired with the primary responsibility of taking enforcement action as described in ORS 181A.840 (8)(f);

(b) If there is at least one person on-site who is certified or licensed under ORS 181A.870 for every 10 or fewer uncertified persons performing the services described in subsection (1)(k) of this section;

(c) If any enforcement action, as described in ORS 181A.840 (8)(f), other than incidental or temporary action, is taken by or under the supervision of a person certified or licensed under ORS 181A.870; and

(d) During the time when a crowd has assembled for the purpose of attending or taking part in an organized event, including pre-event assembly, event operation hours and post-event departure activities.

(3) The exemption provided by subsection (1)(L) of this section does not apply during an organized event that is on a scale substantially outside the ordinary course of the licensee's business.

SECTION 14. ORS 221.770 is amended to read:

221.770. (1) A share of certain revenues of this state shall be apportioned among and distributed to the cities of this state for general purposes as provided in this section. A city shall not be included in apportionments or receive distributions under this section for a fiscal year commencing on July 1 unless the city:

(a) Elects to receive distributions under this section for the fiscal year by enactment of an ordinance or resolution expressing that election and filing a copy of that ordinance or resolution with the Oregon Department of Administrative Services not later than July 31 of the fiscal year;

(b) Holds at least one public hearing, after adequate public notice, at which citizens have the opportunity to provide written and oral comment to the authority responsible for approving the proposed budget of the city for the fiscal year on the possible uses of the distributions, including offset against property tax levies by the city for the fiscal year, and certifies its compliance with this paragraph to the Oregon Department of Administrative Services not later than July 31 of the fiscal year;

(c) Holds at least one public hearing, after adequate public notice, at which citizens have the opportunity to provide written and oral comment to, and ask questions of, the authority responsible for adopting the budget of the city for the fiscal year on the proposed use of the distributions in relation to the entire budget of the city for the fiscal year, including possible offset of the distributions against property tax levies by the city for the fiscal year, and certifies its compliance with this paragraph to the Oregon Department of Administrative Services not later than July 31 of the fiscal year; and

(d) Levied a property tax for the year preceding the year in which revenue sharing is due under ORS 471.810 and this section.

(2) Not later than 35 days after the last day of each calendar quarter ending March 31, June 30, September 30 and December 31, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall determine the amount of the net revenue under ORS 471.805, received during the preceding calendar quarter and shall certify that amount to the Oregon Department of Administrative Services.

(3) In addition to amounts otherwise apportioned to cities under ORS 471.810, not later than 20 days after the date the Oregon Department of Administrative Services receives a certification under subsection (2) of this section, the department shall apportion among the cities of this state in the manner provided in subsection (4) of this section an amount equal to 14 percent of the amount so certified, and shall pay to each city the amount so apportioned to the city. Payments shall be made from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account.

(4) The amount apportioned to each city under subsection (3) of this section shall be a percentage of the total amount to be apportioned among the cities determined by dividing the adjusted population of the city by the sum of the adjusted populations of all cities. The adjusted population of a city shall be determined by multiplying the city's population by the sum of:

(a) The city's local consolidated property taxes per capita divided by the average consolidated property taxes per capita for all cities in the state; and

(b) The amount of state income per capita divided by the amount of city income per capita.

(5) The amount apportioned to each city shall be further limited to an amount no greater than the amount of all property taxes levied by the city during the year previous to the year in which distributions are made.

(6) For purposes of the formula set forth in subsection (4) of this section, "city population" is the population of a city as last determined under ORS 190.510 to 190.590.

(7)(a) For purposes of the formula set forth in subsection (4) of this section, "local consolidated property taxes" has the meaning given in subsection (8) of this section, for a city divided by the population of the city as last determined under ORS 190.510 to 190.590.

(b) The Oregon Department of Administrative Services shall determine the amounts of property taxes for each city during the fiscal year closing on June 30 preceding the fiscal year commencing on July 1 for which calendar quarter apportionments are made, and that determination shall be used for each calendar quarter apportionment for that fiscal year commencing on July 1.

(8) For purposes of subsection (7) of this section "consolidated property taxes" are the total of all compulsory contributions in the form of ad valorem taxes on property located within a city levied during a one-year period by the city, a county, any school district and any special governmental district for public purposes and in amounts as compiled by the Department of Revenue on the basis of application of consolidated tax rates to assessor code area valuations.

(9) For purposes of the formula set forth in subsection (4) of this section, "income per capita" is the estimated average annual money income of residents of this state and of residents of each city of this state, respectively, based upon the latest information available from the most recent federal decennial census.

(10) A city receiving a distribution under this section may return all or any part of the distribution to the Oregon Department of Administrative Services, which shall deposit the returned distribution or part thereof in the General Fund to be available for payment of the general expenses of the state.

SECTION 15. ORS 221.785 is amended to read:

221.785. (1) Notwithstanding ORS 221.770, 323.455, 366.785 to 366.820 and 471.810, when a proceeding challenging the validity of the incorporation of a city is commenced before a court or administrative agency of this state within two years after the incorporation, if the court or agency determines that the incorporation is invalid, moneys otherwise payable to the city under ORS 221.770, 323.455, 366.785 to 366.820 and 471.810 shall not be distributed to the city, but shall be deposited with the State Treasurer as provided in subsection (3) of this section.

(2) Not later than 30 days after the issuance of an order or judgment declaring the incorporation of a city invalid, the party challenging the incorporation shall send a certified copy of the order or judgment to the State Treasurer, Department of Transportation, Department of Revenue and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(3) Upon receiving a certified copy of the order or judgment under subsection (2) of this section, the state officer or department having responsibility for the distribution of moneys under ORS 221.770, 323.455, 366.785 to 366.820 and 471.810 shall deposit those moneys in an escrow account administered by the State Treasurer.

(4) Upon final determination of the validity of an incorporation by judgment rendered by the highest court in which a decision could be had, the moneys in the escrow account established under subsection (3) of this section shall be distributed as follows:

(a) If the incorporation is determined to be valid, to the city.

(b) If the incorporation is determined to be invalid, each city in this state shall receive such share of the moneys as its population bears to the total population of the cities of the state.

(5) The State Treasurer, upon receiving a certified copy of the judgment of the court which constitutes the final determination of the validity of the challenged incorporation shall distribute moneys in the escrow account as provided in subsection (4) of this section.

(6) The State Treasurer shall retain interest earned on moneys deposited in the escrow account and shall distribute the interest in the same manner as other moneys in the account are distributed.

SECTION 16. ORS 238.005 is amended to read:

238.005. For purposes of this chapter:

(1) "Active member" means a member who is presently employed by a participating public employer in a qualifying position and who has completed the six-month period of service required by ORS 238.015.

(2) "Annuity" means payments for life derived from contributions made by a member as provided in this chapter.

(3) "Board" means the Public Employees Retirement Board.

(4) “Calendar year” means 12 calendar months commencing on January 1 and ending on December 31 following.

(5) “Continuous service” means service not interrupted for more than five years, except that such continuous service shall be computed without regard to interruptions in the case of:

(a) An employee who had returned to the service of the employer as of January 1, 1945, and who remained in that employment until having established membership in the Public Employees Retirement System.

(b) An employee who was in the armed services on January 1, 1945, and returned to the service of the employer within one year of the date of being otherwise than dishonorably discharged and remained in that employment until having established membership in the Public Employees Retirement System.

(6) “Creditable service” means any period of time during which an active member is being paid a salary by a participating public employer and for which benefits under this chapter are funded by employer contributions and earnings on the fund. For purposes of computing years of “creditable service,” full months and major fractions of a month shall be considered to be one-twelfth of a year and shall be added to all full years. “Creditable service” includes all retirement credit received by a member.

(7) “Earliest service retirement age” means the age attained by a member when the member could first make application for retirement under the provisions of ORS 238.280.

(8) “Employee” includes, in addition to employees, public officers, but does not include:

(a) Persons engaged as independent contractors.

(b) Seasonal, emergency or casual workers whose periods of employment with any public employer or public employers do not total 600 hours in any calendar year.

(c) Persons provided sheltered employment or made-work by a public employer in an employment or industries program maintained for the benefit of such persons.

(d) Persons employed and paid from federal funds received under a federal program intended primarily to alleviate unemployment. However, any such person shall be considered an “employee” if not otherwise excluded by paragraphs (a) to (c) of this subsection and the public employer elects to have the person so considered by an irrevocable written notice to the board.

(e) Persons who are employees of a railroad, as defined in ORS 824.020, and who, as such employees, are included in a retirement plan under federal railroad retirement statutes. This paragraph shall be deemed to have been in effect since the inception of the system.

(f) Persons employed in positions classified as post-doctoral scholar positions by a public university listed in ORS 352.002, or by the Oregon Health and Science University, under ORS 350.370.

(9) “Final average salary” means whichever of the following is greater:

(a) The average salary per calendar year paid by one or more participating public employers to an employee who is an active member of the system in three of the calendar years of membership before the effective date of retirement of the employee, in which three years the employee was paid the highest salary. The three calendar years in which the employee was paid the largest total salary may include calendar years in which the employee was employed for less than a full calendar year. If the number of calendar years of active membership before the effective date of retirement of the employee is three or fewer, the final average salary for the employee is the average salary per calendar year paid by one or more participating public employers to the employee in all of those years, without regard to whether the employee was employed for the full calendar year.

(b) One-third of the total salary paid by a participating public employer to an employee who is an active member of the system in the last 36 calendar months of active membership before the effective date of retirement of the employee.

(10) “Firefighter” does not include a volunteer firefighter, but does include:

(a) The State Fire Marshal, the chief deputy fire marshal and deputy state fire marshals;

(b) An employee of the State Forestry Department who is certified by the State Forester as a professional wildland firefighter and whose primary duties include the abatement of uncontrolled fires as described in ORS 477.064; and

(c) An employee of the Oregon Military Department whose primary duties include fighting structural, aircraft, wildland or other fires.

(11) "Fiscal year" means 12 calendar months commencing on July 1 and ending on June 30 following.

(12) "Fund" means the Public Employees Retirement Fund.

(13) "Inactive member" means a member who is not employed in a qualifying position, whose membership has not been terminated in the manner described by ORS 238.095 and who is not retired for service or disability.

(14) "Institution of higher education" means a public university listed in ORS 352.002, the Oregon Health and Science University and a community college, as defined in ORS 341.005.

(15) "Member" means a person who has established membership in the system and whose membership has not been terminated as described in ORS 238.095. "Member" includes active, inactive and retired members.

(16) "Member account" means the regular account and the variable account.

(17) "Normal retirement age" means:

(a) For a person who establishes membership in the system before January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 58 years of age if the employee retires at that age as other than a police officer or firefighter.

(b) For a person who establishes membership in the system on or after January 1, 1996, as described in ORS 238.430, 55 years of age if the employee retires at that age as a police officer or firefighter or 60 years of age if the employee retires at that age as other than a police officer or firefighter.

(18) "Pension" means annual payments for life derived from contributions by one or more public employers.

(19) "Police officer" includes:

(a) Employees of institutions defined in ORS 421.005 as Department of Corrections institutions whose duties, as assigned by the Director of the Department of Corrections, include the custody of persons committed to the custody of or transferred to the Department of Corrections and employees of the Department of Corrections who were classified as police officers on or before July 27, 1989, whether or not such classification was authorized by law.

(b) Employees of the Department of State Police who are classified as police officers by the Superintendent of State Police.

(c) Employees of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** who are classified as regulatory specialists by the administrator of the commission.

(d) Sheriffs and those deputy sheriffs or other employees of a sheriff whose duties, as classified by the sheriff, are the regular duties of police officers or corrections officers.

(e) Police chiefs and police personnel of a city who are classified as police officers by the council or other governing body of the city.

(f) Police officers who are commissioned by a university under ORS 352.121 or 353.125 and who are classified as police officers by the university.

(g) Parole and probation officers employed by the Department of Corrections, parole and probation officers who are transferred to county employment under ORS 423.549 and adult parole and probation officers, as defined in ORS 181A.355, who are classified as police officers for the purposes of this chapter by the county governing body. If a county classifies adult parole and probation officers as police officers for the purposes of this chapter, and the employees so classified are represented by a labor organization, any proposal by the county to change that classification or to cease to classify adult parole and probation officers as police officers for the purposes of this chapter is a mandatory subject of bargaining.

(h) Police officers appointed under ORS 276.021 or 276.023.

(i) Employees of the Port of Portland who are classified as airport police by the Board of Commissioners of the Port of Portland.

(j) Employees of the State Department of Agriculture who are classified as livestock police officers by the Director of Agriculture.

(k) Employees of the Department of Public Safety Standards and Training who are classified by the department as other than secretarial or clerical personnel.

(L) Investigators of the Criminal Justice Division of the Department of Justice.

(m) Corrections officers as defined in ORS 181A.355.

(n) Employees of the Oregon State Lottery Commission who are classified by the Director of the Oregon State Lottery as enforcement agents pursuant to ORS 461.110.

(o) The Director of the Department of Corrections.

(p) An employee who for seven consecutive years has been classified as a police officer as defined by this section, and who is employed or transferred by the Department of Corrections to fill a position designated by the Director of the Department of Corrections as being eligible for police officer status.

(q) An employee of the Department of Corrections classified as a police officer on or prior to July 27, 1989, whether or not that classification was authorized by law, as long as the employee remains in the position held on July 27, 1989. The initial classification of an employee under a system implemented pursuant to ORS 240.190 does not affect police officer status.

(r) Employees of a school district who are appointed and duly sworn members of a law enforcement agency of the district as provided in ORS 332.531 or otherwise employed full-time as police officers commissioned by the district.

(s) Employees at youth correction facilities and juvenile detention facilities under ORS 419A.050, 419A.052 and 420.005 to 420.915 who are required to hold valid Oregon teaching licenses and who have supervisory, control or teaching responsibilities over juveniles committed to the custody of the Department of Corrections or the Oregon Youth Authority.

(t) Employees at youth correction facilities as defined in ORS 420.005 whose primary job description involves the custody, control, treatment, investigation or supervision of juveniles placed in such facilities.

(u) Employees of the Oregon Youth Authority who are classified as juvenile parole and probation officers.

(v) Employees of the Department of Human Services who are prohibited from striking under ORS 243.726 and whose duties include the care of residents of residential facilities, as defined in ORS 443.400, that house individuals with intellectual or developmental disabilities.

(20) "Prior service credit" means credit provided under ORS 238.442 or under ORS 238.225 (2) to (6) (1999 Edition).

(21) "Public employer" means the state, one of its agencies, any city, county, or municipal or public corporation, any political subdivision of the state or any instrumentality thereof, or an agency created by one or more such governmental organizations to provide governmental services. For purposes of this chapter, such agency created by one or more governmental organizations is a governmental instrumentality and a legal entity with power to enter into contracts, hold property and sue and be sued.

(22) "Qualifying position" means one or more jobs with one or more participating public employers in which an employee performs 600 or more hours of service in a calendar year, excluding any service in a job for which a participating public employer does not provide benefits under this chapter pursuant to an application made under ORS 238.035.

(23) "Regular account" means the account established for each active and inactive member under ORS 238.250.

(24) "Retired member" means a member who is retired for service or disability.

(25) "Retirement credit" means a period of time that is treated as creditable service for the purposes of this chapter.

(26)(a) "Salary" means the remuneration paid an employee in cash out of the funds of a public employer in return for services to the employer, plus the monetary value, as determined by the

Public Employees Retirement Board, of whatever living quarters, board, lodging, fuel, laundry and other advantages the employer furnishes the employee in return for services.

(b) "Salary" includes but is not limited to:

(A) Payments of employee and employer money into a deferred compensation plan, which are deemed salary paid in each month of deferral;

(B) The amount of participation in a tax-sheltered or deferred annuity, which is deemed salary paid in each month of participation;

(C) Retroactive payments described in ORS 238.008; and

(D) Wages of a deceased member paid to a surviving spouse or dependent children under ORS 652.190.

(c) "Salary" or "other advantages" does not include:

(A) Travel or any other expenses incidental to employer's business which is reimbursed by the employer;

(B) Payments for insurance coverage by an employer on behalf of employee or employee and dependents, for which the employee has no cash option;

(C) Payments made on account of an employee's death;

(D) Any lump sum payment for accumulated unused sick leave;

(E) Any accelerated payment of an employment contract for a future period or an advance against future wages;

(F) Any retirement incentive, retirement severance pay, retirement bonus or retirement gratuitous payment;

(G) Payments for periods of leave of absence after the date the employer and employee have agreed that no future services qualifying pursuant to ORS 238.015 (3) will be performed, except for sick leave and vacation;

(H) Payments for instructional services rendered to public universities listed in ORS 352.002 or the Oregon Health and Science University when such services are in excess of full-time employment subject to this chapter. A person employed under a contract for less than 12 months is subject to this subparagraph only for the months to which the contract pertains;

(I) Payments made by an employer for insurance coverage provided to a domestic partner of an employee;

(J) Compensation described and authorized under ORS 341.556 that is not paid by the community college employing the faculty member;

(K) Compensation described and authorized under ORS 352.232 that is not paid by the public university employing the officer or employee;

(L) Compensation described and authorized under ORS 353.270 that is not paid by Oregon Health and Science University; or

(M) For years beginning on or after January 1, 2020, any amount in excess of $195,000 for a calendar year. If any period over which salary is determined is less than 12 months, the $195,000 limitation for that period shall be multiplied by a fraction, the numerator of which is the number of months in the determination period and the denominator of which is 12. On January 1 of each year, the board shall adjust the dollar limit provided by this subparagraph to reflect any percentage changes in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(27) "School year" means the period beginning July 1 and ending June 30 next following.

(28) "System" means the Public Employees Retirement System.

(29) "Variable account" means the account established for a member who participates in the Variable Annuity Account under ORS 238.260.

(30) "Vested" means being an active member of the system in each of five calendar years.

(31) "Volunteer firefighter" means a firefighter whose position normally requires less than 600 hours of service per year.

SECTION 17. ORS 244.045 is amended to read:

244.045. (1) A person who has been a Public Utility Commissioner, the Director of the Department of Consumer and Business Services, the Administrator of the Division of Financial Regulation, the administrator of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or the Director of the Oregon State Lottery may not:

(a) Within one year after the public official ceases to hold the position become an employee of or receive any financial gain, other than reimbursement of expenses, from any private employer engaged in the activity, occupation or industry over which the former public official had authority; or

(b) Within two years after the public official ceases to hold the position:

(A) Be a lobbyist for or appear as a representative before the agency over which the person exercised authority as a public official;

(B) Influence or try to influence the actions of the agency; or

(C) Disclose any confidential information gained as a public official.

(2) A person who has been a Deputy Attorney General or an assistant attorney general may not, within two years after the person ceases to hold the position, lobby or appear before an agency that the person represented while employed by the Department of Justice.

(3) A person who has been the State Treasurer or the Deputy State Treasurer may not, within one year after ceasing to hold office:

(a) Accept employment from or be retained by any private entity with whom the office of the State Treasurer or the Oregon Investment Council negotiated or to whom either awarded a contract providing for payment by the state of at least $25,000 in any single year during the term of office of the treasurer;

(b) Accept employment from or be retained by any private entity with whom the office of the State Treasurer or the Oregon Investment Council placed at least $50,000 of investment moneys in any single year during the term of office of the treasurer; or

(c) Be a lobbyist for an investment institution, manager or consultant, or appear before the office of the State Treasurer or Oregon Investment Council as a representative of an investment institution, manager or consultant.

(4) A public official who as part of the official's duties invested public funds may not within two years after the public official ceases to hold the position:

(a) Be a lobbyist or appear as a representative before the agency, board or commission for which the former public official invested public funds;

(b) Influence or try to influence the agency, board or commission; or

(c) Disclose any confidential information gained as a public official.

(5)(a) A person who has been a member of the Department of State Police, who has held a position with the department with the responsibility for supervising, directing or administering programs relating to gaming by a Native American tribe or the Oregon State Lottery and who has been designated by the Superintendent of State Police by rule may not, within one year after the member of the Department of State Police ceases to hold the position:

(A) Accept employment from or be retained by or receive any financial gain related to gaming from the Oregon State Lottery or any Native American tribe;

(B) Accept employment from or be retained by or receive any financial gain from any private employer selling or offering to sell gaming products or services;

(C) Influence or try to influence the actions of the Department of State Police; or

(D) Disclose any confidential information gained as a member of the Department of State Police.

(b) This subsection does not apply to:

(A) Appointment or employment of a person as an Oregon State Lottery Commissioner or as a Tribal Gaming Commissioner or regulatory agent thereof;

(B) Contracting with the Oregon State Lottery as a lottery game retailer;

(C) Financial gain received from personal gaming activities conducted as a private citizen; or

(D) Subsequent employment in any capacity by the Department of State Police.

(c) As used in this subsection, "Native American tribe" means any recognized Native American tribe or band of tribes authorized by the Indian Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C. 2701 et seq., to conduct gambling operations on tribal land.

(6) A person who has been a member of the Legislative Assembly may not, within one year after ceasing to be a member of the Legislative Assembly, receive money or any other consideration for lobbying as defined in ORS 171.725.

SECTION 18. ORS 244.050 is amended to read:

244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon Government Ethics Commission a verified statement of economic interest as required under this chapter:

(a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

(b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem judicial officer who does not otherwise serve as a judicial officer.

(c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

(d) The Deputy Attorney General.

(e) The Deputy Secretary of State.

(f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the Legislative Policy and Research Director, the Secretary of the Senate, the Chief Clerk of the House of Representatives and the Legislative Equity Officer.

(g) The president and vice presidents, or their administrative equivalents, in each public university listed in ORS 352.002.

(h) The following state officers:

(A) Adjutant General.

(B) Director of Agriculture.

(C) Manager of State Accident Insurance Fund Corporation.

(D) Water Resources Director.

(E) Director of Department of Environmental Quality.

(F) Director of Oregon Department of Administrative Services.

(G) State Fish and Wildlife Director.

(H) State Forester.

(I) State Geologist.

(J) Director of Human Services.

(K) Director of the Department of Consumer and Business Services.

(L) Director of the Department of State Lands.

(M) State Librarian.

(N) Administrator of [*Oregon Liquor Control Commission*] **the Oregon Liquor and Cannabis Commission**.

(O) Superintendent of State Police.

(P) Director of the Public Employees Retirement System.

(Q) Director of Department of Revenue.

(R) Director of Transportation.

(S) Public Utility Commissioner.

(T) Director of Veterans' Affairs.

(U) Executive director of Oregon Government Ethics Commission.

(V) Director of the State Department of Energy.

(W) Director and each assistant director of the Oregon State Lottery.

(X) Director of the Department of Corrections.

(Y) Director of the Oregon Department of Aviation.

(Z) Executive director of the Oregon Criminal Justice Commission.

(AA) Director of the Oregon Business Development Department.

(BB) Director of the Office of Emergency Management.

(CC) Director of the Employment Department.
(DD) Chief of staff for the Governor.
(EE) Director of the Housing and Community Services Department.
(FF) State Court Administrator.
(GG) Director of the Department of Land Conservation and Development.
(HH) Board chairperson of the Land Use Board of Appeals.
(II) State Marine Director.
(JJ) Executive director of the Oregon Racing Commission.
(KK) State Parks and Recreation Director.
(LL) Public defense services executive director.
(MM) Chairperson of the Public Employees' Benefit Board.
(NN) Director of the Department of Public Safety Standards and Training.
(OO) Executive director of the Higher Education Coordinating Commission.
(PP) Executive director of the Oregon Watershed Enhancement Board.
(QQ) Director of the Oregon Youth Authority.
(RR) Director of the Oregon Health Authority.
(SS) Deputy Superintendent of Public Instruction.

(i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within the Governor's office.

(j) Every elected city or county official.

(k) Every member of a city or county planning, zoning or development commission.

(L) The chief executive officer of a city or county who performs the duties of manager or principal administrator of the city or county.

(m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.

(n) Every member of a governing body of a metropolitan service district and the auditor and executive officer thereof.

(o) Each member of the board of directors of the State Accident Insurance Fund Corporation.

(p) The chief administrative officer and the financial officer of each common and union high school district, education service district and community college district.

(q) Every member of the following state boards and commissions:
(A) Governing board of the State Department of Geology and Mineral Industries.
(B) Oregon Business Development Commission.
(C) State Board of Education.
(D) Environmental Quality Commission.
(E) Fish and Wildlife Commission of the State of Oregon.
(F) State Board of Forestry.
(G) Oregon Government Ethics Commission.
(H) Oregon Health Policy Board.
(I) Oregon Investment Council.
(J) Land Conservation and Development Commission.
(K) [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.
(L) Oregon Short Term Fund Board.
(M) State Marine Board.
(N) Mass transit district boards.
(O) Energy Facility Siting Council.
(P) Board of Commissioners of the Port of Portland.
(Q) Employment Relations Board.
(R) Public Employees Retirement Board.
(S) Oregon Racing Commission.
(T) Oregon Transportation Commission.
(U) Water Resources Commission.
(V) Workers' Compensation Board.

(W) Oregon Facilities Authority.

(X) Oregon State Lottery Commission.

(Y) Pacific Northwest Electric Power and Conservation Planning Council.

(Z) Columbia River Gorge Commission.

(AA) Oregon Health and Science University Board of Directors.

(BB) Capitol Planning Commission.

(CC) Higher Education Coordinating Commission.

(DD) Oregon Growth Board.

(EE) Early Learning Council.

(r) The following officers of the State Treasurer:

(A) Deputy State Treasurer.

(B) Chief of staff for the office of the State Treasurer.

(C) Director of the Investment Division.

(s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725 or 777.915 to 777.953.

(t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.

(u) Every member of a governing board of a public university listed in ORS 352.002.

(v) Every member of the board of directors of an authority created under ORS 465.600 to 465.621.

(2) By April 15 next after the date an appointment takes effect, every appointed public official on a board or commission listed in subsection (1) of this section shall file with the Oregon Government Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(3) By April 15 next after the filing deadline for the primary election, each candidate described in subsection (1) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(4) Not later than the 40th day before the date of the statewide general election, each candidate described in subsection (1) of this section who will appear on the statewide general election ballot and who was not required to file a statement of economic interest under subsections (1) to (3) of this section shall file with the commission a statement of economic interest as required under ORS 244.060, 244.070 and 244.090.

(5) Subsections (1) to (3) of this section apply only to persons who are incumbent, elected or appointed public officials as of April 15 and to persons who are candidates on April 15.

(6) If a statement required to be filed under this section has not been received by the commission within five days after the date the statement is due, the commission shall notify the public official or candidate and give the public official or candidate not less than 15 days to comply with the requirements of this section. If the public official or candidate fails to comply by the date set by the commission, the commission may impose a civil penalty as provided in ORS 244.350.

SECTION 19. ORS 279A.025 is amended to read:

279A.025. (1) Except as provided in subsections (2) to (4) of this section, the Public Contracting Code applies to all public contracting.

(2) The Public Contracting Code does not apply to:

(a) Contracts between a contracting agency and:

(A) Another contracting agency;

(B) The Oregon Health and Science University;

(C) A public university listed in ORS 352.002;

(D) The Oregon State Bar;

(E) A governmental body of another state;

(F) The federal government;

(G) An American Indian tribe or an agency of an American Indian tribe;

(H) A nation, or a governmental body in a nation, other than the United States; or

(I) An intergovernmental entity formed between or among:

(i) Governmental bodies of this or another state;

(ii) The federal government;

(iii) An American Indian tribe or an agency of an American Indian tribe;

(iv) A nation other than the United States; or

(v) A governmental body in a nation other than the United States;

(b) Agreements authorized by ORS chapter 190 or by a statute, charter provision, ordinance or other authority for establishing agreements between or among governmental bodies or agencies or tribal governing bodies or agencies;

(c) Insurance and service contracts as provided for under ORS 414.115, 414.125, 414.135 and 414.145 for purposes of source selection;

(d) Grants;

(e) Contracts for professional or expert witnesses or consultants to provide services or testimony relating to existing or potential litigation or legal matters in which a public body is or may become interested;

(f) Acquisitions or disposals of real property or interest in real property;

(g) Sole-source expenditures when rates are set by law or ordinance for purposes of source selection;

(h) Contracts for the procurement or distribution of textbooks;

(i) Procurements by a contracting agency from an Oregon Corrections Enterprises program;

(j) The procurement, transportation, sale or distribution of distilled liquor, as defined in ORS 471.001, or the appointment of agents under ORS 471.230 or 471.750 by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**;

(k) Contracts entered into under ORS chapter 180 between the Attorney General and private counsel or special legal assistants;

(L) Contracts for the sale of timber from lands that the State Board of Forestry, the State Forestry Department, the State Parks and Recreation Commission or the State Parks and Recreation Department owns or manages;

(m) Contracts for activities necessary or convenient for the sale of timber under paragraph (L) of this subsection, either separately from or in conjunction with contracts for the sale of timber, including but not limited to activities such as timber harvesting and sorting, transporting, gravel pit development or operation, and road construction, maintenance or improvement;

(n) Contracts for forest protection or forest related activities, as described in ORS 477.406, by the State Forester or the State Board of Forestry;

(o) Contracts that the Housing and Community Services Department enters into in exercising the department's duties prescribed in ORS chapters 456 and 458, except that the department's public contracting for goods and services is subject to ORS chapter 279B;

(p) Contracts that the State Treasurer enters into in exercising the powers of that office prescribed in ORS 178.010 to 178.090 and 276A.242 and ORS chapters 286A, 287A, 289, 293, 294 and 295, including but not limited to investment contracts and agreements, banking services, clearing house services and collateralization agreements, bond documents, certificates of participation and other debt repayment agreements, and any associated contracts, agreements and documents, regardless of whether the obligations that the contracts, agreements or documents establish are general, special or limited, except that the State Treasurer's public contracting for goods and services is subject to ORS chapter 279B;

(q) Contracts, agreements or other documents entered into, issued or established in connection with:

(A) The issuance of obligations, as defined in ORS 286A.100 and 287A.310, of a public body;

(B) Program loans and similar extensions or advances of funds, aid or assistance that a public body makes to a public or private body for the purpose of carrying out, promoting or sustaining activities or programs authorized by law; or

(C) The investment of funds by a public body as authorized by law, and other financial transactions of a public body that by their character cannot practically be established under the competitive contractor selection procedures of ORS 279B.050 to 279B.085;

(r) Contracts for employee benefit plans as provided in ORS 243.105 (1), 243.125 (4), 243.221, 243.275, 243.291, 243.303 and 243.565;

(s) Contracts for employee benefit plans as provided in ORS 243.860 to 243.886; or

(t) Any other public contracting of a public body specifically exempted from the code by another provision of law.

(3) The Public Contracting Code does not apply to the contracting activities of:

(a) The Oregon State Lottery Commission;

(b) The legislative department;

(c) The judicial department;

(d) Semi-independent state agencies listed in ORS 182.454, except as provided in ORS 279.835 to 279.855 and 279A.250 to 279A.290;

(e) Oregon Corrections Enterprises;

(f) The Oregon Film and Video Office, except as provided in ORS 279A.100 and 279A.250 to 279A.290;

(g) The Travel Information Council, except as provided in ORS 279A.250 to 279A.290;

(h) The Oregon 529 Savings Network and the Oregon 529 Savings Board;

(i) The Oregon Innovation Council;

(j) The Oregon Utility Notification Center; or

(k) Any other public body specifically exempted from the code by another provision of law.

(4) ORS 279A.200 to 279A.225 and 279B.050 to 279B.085 do not apply to contracts made with qualified nonprofit agencies providing employment opportunities for individuals with disabilities under ORS 279.835 to 279.855.

SECTION 20. ORS 297.210 is amended to read:

297.210. (1)(a) The Secretary of State, as State Auditor, shall have the accounts and financial affairs of state departments, boards, commissions, institutions and state-aided institutions and agencies of the state reviewed or audited as the Secretary of State considers advisable or necessary.

(b) The Secretary of State, as State Auditor, may conduct performance audits of school districts and education service districts. For audits conducted under this paragraph:

(A) The Secretary of State shall identify by rule factors and standards by which the secretary will determine whether to initiate an audit as authorized under this paragraph or to enter into a contract with the Department of Education to conduct an audit as provided by ORS 327.141.

(B) Prior to initiating an audit, the Secretary of State shall:

(i) Give notice to the school district or the education service district of the secretary's intent to initiate the audit; and

(ii) Provide the school district or the education service district with the opportunity to provide to the secretary any information related to the subject of the audit.

(C) Following the review of any information provided under subparagraph (B) of this paragraph, the Secretary of State may:

(i) Decline to proceed with the audit; or

(ii) Cause the audit to be conducted.

(D) The Secretary of State may charge a school district or an education service district for a portion of the costs incurred for an audit authorized by this paragraph. Amounts charged as provided by this subparagraph shall be in lieu of any amounts that may be charged as provided by ORS 297.230.

(c) The Secretary of State, as State Auditor, may conduct audits of the use of fund transfers from the state to counties, including but not limited to transfers of video lottery revenues, state highway funds, cigarette tax revenues and [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** funds.

(d) The Secretary of State may subpoena witnesses, require the production of books and papers and rendering of reports in such manner and form as the Secretary of State requires and may do all things necessary to secure a full and thorough investigation.

(e) The Secretary of State shall report, in writing, to the Governor. The report shall include a copy of the report on each audit.

(f) In addition to the report described in paragraph (e) of this subsection, the Secretary of State shall provide a report to a school district board or the board of directors of an education service district following an audit conducted as provided by paragraph (b) of this subsection.

(2) The Secretary of State may audit or review any institution or department of the state government at any time the executive head of the institution or department, for any reason, retires from the head's office or position. The secretary need not conduct an audit or review under this subsection if:

(a) The institution or department has been the subject of an audit or review of financial controls within the six months immediately preceding the retirement of the executive head of the institution or department; or

(b) The secretary has not received a report within the 12 months immediately preceding the retirement of the executive head of the institution or department indicating that the executive head of the institution or department was unable or unwilling to follow state law, rules, policies or procedures.

(3) The Secretary of State shall employ auditors upon such terms and for such compensation as the Secretary of State determines are advantageous and advisable.

(4) If a person fails to comply with any subpoena issued under subsection (1) of this section, a judge of the circuit court of any county, on application of the Secretary of State, shall compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from the circuit court.

(5) If the Secretary of State determines during the conduct of any activity authorized under this chapter that fraud or other criminal activity may be occurring or may have occurred, the secretary shall notify the appropriate federal, state or local law enforcement agency of the potential fraud or other criminal activity. This subsection applies regardless of the source of any moneys that are involved or may be involved in the fraud or other criminal activity.

SECTION 21. ORS 317A.100, as amended by section 1, chapter 2, Oregon Laws 2020 (first special session), is amended to read:

317A.100. As used in ORS 317A.100 to 317A.158:

(1)(a) "Commercial activity" means:

(A) The total amount realized by a person, arising from transactions and activity in the regular course of the person's trade or business, without deduction for expenses incurred by the trade or business;

(B) If received by a financial institution:

(i) If the reporting person for a financial institution is a holding company, all items of income reported on the FR Y-9 filed by the holding company;

(ii) If the reporting person for a financial institution is a bank organization, all items of income reported on the call report filed by the bank organization; and

(iii) If the reporting person for a financial institution is a nonbank financial organization, all items of income reported in accordance with generally accepted accounting principles; and

(C)(i) If received by an insurer, as reported on the statement of premiums accompanying the annual statement required under ORS 731.574 to be filed with the Director of the Department of Consumer and Business Services, all gross direct life insurance premiums, gross direct accident and health insurance premiums and gross direct property and casualty insurance premiums; and

(ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown in the report required by ORS 735.465.

(b) "Commercial activity" does not include:

(A) Interest income except:

(i) Interest on credit sales; or

(ii) Interest income, including service charges, received by financial institutions;

(B) Receipts from the sale, exchange or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;

(C) If received by an insurer, federally reinsured premiums or income from transactions between a reciprocal insurer and its attorney in fact operating under ORS 731.142;

(D) Receipts from hedging transactions, to the extent that the transactions are entered into primarily to protect a financial position, including transactions intended to manage the risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or investments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity price fluctuations;

(E) Proceeds received attributable to the repayment, maturity or redemption of the principal of a loan, bond, mutual fund, certificate of deposit or marketable instrument;

(F) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan to the person;

(G) Contributions received by a trust, plan or other arrangement, any of which is described in section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter (D) of the Internal Revenue Code applies;

(H) Compensation, whether current or deferred, and whether in cash or in kind, received or to be received by an employee, a former employee or the employee's legal successor for services rendered to or for an employer, including reimbursements received by or for an individual for medical or education expenses, health insurance premiums or employee expenses or on account of a dependent care spending account, legal services plan, any cafeteria plan described in section 125 of the Internal Revenue Code or any similar employee reimbursement;

(I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or calls, or from the sale of the taxpayer's treasury stock;

(J) Proceeds received on the account of payments from insurance policies, including crop insurance policies, owned by the taxpayer, except those proceeds received for the loss of commercial activity;

(K) Gifts or charitable contributions received, membership dues received by trade, professional, homeowners' or condominium associations, payments received for educational courses, meetings or meals, or similar payments to a trade, professional or other similar association, and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;

(L) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be treated as commercial activity;

(M) Property, money and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee or other remuneration;

(N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary group as provided under ORS 317A.106, and reimbursements made by entities that are not members of a unitary group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under ORS 317A.100 to 317A.158 is required to be reported and paid entirely by one owner, as provided in ORS 317A.106;

(O) Pension reversions;

(P) Contributions to capital;

(Q) Receipts from the sale, transfer, exchange or other disposition of motor vehicle fuel or any other product used for the propulsion of motor vehicles;

(R) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer or seller, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the Internal Revenue Code or ORS chapter 323;

(S) In the case of receipts from the sale of malt beverages or wine, as defined in ORS 471.001, cider, as defined in ORS 471.023 or distilled liquor, as defined in ORS 471.001, by a person holding a license issued under ORS chapter 471, an amount equal to the federal and state excise taxes paid by any person on or for such malt beverages, wine or distilled liquor under subtitle E of the Internal Revenue Code or ORS chapter 471 or 473, and any amount paid to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** for sales of distilled spirits by an agent appointed under ORS 471.750;

(T) In the case of receipts from the sale of marijuana items, as defined in ORS 475B.015, by a person holding a license issued under ORS 475B.010 to 475B.545, an amount equal to the federal and state excise taxes paid by any person on or for such marijuana items under subtitle E of the Internal Revenue Code or ORS 475B.700 to 475B.760 and any local retail taxes authorized under ORS 475B.491;

(U) Local taxes collected by a restaurant or other food establishment on sales of meals, prepared food or beverages;

(V) Tips or gratuities collected by a restaurant or other food establishment and passed on to employees;

(W) Receipts realized by a vehicle dealer certified under ORS 822.020 or a person described in ORS 320.400 (8)(a)(B) from the sale or other transfer of a motor vehicle, as defined in ORS 801.360, to another vehicle dealer for the purpose of resale by the transferee vehicle dealer, but only if the sale or other transfer was based upon the transferee's need to meet a specific customer's preference for a motor vehicle;

(X) Registration fees or taxes collected by a vehicle dealer certified under ORS 822.020 or a person described in ORS 320.400 (8)(a)(B) at the sale or other transfer of a motor vehicle, as defined in ORS 801.360, that are owed to a third party by the purchaser of the motor vehicle and passed to the third party by the dealer;

(Y) Receipts from a financial institution for services provided to the financial institution in connection with the issuance, processing, servicing and management of loans or credit accounts, if the financial institution and the recipient of the receipts have at least 50 percent of their ownership interests owned or controlled, directly or constructively through related interests, by common owners;

(Z) In the case of amounts retained as commissions by a holder of a license under ORS chapter 462, an amount equal to the amounts specified under ORS chapter 462 that must be paid to or collected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to be used as purse money;

(AA) Net revenue of residential care facilities as defined in ORS 443.400 or in-home care agencies as defined in ORS 443.305, to the extent that the revenue is derived from or received as compensation for providing services to a medical assistance or Medicare recipient;

(BB) Dividends received;

(CC) Distributive income received from a pass-through entity;

(DD) Receipts from sales to a wholesaler in this state, if the seller receives certification at the time of sale from the wholesaler that the wholesaler will sell the purchased property outside this state;

(EE) Receipts from the wholesale or retail sale of groceries;

(FF) Receipts from transactions among members of a unitary group;

(GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and costs of funding or implementing cost-effective energy conservation measures collected under ORS 757.689, that are collected from customers, passed to a utility and approved by the Public Utility Commission and that support energy conservation, renewable resource acquisition and low-income assistance programs;

(HH) Moneys collected by a utility from customers for the payment of loans through on-bill financing;

(II) Surcharges collected under ORS 757.736;

(JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with the exchange credit;

(KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as defined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-way fees, franchise fees, privilege taxes, federal taxes and local taxes;

(LL) Charges paid to the Residential Service Protection Fund required by chapter 290, Oregon Laws 1987;

(MM) Universal service surcharge moneys collected or recovered and paid into the universal service fund established in ORS 759.425;

(NN) Moneys collected for public purpose funding as described in ORS 759.430;

(OO) Moneys collected or recovered and paid into the federal universal service fund as determined by the Federal Communications Commission;

(PP) In the case of a seller or provider of telecommunications services, the amount of tax imposed under ORS 403.200 for access to the emergency communications system that is collected from subscribers or consumers;

(QQ) In the case of a transient lodging tax collector, the amount of tax imposed under ORS 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging;

(RR) In the case of a seller of bicycles, the amount of tax imposed under ORS 320.415 upon retail sales of bicycles;

(SS) In the case of a qualified heavy equipment provider, the amount of tax imposed under ORS 307.872 upon the rental price of heavy equipment;

(TT) Farmer sales to an agricultural cooperative in this state that is a cooperative organization described in section 1381 of the Internal Revenue Code;

(UU) Revenue received by a business entity that is mandated by contract or subcontract to be distributed to another person or entity if the revenue constitutes sales commissions that are paid to a person who is not an employee of the business entity, including, without limitation, a split-fee real estate commission; and

(VV) Receipts from the sale of fluid milk by dairy farmers that are not members of an agricultural cooperative.

(2) "Cost inputs" means:

(a) The cost of goods sold as calculated in arriving at federal taxable income under the Internal Revenue Code; or

(b) In the case of a taxpayer that is engaged in a farming operation, as defined in section 6, chapter 2, Oregon Laws 2020 (first special session), and that does not report cost of goods sold for federal tax purposes, the taxpayer's operating expenses excluding labor costs.

(3) "Doing business" means engaging in any activity, whether legal or illegal, that is conducted for, or results in, the receipt of commercial activity at any time during a calendar year.

(4) "Excluded person" means any of the following:

(a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless the exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal Revenue Code.

(b) Organizations described in section 501(d) of the Internal Revenue Code, unless the exemption is denied under section 502 or 503 of the Internal Revenue Code.

(c) Organizations described in section 501(e) of the Internal Revenue Code.

(d) Organizations described in section 501(f) of the Internal Revenue Code.

(e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

(f) Organizations described in section 521 of the Internal Revenue Code.

(g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

(h) Foreign or alien insurance companies, but only with respect to the underwriting profit derived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and 731.828.

(i) Governmental entities.

(j) Any person with commercial activity that does not exceed $750,000 for the calendar year, other than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity in excess of $750,000.

(k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to assessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws 2017.

(L) Manufactured dwelling park nonprofit cooperatives organized under ORS chapter 62.

(5) "Financial institution" has the meaning given that term in ORS 314.610, except that "financial institution" does not include a credit union.

(6)(a) "FR Y-9" means the consolidated or parent-only financial statements that a holding company is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

(b) In the case of a holding company required to file both consolidated and parent-only financial statements, "FR Y-9" means the consolidated financial statements that the holding company is required to file.

(7) "Governmental entity" means:

(a) The United States and any of its unincorporated agencies and instrumentalities.

(b) Any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

(c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

(d) Any county, city, district or other political subdivision of the state.

(e) A special government body as defined in ORS 174.117.

(f) A federally recognized Indian tribe.

(8) "Groceries" means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid edibles or marijuana seeds.

(9)(a) "Hedging transaction" means a hedging transaction as defined in section 1221 of the Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Accounting Standards Board Statement No. 133.

(b) "Hedging transaction" does not include a transaction in which an actual transfer of title of real or tangible property to another entity occurs.

(10) "Insurer" has the meaning given that term in ORS 317.010.

(11) "Internal Revenue Code," except where the Legislative Assembly has provided otherwise, refers to the laws of the United States or to the Internal Revenue Code as they are amended and in effect on December 31, 2018.

(12) "Labor costs" means total compensation of all employees, not to include compensation paid to any single employee in excess of $500,000.

(13)(a) "Motor vehicle fuel or any other product used for the propulsion of motor vehicles" means:

(A) Motor vehicle fuel as defined in ORS 319.010; and

(B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

(b) "Motor vehicle fuel or any other product used for the propulsion of motor vehicles" does not mean:

(A) Electricity; or

(B) Electric batteries or any other mechanical or physical component or accessory of a motor vehicle.

(14) "Person" includes individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partnerships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs, societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S cor-

porations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are disregarded for federal income tax purposes and any other entities.

(15) "Retailer" means a person doing business by selling tangible personal property to a purchaser for a purpose other than:

(a) Resale by the purchaser of the property as tangible personal property in the regular course of business;

(b) Incorporation by the purchaser of the property in the course of regular business as an ingredient or component of real or personal property; or

(c) Consumption by the purchaser of the property in the production for sale of a new article of tangible personal property.

(16) "Taxable commercial activity" means commercial activity sourced to this state under ORS 317A.128, less any subtraction pursuant to ORS 317A.119.

(17)(a) "Taxpayer" means any person or unitary group required to register, file or pay tax under ORS 317A.100 to 317A.158.

(b) "Taxpayer" does not include excluded persons, except to the extent that a tax-exempt entity has unrelated business income as described in the Internal Revenue Code.

(18)(a) "Unitary business" means a business enterprise in which there exists directly or indirectly between the members or parts of the enterprise a sharing or exchange of value as demonstrated by:

(A) Centralized management or a common executive force;

(B) Centralized administrative services or functions resulting in economies of scale; or

(C) Flow of goods, capital resources or services demonstrating functional integration.

(b) "Unitary business" may include a business enterprise the activities of which:

(A) Are in the same general line of business, such as manufacturing, wholesaling or retailing; or

(B) Constitute steps in a vertically integrated process, such as the steps involved in the production of natural resources, which might include exploration, mining, refining and marketing.

(19) "Unitary group" means a group of persons with more than 50 percent common ownership, either direct or indirect, that is engaged in business activities that constitute a unitary business.

(20) "Wholesaler" means a person primarily doing business by merchant distribution of tangible personal property to retailers or to other wholesalers.

SECTION 22. ORS 459.992 is amended to read:

459.992. (1) The following are Class A misdemeanors:

(a) Violation of rules or ordinances adopted under ORS 459.005 to 459.105 and 459.205 to 459.385.

(b) Violation of ORS 459.205.

(c) Violation of ORS 459.270.

(d) Violation of ORS 459A.080.

(e) Violation of ORS 459.272.

(2) Each day a violation referred to by subsection (1) of this section continues constitutes a separate offense. The separate offenses may be joined in one indictment or complaint or information in several counts.

(3) Violation of ORS 459A.705, 459A.710, 459A.718 (7) or 459A.720 is a Class A misdemeanor.

(4) Violation of ORS 459A.716 is a Class D violation. Each day that a violation referred to in this subsection occurs is a separate offense. The separate offenses may be joined in one indictment or complaint or information in several counts.

(5) In addition to the penalty prescribed by subsection (3) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or the State Department of Agriculture may revoke or suspend the license of any person who willfully violates ORS 459A.705, 459A.710, 459A.718 (7) or 459A.720, who is required by ORS chapter 471 or 635, respectively, to have a license.

SECTION 23. ORS 459A.700 is amended to read:

459A.700. As used in ORS 459.992 (3) and (4) and 459A.700 to 459A.744, unless the context requires otherwise:

(1) "Beverage" means a fluid described in ORS 459A.702.

(2) "Beverage container" means a container described in ORS 459A.702.

(3) "Commission" means the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(4) "Consumer" means every person who purchases a beverage in a beverage container for use or consumption.

(5) "Dealer" means every person in this state who engages in the sale of beverages in beverage containers to a consumer, or means a full-service redemption center approved under ORS 459A.735.

(6) "Dealer redemption center" means a location that meets the requirements of ORS 459A.741, at which any person may return empty beverage containers and receive payment of the refund value of the beverage containers.

(7) "Distributor" means every person who engages in the sale of beverages in beverage containers to a dealer in this state including any manufacturer who engages in such sales.

(8) "Full-service redemption center" means a location that meets the requirements of ORS 459A.737, at which any person may return empty beverage containers and receive payment of the refund value of the beverage containers.

(9) "Hard seltzer" means any sugar-based alcoholic beverage that contains carbonated water or any malt-based alcoholic beverage that contains carbonated water and is not a malt beverage, as defined in ORS 471.001.

(10) "Importer" means any dealer or manufacturer who directly imports beverage containers into this state.

(11) "In this state" means within the exterior limits of the State of Oregon and includes all territory within these limits owned by or ceded to the United States of America.

(12) "Kombucha" means a fermented beverage that is made from tea and contains not more than 21 percent of alcohol by volume.

(13) "Manufacturer" means every person bottling, canning or otherwise filling beverage containers for sale to distributors, importers or dealers.

(14) "Place of business of a dealer" means the location at which a dealer sells or offers for sale beverages in beverage containers to consumers.

(15) "Redemption center" means a full-service redemption center or a dealer redemption center.

(16) "Use or consumption" includes the exercise of any right or power over a beverage incident to the ownership thereof, other than the sale or the keeping or retention of a beverage for the purposes of sale.

(17) "Water and flavored water" means any beverage identified through the use of letters, words or symbols on its product label as a type of water.

(18) "Wine" has the meaning given that term in ORS 471.001, except that "wine" does not mean hard seltzer or kombucha.

SECTION 24. ORS 459A.702 is amended to read:

459A.702. ORS 459A.700 to 459A.744 apply to:

(1) Any individual, separate, sealed glass, metal or plastic bottle or can, except for a carton, foil pouch, drink box or metal container that requires a tool to be opened, that contains any one of the following beverages, intended for human consumption and in a quantity less than or equal to three liters:

(a) Water or flavored water;

(b) Beer or another malt beverage;

(c) Mineral water, soda water or a similar carbonated soft drink;

(d) Kombucha; or

(e) Hard seltzer.

(2) Any beverage other than those specified in subsection (1) of this section that is intended for human consumption and is in a quantity more than or equal to four fluid ounces and less than or

equal to one and one-half liters, except distilled liquor, wine, dairy or plant-based milks, infant formula and any other exemptions set forth in rule by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

SECTION 25. ORS 459A.705 is amended to read:

459A.705. (1) Except as provided in subsections (2) and (3) of this section, every beverage container sold or offered for sale in this state shall have a refund value of not less than five cents.

(2)(a) Every beverage container sold or offered for sale in this state shall have a refund value of not less than 10 cents, beginning on the later of:

(A) Eight months after the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** determines that, in each of the two previous calendar years, the number of beverage containers returned for the refund value specified in this section was less than 80 percent of the total number of beverage containers that were sold in this state; or

(B) January 1 of the calendar year following the determination by the commission described in subparagraph (A) of this paragraph.

(b) In making a determination under this subsection, the commission may not include the beverages described in ORS 459A.702 (2) before January 1, 2021.

(3) Every beverage container certified as provided in ORS 459A.725, sold or offered for sale in this state, shall have a refund value of not less than two cents.

SECTION 26. ORS 459A.715 is amended to read:

459A.715. (1) A dealer may refuse to accept from any person, and a distributor or importer may refuse to accept from a dealer, any empty beverage container that does not state thereon a refund value as established by ORS 459A.705.

(2) A dealer may refuse to accept and to pay the refund value of:

(a) Empty beverage containers if the place of business of the dealer and the kind of empty beverage containers are included in an order of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** approving a full-service redemption center under ORS 459A.735.

(b) Any beverage container visibly containing or contaminated by a substance other than water, residue of the original contents or ordinary dust.

(c)(A) More than 144 individual beverage containers returned by any one person during one day, if the dealer occupies a space of 5,000 or more square feet in a single area.

(B) More than 50 individual beverage containers returned by any one person during one day, if the dealer occupies a space of less than 5,000 square feet in a single area.

(d) Any beverage container that is damaged to the extent that the brand appearing on the container cannot be identified.

(3)(a) In order to refuse containers under subsection (2)(b), (c)(A) or (d) of this section, if a dealer occupies a space of 5,000 or more square feet in a single area, the dealer must post in each area where containers are received a clearly visible and legible sign containing the following information:

NOTICE:

Oregon Law allows a dealer to refuse to accept:

1. Beverage containers visibly containing or contaminated by a substance other than water, residue of the original contents or ordinary dust;

2. More than 144 individual beverage containers from any one person during one day; or

3. Beverage containers that are damaged to the extent that the brand appearing on the container cannot be identified.

(b) In order to refuse containers under subsection (2)(b), (c)(B) or (d) of this section, if a dealer occupies a space of less than 5,000 square feet in a single area, the dealer must post in each area where containers are received a clearly visible and legible sign containing the following information:

NOTICE:

Oregon Law allows a dealer to refuse to accept:

1. Beverage containers visibly containing or contaminated by a substance other than water, residue of the original contents or ordinary dust;

2. More than 50 individual beverage containers from any one person during one day; or

3. Beverage containers that are damaged to the extent that the brand appearing on the container cannot be identified.

SECTION 27. ORS 459A.717 is amended to read:

459A.717. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may impose a civil penalty of at least $50, but not more than $500, for a violation of any provision of ORS 459A.700 to 459A.744. Each day a violation occurs constitutes a separate violation. The authority to impose a civil penalty under this section is in addition to and not in lieu of the revocation and suspension authority under ORS 459.992 (5) and the criminal penalty authorized by ORS 459.992.

(2) Notwithstanding subsection (1) of this section, if a dealer violates a provision of ORS 459A.738, or if a distributor or importer violates a provision of ORS 459A.718, the commission shall provide the dealer, distributor or importer with written notice informing the dealer, distributor or importer of the violation and stating that the dealer, distributor or importer may avoid civil penalty for the violation by curing the violation within 60 days after issuance of the notice. If the dealer, distributor or importer fails to cure the violation within 60 days after issuance of the notice, the commission shall impose a civil penalty of at least $200 for the violation. Each day after the 60-day period that the dealer continues to violate a provision of ORS 459A.738, or that the distributor or importer continues to violate a provision of ORS 459A.718, is a separate offense subject to a separate civil penalty. The commission is not required to provide the dealer, distributor or importer with an opportunity to cure a continuing violation before imposing a civil penalty for the continuing violation.

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

(4) All penalties recovered under this section shall be paid into the State Treasury and credited to the General Fund and are available for general governmental expenses.

SECTION 28. ORS 459A.718 is amended to read:

459A.718. (1) Two or more distributors or importers may establish a distributor cooperative for the purposes of:

(a) Collecting the refund value of beverage containers specified in ORS 459A.705 from distributors or importers and refunding to dealers the amount the dealers paid for the refund value of empty beverage containers;

(b) Paying the refund value specified in ORS 459A.705 for beverage containers sold in this state;

(c) Processing beverage containers sold in this state; and

(d) Maintaining a registry of all beverage containers sold and redeemed in this state.

(2) A distributor cooperative established under this section must service a majority of the dealers in this state.

(3) If a distributor cooperative is established, a dealer that uses the distributor cooperative to redeem and process beverage containers sold in this state is not required to return beverage containers to a distributor or importer that does not participate in the distributor cooperative, provided that the dealer or the distributor cooperative provides an accounting to the distributor or importer

of the beverage containers by brand and kind that were distributed by the distributor or importer and subsequently redeemed by the dealer or distributor cooperative.

(4) Upon receipt of the accounting required by subsection (3) of this section, a distributor or importer that does not participate in the distributor cooperative must pay the refund value of the redeemed beverage containers specified in the accounting to the dealer or distributor cooperative that provided the accounting.

(5) A distributor or importer that does not participate in a distributor cooperative to redeem and process beverage containers shall register with the distributor cooperative as a nonparticipating distributor or importer and shall report, in a form and manner as required by the distributor cooperative, information necessary for the distributor cooperative to maintain the beverage container registry described in subsection (6) of this section.

(6) A distributor cooperative shall maintain a registry of all types of beverage containers sold and redeemed in this state for all registered entities that describes the beverage containers using the following information for each beverage container:

(a) The name of the beverage contained in the beverage container as identified through the use of letters, words or symbols on the product label affixed to the beverage container;

(b) The type of beverage contained in the beverage container using an appropriate categorization method for beverages as determined by the distributor cooperative;

(c) The size of the beverage container;

(d) Whether the beverage container is glass, metal or plastic; and

(e) If applicable, the universal product code or European article number on the product label affixed to the beverage container.

(7)(a) For purposes of this subsection, beverage container return data is the number of beverage containers returned for the refund value specified in ORS 459A.705 in Oregon during the calendar year and the number of beverage containers that carry a refund value specified in ORS 459A.705 sold in Oregon during the calendar year, calculated separately.

(b) By July 1 of each calendar year, a distributor cooperative shall provide the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** with a report that lists, in aggregate form:

(A) For all distributors and importers that participate in the distributor cooperative, the previous calendar year's beverage container return data, calculated separately for glass, metal and plastic beverage containers; and

(B) The registry of all beverage containers sold and redeemed in this state during the previous calendar year.

(c) By July 1 of each calendar year, a distributor or importer that does not participate in a distributor cooperative shall provide the commission with a report that lists the distributor's or the importer's beverage container return data for the previous calendar year, calculated separately for glass, metal and plastic beverage containers.

(8)(a) By August 1 of each calendar year, using the beverage container return data provided in subsection (7)(b) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall calculate the previous calendar year's percentage of beverage containers returned for the refund value specified in ORS 459A.705 for each distributor cooperative. The commission shall carry out the calculation separately for glass, metal and plastic beverage containers and shall post the percentages on the commission's website.

(b) By August 1 of each calendar year, using the beverage container return data provided in subsection (7)(c) of this section, the commission shall calculate the previous calendar year's percentage of beverage containers returned for the refund value specified in ORS 459A.705 for each distributor or importer that does not participate in a distributor cooperative. The commission shall carry out the calculation separately for glass, metal and plastic beverage containers and shall post the percentages on the commission's website.

(c) By August 1 of each calendar year, using the beverage container return data provided in subsection (7)(b) and (c) of this section, the commission shall calculate the previous calendar year's

percentage of beverage containers returned for the refund value specified in ORS 459A.705 for all distributors and importers in Oregon. The commission shall carry out the calculation for all beverage containers, and separately for glass, metal and plastic beverage containers, and shall post the percentages on the commission's website.

(d) Except for the percentages described in paragraphs (a) to (c) of this subsection or in a proceeding under ORS 459A.717 for a violation of subsection (7) of this section, the commission may not disclose any information provided by a distributor, an importer or a distributor cooperative under subsection (7) of this section.

(9)(a) In order to determine compliance with the provisions of subsection (7) of this section, within six months of the date that the commission receives a report described in subsection (7)(b) and (c) of this section, the commission may review or audit the records of each reporting distributor cooperative, or each reporting distributor or importer that does not participate in a distributor cooperative.

(b)(A) If in the course of a review described in paragraph (a) of this subsection the commission determines that an audit of a distributor cooperative, distributor or importer is necessary, the commission shall require the distributor cooperative, distributor or importer to retain an independent financial audit firm to determine the accuracy of information contained in the report. The distributor cooperative, distributor or importer that is the subject of review shall pay the costs of the audit. The audit must be limited to the records described in paragraph (a) of this subsection.

(B) The commission shall adopt rules to carry out the provisions of this paragraph.

SECTION 29. ORS 459A.725 is amended to read:

459A.725. (1) To promote the use in this state of reusable beverage containers of uniform design, and to facilitate the return of containers to manufacturers for reuse as a beverage container, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may certify beverage containers which satisfy the requirements of this section.

(2) A beverage container may be certified if:

(a) It is reusable as a beverage container by more than one manufacturer in the ordinary course of business; and

(b) More than one manufacturer will in the ordinary course of business accept the beverage container for reuse as a beverage container and pay the refund value of the container.

(3) The commission may by rule establish appropriate liquid capacities and shapes for beverage containers to be certified or decertified in accordance with the purposes set forth in subsection (1) of this section.

(4) A beverage container shall not be certified under this section if by reason of its shape or design, or by reason of words or symbols permanently inscribed thereon, whether by engraving, embossing, painting or other permanent method, it is reusable as a beverage container in the ordinary course of business only by a manufacturer of a beverage sold under a specific brand name.

SECTION 30. ORS 459A.730 is amended to read:

459A.730. (1) Unless an application for certification under ORS 459A.725 is denied by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** within 60 days after the filing of the application, the beverage container shall be deemed certified.

(2) The commission may review at any time certification of a beverage container. If after such review, with written notice and hearing afforded to the person who filed the application for certification under ORS 459A.725, the commission determines the container is no longer qualified for certification, it shall withdraw certification.

(3) Withdrawal of certification shall be effective not less than 30 days after written notice to the person who filed the application for certification under ORS 459A.725 and to the manufacturers referred to in ORS 459A.725 (2).

SECTION 31. ORS 459A.735 is amended to read:

459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of beverages, any person may establish a full-service redemption center, subject to the approval of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, at which any

person may return empty beverage containers and receive payment of the refund value of such beverage containers.

(2) Application for approval of a full-service redemption center shall be filed with the commission. The application shall state the name and address of the person responsible for the establishment and operation of the full-service redemption center, the kind of beverage containers that will be accepted at the full-service redemption center, the names and addresses of the dealers to be served by the full-service redemption center and proposals for up to two convenience zones described in ORS 459A.738. The application shall include such additional information as the commission may require.

(3) The commission shall approve a full-service redemption center if it finds the redemption center will provide a convenient service to persons for the return of empty beverage containers. The order of the commission approving a full-service redemption center shall state:

(a) The location of the convenience zones specified by the commission under ORS 459A.738 (1);

(b) The dealers within the convenience zones to be served by the full-service redemption center;

(c) The dealers within the convenience zones not to be served by or not participating in the full-service redemption center;

(d) The services to be provided by the redemption center and the equivalent services required to be provided under ORS 459A.738 (5) by a dealer that does not participate in, and is not served by, the full-service redemption center;

(e) The kind of empty beverage containers that the full-service redemption center must accept;

(f) Whether the full-service redemption center will be located in an area zoned for commercial use under state statute or local ordinance or will be located in an area that will provide more convenient service given the proximity of the location to the dealers within the convenience zones to be served by the full-service redemption center; and

(g) Such other provisions to ensure that the full-service redemption center will provide a convenient service to the public as the commission may determine.

(4) A full-service redemption center approved by the commission under this section is not a recycling depot for purposes of ORS 90.318, 459A.007, 459A.010, 459A.050 or 459A.080.

(5)(a) No later than five days after approving a full-service redemption center under subsection (3) of this section, the commission shall provide written notice to each dealer that is identified in the order approving the full-service redemption center as a dealer within the convenience zones not to be served by or not participating in the full-service redemption center.

(b) The notice required under this subsection shall include:

(A) All information required to be in the order approving the full-service redemption center under subsection (3) of this section; and

(B) Notice of the provisions of ORS 459A.738 that are applicable to the dealer receiving the notice.

(6) The commission may review at any time approval of a full-service redemption center. After written notice to the person responsible for the establishment and operation of the full-service redemption center, and to the dealers served by the full-service redemption center, the commission may, after hearing, withdraw approval of a full-service redemption center if the commission finds there has not been compliance with its order approving the full-service redemption center, or if the full-service redemption center no longer provides a convenient service to the public.

SECTION 32. ORS 459A.737 is amended to read:

459A.737. (1) Pursuant to the provisions of ORS 459A.735, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**:

(a) Shall approve one full-service redemption center in a city having a population of less than 300,000, operated by a distributor cooperative serving a majority of the dealers in this state; and

(b) May approve one or more additional full-service redemption centers.

(2) Notwithstanding any other provision of ORS 459A.700 to 459A.744, a full-service redemption center:

(a) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day;

(b) Must provide hand counting of up to 50 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705;

(c) May provide drop off service for at least 125 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705, and may provide an accounting mechanism by which the person may redeem the refund value of the beverage containers at a later date; and

(d) May provide other services as determined necessary by the person responsible for the operation of the full-service redemption center.

(3)(a) By July 1 of each calendar year, a person responsible for the operation of one or more full-service redemption centers shall register with the commission, for a period to cover the upcoming year, on a form provided by the commission. The registration shall include:

(A) A list of each full-service redemption center that the person is responsible for operating during the upcoming year and the address of each full-service redemption center; and

(B) Any other information required by the commission to process the registration.

(b)(A) Each person responsible for the operation of one or more full-service redemption centers shall pay an annual registration fee to the commission. The fee shall be paid at the time of registration under paragraph (a) of this subsection. The registration fee shall be $3,000 for each full-service redemption center that the person is responsible for operating.

(B) The registration fee established by subparagraph (A) of this paragraph does not apply to the operation of a dealer redemption center.

(c) Fees collected by the commission under this subsection shall be deposited in the Bottle Bill Fund established under ORS 459A.744.

(4) The commission may adopt all rules necessary to implement and administer the provisions of this section and ORS 459A.738 and 459A.741.

SECTION 33. ORS 459A.738 is amended to read:

459A.738. (1) For each full-service redemption center, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall specify up to two convenience zones. The first convenience zone shall be the sector within a radius of not more than two miles around the full-service redemption center. The second convenience zone shall be the sector beginning at the border of the first convenience zone and continuing to a radius of not more than three and one-half miles around the full-service redemption center. The convenience zones shall be based to the greatest extent practicable upon the proposals submitted as part of the application for approval of the full-service redemption center under ORS 459A.735.

(2) All dealers doing business within the first convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the full-service redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the full-service redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of empty beverage containers.

(3) All dealers doing business within the second convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the full-service redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the full-service redemption center, the dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.

(4) All dealers doing business within either convenience zone that occupy a space of less than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.

(5)(a) Any dealer doing business within either convenience zone that occupies a space of 5,000 or more square feet in a single area that does not participate in, and is not served by, the full-service redemption center may not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day and must, beginning on the date that the full-service redemption center begins accepting beverage containers, provide services equivalent to those provided by the redemption center under ORS 459A.737 (2), including hand counting and drop off service.

(b) In addition to complying with the requirements specified in paragraph (a) of this subsection, a dealer described in paragraph (a) of this subsection must:

(A) Post in each area where beverage containers are received a clearly visible and legible sign that contains the list of services that must be provided by the dealer; and

(B) Provide two automated reverse vending machines capable of processing metal, plastic and glass beverage containers, or one automated reverse vending machine capable of processing metal, plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the previous calendar year, whichever is greater.

(c)(A) The provisions of paragraphs (a) and (b) of this subsection do not apply to a dealer described in paragraph (a) of this subsection if the dealer sold fewer than 100,000 beverage containers in the previous calendar year. To be eligible for the exemption under this paragraph, a dealer described in paragraph (a) of this subsection must report to the commission the number of beverage containers sold by the dealer in the previous calendar year.

(B) The report required under this paragraph must be submitted by a dealer:

(i) Except as provided in subsection (6) of this section, no later than 60 days after issuance of the notice required under ORS 459A.735 (5); and

(ii) No later than January 1 of each calendar year following the year that the notice under ORS 459A.735 (5) was issued and for which the dealer intends to claim the exemption.

(d) The commission shall ensure compliance with this subsection by a dealer described in paragraph (a) of this subsection that is not subject to an exemption under paragraph (c) of this subsection.

(6) A dealer that plans to begin doing business within either convenience zone after the date that the full-service redemption center associated with the convenience zone begins accepting beverage containers shall, not less than 60 days prior to the date that the dealer begins doing business:

(a) Provide notice to the commission explaining whether the dealer will or will not participate in, be served by and pay the cost of participation in the full-service redemption center; and

(b) If the dealer will not participate in the redemption center and will claim an exemption under subsection (5)(c) of this section, provide documentation of compliance with the requirements for nonparticipating dealers under this section and an estimate of the number of beverage containers that the dealer expects to sell during the first calendar year that the dealer does business within the convenience zone.

(7) The provisions of subsections (2) to (6) of this section do not apply to any dealer for which the driving distance from the place of business of the dealer to the full-service redemption center, calculated using the shortest route, is more than two times the radius specified for the second convenience zone or, if only one convenience zone is specified by the commission, two times the radius specified for that convenience zone.

(8) Not more than 60 days after issuance of notice from the commission under ORS 459A.735 (5), a dealer shall provide the commission with written documentation confirming compliance with each of the requirements of this section that are applicable to the dealer receiving notice.

SECTION 34. ORS 459A.741 is amended to read:

459A.741. (1) Any person may establish a dealer redemption center to serve one or more dealers doing business in an area that is not part of a convenience zone specified by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 459A.738.

(2) Notwithstanding any other provision of ORS 459A.700 to 459A.744, a dealer redemption center must:

(a) Provide secure drop off service at no charge for empty beverage containers to be returned by any person for the refund value established by ORS 459A.705 in a bag or other bulk return container sold for that purpose;

(b) Provide an accounting mechanism by which a person may redeem the refund value of beverage containers returned in bulk either immediately in cash from a dealer participating in the dealer redemption center or no later than one week after the beverage containers are dropped off;

(c) Be serviced by a distributor cooperative for purposes of transporting and processing redeemed beverage containers;

(d) Be available for persons to return beverage containers to the dealer redemption center during any time that a participating dealer is open between the hours of 8 a.m. and 8 p.m.; and

(e) Be of a sufficient capacity to provide convenient service to the public as the commission may determine.

(3) A dealer redemption center may provide services other than those specified in subsection (2) of this section as determined necessary by the person responsible for operation of the dealer redemption center.

(4) A distributor cooperative that services dealer redemption centers shall:

(a) Provide notice to the commission no later than 14 days after the date that a dealer redemption center:

(A) Begins providing drop off service to persons for the return of empty beverage containers; or

(B) Ceases operations; and

(b) Annually provide to the commission the names and addresses of the dealers served by all dealer redemption centers serviced by the distributor cooperative, and such additional information as the commission may require.

(5)(a) A dealer that participates in, is served by and pays the cost of participation in a dealer redemption center may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.

(b) If a dealer redemption center is established in a city having a population of less than 10,000 people, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall specify a dealer redemption center convenience zone. The dealer redemption center convenience zone shall be the sector within a radius of not more than one mile around the dealer redemption center. Any dealer doing business within a dealer redemption center convenience zone may participate in, be served by and pay the cost of participation in the dealer redemption center and receive the benefit provided for in paragraph (a) of this subsection.

SECTION 35. ORS 459A.742 is amended to read:

459A.742. In addition to the authority granted under ORS 459.992, inspectors and investigators employed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** have authority to inspect any space occupied by a dealer for compliance with ORS 459A.738.

SECTION 36. ORS 459A.744 is amended to read:

459A.744. The Bottle Bill Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Bottle Bill Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and may be used to pay the costs of the commission in carrying out the duties of the commission under ORS 459A.700 to 459A.744.

SECTION 37. ORS 461.217 is amended to read:

461.217. (1) As used in this section, "video lottery game retailer" means a contractor under contract with the Oregon State Lottery to place video lottery game terminals on premises authorized by the contract.

(2) A video lottery game terminal that offers a video lottery game authorized by the Director of the Oregon State Lottery:

(a) May be placed for operation only in or on the premises of an establishment that has a contract with the Oregon State Lottery as a video lottery game retailer.

(b) Must be within the control of an employee of the video lottery game retailer.

(c) May not be placed in any other business or location.

(3) A video lottery game terminal may be placed only on the premises of an establishment licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** with a full on-premises sales license, a limited on-premises sales license or a brewery-public house license. A video lottery game terminal may be placed only in that part of the premises that is posted by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** as being closed to minors. In addition to the requirements of this subsection, the director may by rule establish other criteria and conditions as the director determines appropriate for the placement of video lottery game terminals in establishments.

(4) No more than six video lottery game terminals may be placed in or on premises described in subsection (3) of this section.

(5) No more than 10 video lottery game terminals may be placed in or on the premises of a race meet licensee licensed under ORS 462.020 that qualifies as a video lottery game retailer.

SECTION 38. ORS 471.001 is amended to read:

471.001. As used in this chapter and ORS chapter 473:

(1) "Alcoholic beverage" and "alcoholic liquor" mean any liquid or solid containing more than one-half of one percent alcohol by volume and capable of being consumed by a human being.

(2) "Commercial establishment" means a place of business:

(a) Where food is cooked and served;

(b) That has kitchen facilities adequate for the preparation and serving of meals;

(c) That has dining facilities adequate for the serving and consumption of meals; and

(d) That:

(A) If not a for-profit private club, serves meals to the general public; or

(B) If a for-profit private club, serves meals to the club's members and guests and complies with any minimum membership and food service requirements established by [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** rules.

(3) "Commission" means the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(4) "Distilled liquor" means any alcoholic beverage other than a wine, cider or malt beverage. "Distilled liquor" includes distilled spirits.

(5) "Licensee" means any person holding a license issued under this chapter.

(6)(a) "Malt beverage" means an alcoholic beverage obtained by the fermentation of grain that contains not more than 14 percent alcohol by volume.

(b) "Malt beverage" includes:

(A) Beer, ale, porter, stout and similar alcoholic beverages containing not more than 14 percent alcohol by volume;

(B) Malt beverages containing six percent or less alcohol by volume and that contain at least 51 percent alcohol by volume obtained by the fermentation of grain, as long as not more than 49 percent of the beverage's overall alcohol content is obtained from flavors and other added nonbeverage ingredients containing alcohol; and

(C) Malt beverages containing more than six percent alcohol by volume that derive not more than 1.5 percent of the beverage's overall alcohol content by volume from flavors and other added nonbeverage ingredients containing alcohol.

(c) "Malt beverage" does not include cider or an alcoholic beverage obtained primarily by fermentation of rice, such as sake.

(7) "Manufacturer" means every person who produces, brews, ferments, manufactures or blends an alcoholic beverage within this state or who imports or causes to be imported into this state an alcoholic beverage for sale or distribution within the state.

(8) "Permittee" means a person holding a permit issued under ORS 471.360 to 471.385.

(9) "Premises" or "licensed premises" means a location licensed under this chapter and includes 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 where patrons are permitted to be present. "Premises" or "licensed premises" includes areas outside of a building that the commission has specifically designated as approved for alcoholic beverage service or consumption.

(10) "Regulatory specialist" means a full-time employee of the commission who is authorized to act as an agent of the commission in conducting inspections or investigations, making arrests and seizures, aiding in prosecutions for offenses, issuing citations for violations and otherwise enforcing this chapter, ORS 474.005 to 474.095, 474.115, 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655, commission rules and any other statutes the commission considers related to regulating liquor, marijuana or marijuana-derived products.

(11) "Wine" means any fermented vinous liquor or fruit juice, or other fermented beverage fit for beverage purposes that is not a malt beverage, containing more than one-half of one percent of alcohol by volume and not more than 21 percent of alcohol by volume. "Wine" includes fortified wine. "Wine" does not include cider.

SECTION 39. ORS 471.038 is amended to read:

471.038. (1) Nonbeverage food products described in subsection (6) of this section may be sold at retail by any holder of a license issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** that authorizes the sale of alcoholic liquor at retail, or in any store operated by the commission under the provisions of ORS 471.750. Any nonbeverage food product containing more than one-half of one percent of alcohol by volume must be clearly labeled to reflect the alcohol content of the product and clearly labeled on the front of the package to indicate that the product may not be sold to persons under 21 years of age.

(2) Except as provided by this section, sales of nonbeverage food products described in subsection (6) of this section are subject to all provisions of this chapter, including the prohibitions on sales to persons under 21 years of age and the prohibitions on sales to persons who are visibly intoxicated.

(3) Nonbeverage food products described in subsection (6) of this section may be imported, stored and distributed in this state without a license issued by the commission. Nonbeverage food products described in subsection (6) of this section are not subject to the privilege taxes imposed by ORS chapter 473.

(4) Manufacturers of nonbeverage food products described in subsection (6) of this section are not subject to the provisions of ORS 471.392 to 471.400, 471.485, 471.490 or 471.495 or any other provision of this chapter relating to manufacturers of alcoholic liquor. A manufacturer of nonbeverage food products described in subsection (6) of this section may sell and deliver the product directly to a licensee authorized under this section to sell the product at retail.

(5) The holder of a distillery license issued under ORS 471.230 who is also a manufacturer of nonbeverage food products described in subsection (6) of this section may purchase distilled liquor directly from other distilleries.

(6) The provisions of this section apply only to nonbeverage food products that contain not more than five percent alcohol by weight or 10 percent alcohol by volume, whichever is greater.

SECTION 40. ORS 471.039 is amended to read:

471.039. (1) Notwithstanding any provision of this chapter, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may not require the owners, operators and employees of a cruise ship to have a license or permit issued under the provisions of this chapter for the purpose of possessing, transporting, storing, selling or serving alcoholic beverages that are described in subsection (3) of this section.

(2) The provisions of ORS 471.740 do not apply to alcoholic beverages that are described in subsection (3) of this section.

(3) The provisions of this section apply only to alcoholic beverages that are served aboard a cruise ship and that are served solely for the purpose of onboard consumption by a cruise ship's passengers, guests, officers and employees.

(4) For the purposes of this section, "cruise ship" means a marine vessel used primarily for nonfishing purposes that is licensed to carry at least 500 passengers, provides overnight accommodations for those passengers and operates on the rivers or waterways within the boundaries of the State of Oregon, including docking and dry docking, fewer than 45 days during a calendar year.

SECTION 41. ORS 471.040 is amended to read:

471.040. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** has the powers and duties specified in this chapter and ORS 474.105 and 474.115, and also the powers necessary or proper to enable it to carry out fully and effectually all the purposes of this chapter and ORS 474.105 and 474.115. It shall make such rules and regulations pertaining to natural and fortified wines as will prevent the importation and sale in Oregon of blended, rectified, adulterated or low-quality wines. The jurisdiction, supervision, powers and duties of the commission extend to any person who buys, sells, manufactures, imports or transports any alcoholic liquor within this state. The commission may sue and be sued.

(2) Except for the power to adopt rules, the commission may delegate any of the commission's powers or duties to the administrator appointed under ORS 471.720.

SECTION 42. ORS 471.105 is amended to read:

471.105. Before being qualified to purchase alcoholic liquor from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, a person must be at least 21 years of age.

SECTION 43. ORS 471.115 is amended to read:

471.115. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may limit the quantity of alcoholic liquor purchased at any one time by any person. It may limit the amount of purchases within any length of time so as effectually to prevent the resale of such liquors.

SECTION 44. ORS 471.130 is amended to read:

471.130. (1) All licensees and permittees of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, before selling or serving alcoholic liquor 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:

(a) The person's passport issued by the United States or a foreign government.

(b) The person's motor vehicle operator's license issued by this state or another state of the United States.

(c) An identification card issued under ORS 807.400.

(d) A United States military identification card.

(e) An identification card issued by a federally recognized Indian tribe.

(f) Any other identification card issued by a state or territory of the United States 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.

(g) Proof of the person's participation in the Secure Electronic Network for Travelers Rapid Inspection program operated by United States Customs and Border Protection, the NEXUS program jointly operated by that agency and the Canada Border Services Agency, or a successor to either of those programs that is recognized by the commission.

(2) If a person does not have identification as described in subsection (1) of this section, the permittee or licensee shall require such person to make a written statement of age and furnish evidence of the person's true age and identity. The written statement of age shall be on a form furnished or approved by the commission, including but not limited to the following information:

Date _____

I am 21 years of age or over. _____

Signature

Description of evidence in support of age and identity:

_____ Identification No. (if any) _____

_____ Identification No. (if any) _____

(Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

I hereby certify that I have accurately recorded identification of the evidence submitted to complete this form.

_____

Signature of permittee or licensee

A person under 21 years of age who knowingly misrepresents the person's true age with the intent of obtaining alcohol in violation of ORS chapter 471 may be subject to criminal penalties under ORS 165.805.

SECTION 44a. If House Bill 2264 becomes law, section 44 of this 2021 Act (amending ORS 471.130) is repealed and ORS 471.130, as amended by section 5, chapter ___, Oregon Laws 2021 (Enrolled House Bill 2264), is amended to read:

471.130. (1) Before selling or serving an alcoholic beverage to any person about whom there is any reasonable doubt of the person's having reached 21 years of age, a licensee or permittee shall require the person to produce one of the following pieces of identification:

(a) The person's passport issued by the United States or a foreign government.

(b) The person's motor vehicle operator's license issued by this state or another state of the United States or a province or territory of Canada.

(c) An identification card issued under ORS 807.400.

(d) A United States military identification card.

(e) An identification card issued by a federally recognized Indian tribe.

(f) Any other identification card issued by a state or territory of the United States or province or territory of Canada 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.

(g) Proof of the person's participation in the Secure Electronic Network for Travelers Rapid Inspection program operated by United States Customs and Border Protection, the NEXUS program jointly operated by that agency and the Canada Border Services Agency, or a successor to either of those programs that is recognized by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(h) Any other form of identification as defined by the commission by rule.

(2) If a person does not have identification as described in subsection (1) of this section, the permittee or licensee shall require the person to make a written statement of age and furnish evidence of the person's true age and identity. The written statement of age shall be on a form furnished or approved by the commission, including but not limited to the following information:

Date _____

I am 21 years of age or over. _____

Signature

Description of evidence in support of age and identity:

_____ Identification No. (if any) _____

_____ Identification No. (if any) _____

(Fill in information pertaining to any two or more pieces of evidence submitted by the person.)

I hereby certify that I have accurately recorded identification of the evidence submitted to complete this form.

_____

Signature of permittee or licensee

A person under 21 years of age who knowingly misrepresents the person's true age with the intent of obtaining alcohol in violation of ORS chapter 471 may be subject to criminal penalties under ORS 165.805.

SECTION 45. ORS 471.155 is amended to read:

471.155. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall provide for the licensing of persons and cities within the state to manufacture, distribute, take orders for and sell spirits, wines, beer and other alcoholic liquors. Except as provided in subsection (2) of this section, the holder of a brewery, winery, wholesale, warehouse, grower sales privilege or brewery-public house license or the holder of a wine self-distribution permit shall give, and at all times maintain on file with the commission, a bond with a corporate surety authorized to transact business in this state. The bond shall be in form and amount acceptable to the commission, shall be payable to the commission and conditioned that the licensee or permittee will pay any fine imposed for any violation of any provision of the Liquor Control Act and that the licensee or permittee will pay all license fees, privilege taxes, taxes imposed under ORS 473.045 and other taxes on alcoholic liquors, together with penalties and interest thereon, levied or assessed against the licensee or permittee under statutes relating to the importation, manufacture, distribution, sale or taxation of alcoholic liquors in the State of Oregon.

(2) Under such conditions as the commission may prescribe, the holder of a brewery, winery, wholesale, warehouse, grower sales privilege or brewery-public house license or the holder of a wine self-distribution permit may deposit, in lieu of the bond required by subsection (1) of this section, the equivalent value in cash, bank letters of credit recognized by the State Treasurer or negotiable securities of a character approved by the State Treasurer. The deposit is to be made in a bank or trust company for the benefit of the commission. Interest on deposited funds or securities shall accrue to the depositor.

SECTION 46. ORS 471.157 is amended to read:

471.157. The licenses described in this chapter may be issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, subject to its regulations and restrictions and the provisions of the Liquor Control Act.

SECTION 47. ORS 471.159 is amended to read:

471.159. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may not license a location that does not have defined boundaries.

(2) 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.

(3) Except as provided in ORS 471.182, the commission may not license premises that are mobile.

SECTION 48. ORS 471.162 is amended to read:

471.162. (1) Hospitals, sanitariums, convalescent homes, rest homes, retirement homes and facilities for the care of the elderly that have been licensed or registered by the state may sell and serve alcoholic beverages to patients, inmates and residents, and to bona fide visitors and guests of patients, inmates and residents, without a license issued under this chapter. Facilities authorized to sell and serve alcoholic beverages without a license under this subsection may not sell or serve alcoholic beverages after 10 p.m. except upon a physician's prescription.

(2) A person who operates a private residence that is not a boarding house but that accommodates transient guests for a limited duration may sell and serve wine, malt beverages and cider to registered overnight guests without a license. Facilities authorized to sell and serve alcoholic beverages without a license under this subsection must have six or fewer guest units.

(3) A person who is an employee or agent of the holder of a license issued under this chapter that authorizes wholesale distribution of alcoholic beverages may, on behalf of the licensee, sell alcoholic beverages in factory-sealed containers to retail licensees and wholesalers.

(4) A pharmacist licensed under the laws of this state may sell alcoholic beverages without a license. Pharmacists may only sell alcoholic beverages under the provisions of this section if the alcoholic beverages are drugs as defined in ORS 689.005. A pharmacist may sell alcoholic beverages under the provisions of this subsection pursuant to a prescription, in containers of not more than one quart capacity.

(5) A wine collector, or the agent of a wine collector, may sell wine in factory-sealed containers at auction without a license. Any wine sold under this subsection must have been held by the collector for at least a six-month period. A wine collector must receive written approval from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** before conducting a sale under this subsection. No more than one sale in a 12-month period may be conducted by a wine collector under the provisions of this subsection.

(6) A nonprofit or charitable organization registered in this state may sell wine, malt beverages and cider, including but not limited to donated homemade malt beverages, wine and fermented fruit juices, and a total of not more than four liters of distilled liquor, in factory-sealed containers at an auction or through a raffle without a license. The organization must receive written approval from the commission before conducting an auction or raffle under this subsection. The organization may conduct no more than one auction or raffle under this subsection in a 12-month period. The auction or raffle may not have a duration of more than one day. The organization may sell under this subsection wine, malt beverages, cider and distilled liquor purchased by or donated to the organization. Except for donated homemade malt beverages, wine and fermented fruit juices, the purchased or donated wine, malt beverages, cider and distilled liquor must be imported into this state by the commission or be manufactured in or imported into this state under a brewery, brewery-public house, distillery, grower sales privilege, winery or wholesale malt beverage and wine license. As used in this subsection, "homemade" has the meaning given that term in ORS 471.037.

(7) A manufacturer may sell proprietary or patent medicines, perfumes, lotions, flavoring extracts, medicinal tinctures and other preparations unfit for beverage purposes without a license.

SECTION 49. ORS 471.166 is amended to read:

471.166. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require that every applicant for issuance or renewal of a license under this chapter acquire a written recommendation from the governing body of the county if the place of business of the applicant is outside an incorporated city, and from the city council if the place of business of the applicant is within an incorporated city. The commission may take such written recommendation into consideration before granting or refusing the license.

(2) If the commission requires that an applicant for issuance of a new license acquire the written recommendation of a local government, the applicant must give notice to the local government when an application is made for issuance of the license. If the local government files a favorable recommendation with the commission within 45 days after the notice is given, the commission shall proceed with consideration of the application. The commission shall proceed with consideration of the application as though the local government had made a favorable recommendation unless, within 45 days after notice is given to the local government:

(a) The local government files an unfavorable recommendation with the commission with a statement of the grounds for the unfavorable recommendation; or

(b) The local government files a request for additional time with the commission that sets forth the reason additional time is needed by the local government, a statement that the local government is considering making an unfavorable recommendation on the application, and the specific grounds on which the local government is considering making an unfavorable recommendation.

(3) If the commission requires that an applicant for renewal of a license acquire the written recommendation of a local government under this section, the commission shall give notice to the local government when an application is due for renewal of the license. If the local government files a favorable recommendation with the commission within 60 days after the notice is given, the commission shall proceed with consideration of the application. The commission shall proceed with

consideration of the application as though the local government had made a favorable recommendation unless within 60 days after notice is given to the local government:

(a) The local government files an unfavorable recommendation with the commission with a statement of the grounds for the unfavorable recommendation; or

(b) The local government files a request for additional time with the commission that sets forth the reason additional time is needed by the local government, a statement that the local government is considering making an unfavorable recommendation on the application, and the specific grounds on which the local government is considering making an unfavorable recommendation.

(4) The commission shall suspend consideration of an application subject to this section for a reasonable period of time if a local government requests additional time under subsection (2)(b) or (3)(b) of this section and the grounds given by the local government are valid grounds for an unfavorable determination under this chapter or rules adopted by the commission. The commission shall by rule establish the period of time that shall be granted to a local government pursuant to a request under subsections (2)(b) and (3)(b) of this section.

(5) The commission shall by rule establish valid grounds for unfavorable recommendations by local governments under this section. Valid grounds established by the commission under this section for an unfavorable recommendation by a local government must be limited to those grounds considered by the commission in making an unfavorable determination on a license application.

(6) A person filing an application for issuance or renewal of a license that is subject to this section must remit to the local government the fees established under subsections (7) and (8) of this section. The commission shall give notice to the applicant for license renewal of the amount of the fees and the name of the local government collecting the fees. The commission is not responsible for collecting the fees charged by the local government or for ensuring that the fees have been paid. An applicant for a license renewal shall certify in the application form filed with the commission that the applicant has paid any fees required under this section.

(7) An applicant required to seek a written recommendation from a local government must pay an application fee to the local government, in an amount determined by the governing body of the city or county, for each application for a license. The application fee established by a local government under this subsection may not exceed $25.

(8) After public notice and hearing, the governing body of a city or county may adopt an ordinance, rule or resolution prescribing licensing guidelines to be followed in making recommendations on license applications under this chapter and in allowing opportunity for public comment on applications. If the guidelines are approved by the commission as consistent with commission rules, after public notice and hearing the governing body may adopt an ordinance, rule or regulation establishing a system of fees that is reasonable and necessary to pay expenses of processing the written recommendation. Processing fees under this subsection are in lieu of fees under subsection (7) of this section. In no case shall the processing fee under this subsection be greater than $100 for an original application, $75 for a change in ownership, change in location or change in privilege application, and $35 for a renewal or temporary application.

SECTION 50. ORS 471.168 is amended to read:

471.168. (1) For the purpose of providing coverage for injuries suffered by persons by reason of the conduct of intoxicated persons who were served alcoholic beverages on licensed premises while visibly intoxicated, all persons holding a license described in this section must either:

(a) Maintain liquor liability insurance of not less than $300,000; or

(b) Maintain a bond with a corporate surety authorized to transact business in this state in the amount of not less than $300,000.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may by rule require liquor liability insurance or bond in an amount larger than the minimum amount provided for in subsection (1) of this section.

(3) The requirements of this section apply to full on-premises sales licenses, limited on-premises sales licenses and brewery-public house licenses. The requirements of this section apply to temporary sales licenses, special events winery licenses, special events grower sales privilege licenses,

special events brewery-public house licenses, special events brewery licenses and special events distillery licenses if the event that is licensed is open to the public and attendance at the event is anticipated to exceed 300 individuals per day.

(4) The requirements of this section apply to winery licenses, brewery licenses and grower sales privilege licenses unless an applicant for issuance of the license or renewal of the license submits with the application for issuance or renewal of the license an affidavit that states that the licensee will not allow consumption of alcoholic beverages on the premises.

(5) All licensees subject to the requirements of this section must supply proof of compliance at the time the license is issued or renewed. The commission by rule shall determine the manner in which proof of compliance may be made under the provisions of this subsection. The commission may require a licensee to present proof of compliance with liquor liability insurance and bond requirements at any time upon request of the commission.

(6) Failure of a licensee to comply with liquor liability insurance or bond requirements imposed under this section constitutes a serious threat to public health and safety. In addition to any action available to the commission under ORS 471.313 or 471.315, the commission may immediately suspend or refuse renewal of a license as provided under ORS 183.430 (2) if the licensee fails to comply with those insurance or bond requirements.

(7) If a licensee fails to provide proof of compliance with liquor liability insurance or bond requirements imposed under this section at the time of license renewal or when requested by the commission, the failure is sufficient reason for the commission to find for purposes of ORS 183.430 (2) that the licensee has failed to comply with the insurance or bond requirements.

SECTION 51. ORS 471.175 is amended to read:

471.175. (1) The holder of a full on-premises sales license may sell by the drink at retail wine, malt beverages, cider and distilled liquor. Except as provided in this section, all alcoholic beverages sold under a full on-premises sales license must be consumed on the licensed premises.

(2) A full on-premises sales license may be issued only to:

(a) A nonprofit private club, as described in subsection (8) of this section.

(b) A public passenger carrier as provided in ORS 471.182.

(c) A commercial establishment, as defined in ORS 471.001 (2).

(d) A public location that does not qualify for licensing under paragraphs (a) to (c) of this subsection if:

(A) Food is cooked and served at the location;

(B) The predominant business activity at the location is other than the preparation or serving of food or the serving of alcohol; and

(C) The location meets any minimum food service requirements established by [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** rule.

(e) A caterer, subject to the requirements of ORS 471.184.

(3) The holder of a full on-premises sales license shall allow a patron to remove a partially consumed bottle of wine from the licensed premises if the wine is served in conjunction with the patron's meal, the patron is not a minor and the patron is not visibly intoxicated.

(4) The holder of a full on-premises sales license is entitled to purchase any distilled liquor from an agent of the commission appointed pursuant to ORS 471.750 at a discount of not more than five percent off the regular listed price fixed by the commission, together with all taxes, in a manner prescribed by commission rule. For purposes of compensation by the commission, the appointed agent shall be credited with such sales at full retail cost. The commission may not require the licensee to purchase more than one container of distilled liquor at a time if the distilled liquor:

(a) Except as provided in subsection (9) of this section, has a retail sales price of $30 or more per container;

(b) Is available through a distributor in the United States that does not require the commission to acquire more than one case of the distilled liquor in a single transaction;

(c) Is not regularly stocked by the commission; and

(d) Is ordered in a 750 milliliter container size if available in that size.

(5) The holder of a full on-premises sales license may purchase distilled liquor only from a retail sales agent of the commission or from another person licensed under this section who has purchased the distilled liquor from a retail sales agent of the commission.

(6) The holder of a full on-premises sales license may sell factory-sealed containers of wine to a person who organizes a private gathering on the licensee's premises if the wine was acquired as part of a larger purchase of wine by the licensee for the purpose of the gathering and only part of the larger purchase was consumed at the gathering. Wine sold under this subsection may be sold only for an amount adequate to compensate the licensee for the amounts paid by the licensee for the wine.

(7) The holder of a full on-premises sales license may sell for consumption off the licensed premises malt beverages, wines and cider in securely covered containers provided by the consumer and having capacities of not more than two gallons each.

(8) A nonprofit private club, including but not limited to a fraternal or veterans organization, may qualify for a full on-premises sales license under this section only if the club meets any minimum membership, nonprofit status and food service requirements established by commission rule.

(9) Beginning January 1, 2017, the commission may annually adjust the price threshold established in subsection (4)(a) of this section by a percentage equal to the percentage change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor. However, the commission may not adjust the price threshold to be less than $30.

SECTION 52. ORS 471.180 is amended to read:

471.180. A full or limited on-premises sales license issued to a hotel or arena under the provisions of this chapter authorizes the person to whom the license is issued to provide for in-room supplies of the alcoholic beverages otherwise authorized to be sold under the license. Any in-room supply of alcoholic beverages that are available for purchase by patrons of the hotel or arena shall be kept in a locked cabinet, and shall conform with any rules that the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may promulgate to ensure the enforcement of other provisions of this chapter.

SECTION 53. ORS 471.182 is amended to read:

471.182. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may grant a full or limited on-premises sales license to the owner or operator of a licensed public passenger carrier only as specified in this section. A public passenger carrier licensed by the commission under this section must serve food as required by rules of the commission.

(2) The commission may issue a full on-premises sales license to:

(a) An airline for use in operating aircraft that are licensed to carry at least 40 passengers and that arrive at or depart from an airport in this state.

(b) A railroad corporation for use in operating passenger trains in this state.

(c) The owner or operator of one or more tour boats that are licensed to carry at least 40 passengers to or from any port of this state and that are primarily used for nonfishing purposes.

(3) The commission may issue a limited on-premises sales license to any of the persons specified in subsection (2) of this section. In addition, the commission may issue a limited on-premises sales license to the owner or operator of a licensed public passenger carrier not described in subsection (2) of this section if the carrier is a mobile vehicle that is licensed to carry at least 40 passengers.

(4) A license issued to a commercial airline under this section grants the licensee the privilege of accepting delivery and storing alcoholic liquor at designated storage facilities in this state for subsequent retail sale to the airline's ticketed passengers while aboard a commercial airplane. Storage facilities described in this subsection are subject to the prior written approval of the commission if at a location other than the primary premises address listed on the license certificate.

SECTION 54. ORS 471.184 is amended to read:

471.184. (1) The holder of a full or limited on-premises sales license may cater a temporary event at a location other than the licensed premises if the event is not open to the general public. Catering of an event under this subsection must be pursuant to a contract with a client. The con-

tract must provide that the licensee will furnish food and beverage services for no more than 100 patrons. The licensee must serve food as required by rules of the commission. The licensee may cater events under this subsection without giving advance notice to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** if, before the event occurs, the commission gives written approval to the licensee authorizing catering pursuant to this subsection. Events catered under the provisions of this subsection must meet all requirements for enclosure of premises that may be imposed by the commission for the purposes of this section. Notwithstanding ORS 471.175 (3) and (7) and 471.178 (2) to (4), the licensee may not permit patrons of the event to remove any alcoholic beverages from the premises of the event.

(2) In addition to catered events under subsection (1) of this section, the commission may by rule allow the exercise of the privileges of a full or limited on-premises sales license at temporary events held at locations other than the licensed premises. The commission may:

(a) Require notice to the commission before the exercise of license privileges at temporary events under this subsection;

(b) Require that written approval by the commission be obtained before the exercise of license privileges at temporary events under this subsection;

(c) Establish eligibility criteria for the exercise of license privileges at temporary events under this subsection; and

(d) Establish fees reasonably calculated to cover administrative expenses incurred by the commission in administering this subsection.

SECTION 55. ORS 471.186 is amended to read:

471.186. (1) The holder of an off-premises sales license may sell factory-sealed containers of malt beverages, wine and cider. Factory-sealed containers of malt beverages sold under the license may not hold more than two and one-quarter gallons.

(2) The holder of an off-premises sales license may sell for consumption off the licensed premises malt beverages, wines and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each.

(3) The holder of an off-premises sales license may provide sample tasting of alcoholic beverages on the licensed premises if the licensee makes written application to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and receives approval from the commission to conduct tastings on the premises. Tastings must be limited to the alcoholic beverages that may be sold under the privileges of the license.

(4) An off-premises sales license may not be issued for use at a premises that is mobile.

(5) Except as provided in ORS 471.402, a manufacturer or wholesaler may not provide or pay for sample tastings of alcoholic beverages for the public on premises licensed under an off-premises sales license.

(6) The holder of an off-premises sales license may deliver malt beverages, wine or cider that is sold under the privileges of the license to retail customers in this state without a direct shipper permit issued under ORS 471.282. Any deliveries by the holder of an off-premises sales license are subject to any rules adopted by the commission relating to deliveries made under this subsection. Deliveries under this subsection:

(a) May be made only to a person who is at least 21 years of age;

(b) May be made only for personal use and not for the purpose of resale; and

(c) Must be made in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

(7) The holder of an off-premises sales license that makes deliveries of malt beverages, wine or cider under subsection (6) of this section must take all actions necessary to ensure that a carrier used by the licensee does not deliver any malt beverages, wine or cider unless the carrier:

(a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

(b) Verifies by inspecting government-issued photo identification that the recipient is at least 21 years of age; and

(c) Determines that the recipient is not visibly intoxicated at the time of delivery.

(8) Any person who knowingly or negligently delivers malt beverages, wine or cider under the provisions of this section to a person under 21 years of age, or who knowingly or negligently delivers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated person, violates ORS 471.410.

(9) If a court determines that deliveries of malt beverages, wine or cider under subsection (6) of this section cannot be restricted to holders of off-premises sales licenses, and the decision is a final judgment that is no longer subject to appeal, the holder of an off-premises sales license may not make deliveries of malt beverages, wine or cider under the provisions of subsection (6) of this section after entry of the final judgment.

SECTION 56. ORS 471.190 is amended to read:

471.190. (1) The holder of a temporary sales license may:

(a) Sell at retail by the drink wine, malt beverages, cider and distilled liquor.

(b) Sell for consumption off the licensed premises wine, malt beverages and cider in factory-sealed containers.

(c) Sell for consumption off the licensed premises wine, malt beverages and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each.

(2) Distilled liquor served by the holder of a temporary sales license must be purchased from a retail sales agent of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**. The holder of a temporary sales license must provide food service as required by commission rule.

(3) A temporary sales license may be issued only to:

(a) Nonprofit or charitable organizations that are registered with the state.

(b) A political committee that has filed a statement of organization under ORS 260.039 or 260.042.

(c) State agencies.

(d) Local governments, and agencies and departments of local governments.

(e) Persons not otherwise described in this subsection, as long as the applicant submits a plan that is approved by the commission detailing how minors will be prevented from gaining access to alcoholic beverages and how minors will be prevented from gaining access to any portion of the licensed premises prohibited to minors under ORS 471.430 (3) or any rule adopted by the commission.

(4) The commission may by rule establish additional eligibility requirements for temporary sales licenses.

(5) Subject to such qualifications as the commission may establish by rule, persons who hold a full or limited on-premises sales license are eligible for temporary sales licenses.

(6) A person holding a temporary sales license is not required to obtain an intermittent temporary restaurant, seasonal temporary restaurant, single-event temporary restaurant license or mobile unit license under ORS chapter 624 if only wine, malt beverages and cider in single-service containers are served and only nonperishable food items that are exempted from licensure by the Oregon Health Authority are served.

(7) Employees and volunteers serving alcoholic beverages for a nonprofit or charitable organization licensed under this section are not required to have service permits or to complete an alcohol server education program and examination under ORS 471.542. The commission by rule may establish education requirements for servers described in this subsection.

(8) Notwithstanding ORS 471.392 to 471.400, a temporary sales license may be issued to a nonprofit trade association that has a membership primarily composed of persons that hold winery licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

SECTION 57. ORS 471.200 is amended to read:

471.200. (1) A brewery-public house license allows the licensee:

(a) To manufacture on the licensed premises, store, transport, sell to wholesale malt beverage and wine licensees of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and export malt beverages;

(b) To sell malt beverages manufactured on or off the licensed premises at retail for consumption on or off the premises;

(c) To sell malt beverages in brewery-sealed packages at retail directly to the consumer for consumption off the premises;

(d) To sell on the licensed premises at retail malt beverages manufactured on or off the licensed premises in unpasteurized or pasteurized form directly to the consumer for consumption off the premises, delivery of which may be made in a securely covered container supplied by the consumer;

(e) To sell wine and cider at retail for consumption on or off the premises;

(f) To sell for consumption off the premises wines and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each;

(g) To conduct the activities, except manufacturing, described in paragraphs (a) to (f) of this subsection at two locations other than the premises where the manufacturing occurs;

(h) To obtain a special events brewery-public house license entitling the holder to conduct the activities allowed under paragraphs (b) to (f) of this subsection at a designated location other than the location set forth in the brewery-public house license for a period not exceeding five days;

(i) To distribute malt beverages manufactured at the licensed premises to any other premises licensed to the same licensee, whether a manufacturer, wholesaler or retail premises; and

(j) To distribute for export, in any amount, malt beverages manufactured at the licensed premises.

(2) In addition to the privileges specified in subsection (1) of this section, in any calendar year a brewery-public house licensee may sell at wholesale and distribute to licensees of the commission no more than 7,500 barrels of malt beverages produced by the brewery-public house licensee.

(3) A brewery-public house licensee, or any person having an interest in the licensee, is a retail licensee for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.394 and, except as otherwise provided by this section and ORS 471.396, may not acquire or hold any right, title, lien, claim or other interest, financial or otherwise, in, upon or to the premises, equipment, business or merchandise of any other retail licensee, as defined in ORS 471.392.

(4)(a) Except as provided in this subsection, a brewery-public house licensee, or any person having an interest in the licensee, is a retail licensee for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS 471.400, may not accept directly or indirectly any financial assistance described in ORS 471.398 from any manufacturer or wholesaler, as defined in ORS 471.392. A brewery-public house licensee, or any person having an interest in the licensee, is also a manufacturer for the purposes of ORS 471.398 and, except as otherwise provided by this section and ORS 471.400, may not provide directly or indirectly any financial assistance described in ORS 471.398 to any retail licensee, as defined in ORS 471.392. The prohibitions on financial assistance in ORS 471.398 do not apply to financial assistance between manufacturing and retail businesses licensed to the same person under the provisions of this section.

(b) The commission may issue more than one brewery-public house license at a single premises if each licensee:

(A) Has a valid Brewer's Notice issued by the federal Alcohol and Tobacco Tax and Trade Bureau at the premises address; and

(B) Otherwise complies with ORS 471.398.

(c) A brewery-public house licensee may produce malt beverages for another brewery-public house licensee under a custom order agreement. The commission may adopt rules regarding the contents of custom order agreements.

(5) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person having an interest in the licensee, may also hold a winery license authorized by ORS 471.223. A brewery-public house licensee, or any person having an interest in the licensee, may also hold a warehouse license authorized by ORS 471.242.

(6) Notwithstanding subsection (3) of this section, a brewery-public house licensee is eligible for limited on-premises sales licenses and temporary sales licenses.

(7) Notwithstanding subsection (3) of this section, a brewery-public house licensee, or any person having an interest in the licensee, may also hold a full on-premises sales license. If a person holds both a brewery-public house license and a full on-premises sales license, nothing in this chapter shall prevent the sale by the licensee of both distilled liquor and malt beverages manufactured under the brewery-public house license.

(8) Notwithstanding any other provision of this chapter, a brewery-public house licensee, or any person having an interest in the licensee, may also hold a distillery license. No provision of this chapter prevents a brewery-public house licensee that also holds a distillery license from being appointed by the commission as the distillery's retail outlet agent for the purpose of selling distilled liquors under ORS 471.230.

(9) Notwithstanding subsection (3) of this section, the commission by rule may authorize a brewery-public house licensee to coproduce special events with other manufacturers.

(10)(a) Notwithstanding subsection (3) of this section, a brewery-public house licensee may hold, directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does not result in exercise of control over, or participation in the management of, the manufacturer's or wholesaler's business or business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

(b) Notwithstanding subsection (3) of this section, a manufacturer or wholesaler, and any officer, director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly or indirectly, an interest in a brewery-public house licensee, provided that the interest does not result in exercise of control over, or participation in the management of, the licensee's business or business decisions and does not result in exclusion of any competitor's brand of alcoholic liquor.

(11) For purposes of ORS chapter 473, a brewery-public house licensee shall be considered to be a manufacturer.

SECTION 58. ORS 471.221 is amended to read:

471.221. (1) As used in this section, "common control" means:

(a) That a manufacturer, or any officer, director, substantial stockholder or other substantial equity holder in the manufacturer:

(A) Directly or indirectly holds 50 percent or more interest in the brewery licensee; or

(B) Has authority to direct the management of the brewery licensee; or

(b) That a brewery licensee, or any officer, director, substantial stockholder or other substantial equity holder in the brewery licensee:

(A) Directly or indirectly holds 50 percent or more interest in another manufacturer; or

(B) Has authority to direct the management of another manufacturer.

(2) A brewery license authorizes the licensee to:

(a) Manufacture malt beverages on the licensed premises.

(b) Sell to wholesale malt beverage and wine licensees, import, store, transport or export:

(A) Malt beverages produced on the licensed premises; or

(B) Malt beverages of a brand produced by a manufacturer that is under common control with the brewery licensee.

(c) Sell wine, malt beverages or cider on the licensed premises at retail for consumption on or off the licensed premises.

(d) Sell, in securely covered containers supplied by the consumer and having a capacity of not more than two gallons each, wine, malt beverages or cider for off-premises consumption.

(e) Obtain a special events brewery license that entitles the holder to conduct the activities allowed under paragraphs (c) and (d) of this subsection at a designated location other than the one set forth in the brewery license for a period not exceeding five days.

(f) Notwithstanding ORS 471.392 to 471.400, subject to ORS 471.175, hold a full on-premises sales license.

(g) Conduct any activities authorized under paragraph (c), (d) or (f) of this subsection at up to two additional locations approved by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(3) Subject to ORS 471.235, a brewery licensee may hold a wholesale malt beverage and wine license. A brewery licensee must hold a wholesale malt beverage and wine license if the brewery licensee:

(a) Imports, stores, transports or exports malt beverages of brands that are not produced by the licensee or a manufacturer under common control with the licensee; or

(b) Except as provided in this paragraph, sells or distributes malt beverages. This paragraph does not apply to malt beverages described in subsection (2)(a) or (b) of this section sold at a licensed premises described in subsection (2)(a) of this section.

(4) A brewery licensee and a winery licensee may not be under common control unless the winery licensee:

(a) Uses its premises to produce wine or cider; and

(b) Holds a valid producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau.

(5) Notwithstanding any other provision of this chapter, a brewery licensee, a manufacturer that is under common control with the brewery licensee or any officer, director, substantial stockholder or other substantial equity holder in the brewery licensee or in a manufacturer that is under common control with the brewery licensee may not sell malt beverages at retail at more than three locations in this state regardless of the number or type of licenses held by the licensee, manufacturer, officer, director, stockholder or equity holder.

(6) A brewery licensee may produce malt beverages for a brewery-public house licensee under a custom order agreement. The commission may adopt rules regarding the contents of custom order agreements.

SECTION 59. ORS 471.223 is amended to read:

471.223. (1) As used in this section, "control" means that the licensee:

(a) Owns the brand under which the wine or cider is labeled; or

(b) Performs or has the legal right to perform all of the acts common to a brand owner under the terms of a trademark license or similar agreement that for the brand under which the wine or cider is labeled has a term of at least three years.

(2) A winery license shall allow the licensee:

(a) To import wine or cider in containers that have a capacity of more than four liters.

(b) To import wine or cider in containers that have a capacity of four liters or less if the brand of wine or cider is under the control of the licensee.

(c) To bottle, produce, blend, store, transport or export wines or cider.

(d) To sell wines or cider at wholesale to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or to licensees of the commission.

(e) To sell wines or cider at retail directly to the consumer for consumption on or off the licensed premises.

(f) To sell malt beverages at retail for consumption on or off the licensed premises.

(g) To sell for consumption off the premises malt beverages, wines and cider in securely covered containers supplied by the consumer and having capacities of not more than two gallons each.

(h) To conduct under that license any activities described in paragraphs (a) to (g) of this subsection at five or fewer premises designated by the commission.

(i) To purchase from or through the commission brandy or other distilled liquors for fortifying wines.

(j) To obtain a special events winery license that shall entitle the holder to conduct the activities allowed under paragraphs (e) to (g) of this subsection at a designated location other than the one set forth in the winery license for a period not to exceed five days.

(3) A winery licensee shall allow a patron to remove a partially consumed bottle of wine from the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

(4) Except as provided in subsection (5) of this section, in order to hold a winery license the licensee shall:

(a) Possess at a bonded premises within Oregon a valid producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau; or

(b) Possess a valid wine blender or valid wholesaler basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau and have a written contract with a winery licensed under paragraph (a) of this subsection that authorizes the winery to produce for the licensee a brand of wine or cider that is under the control of the licensee.

(5) Subsection (4) of this section does not apply if a licensee produces only cider under the winery license.

(6) A winery licensee may sell and ship malt beverages, wine or cider directly to a resident of this state only if the licensee has a direct shipper permit issued under ORS 471.282.

(7) A winery licensee, or any person having an interest in the licensee, may also hold a full on-premises sales license. If a winery licensee, or a person having an interest in the licensee, also holds a full on-premises sales license, the provisions of this chapter do not prevent the licensee or person from both selling wine or cider bottled and produced under the winery license and selling alcoholic liquor as authorized under the full on-premises sales license.

(8) More than one winery licensee may exercise the privileges of a winery license at a single location. The commission may not refuse to issue a winery license to a person for the production of wine or cider on specified premises based on the fact that other winery licensees also produce wine or cider on those premises.

(9) If a winery licensee does not possess at a bonded premises within Oregon a valid producer and blender basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau, the licensee may exercise the privileges described in this section only for wine and cider brands that are under the control of the licensee.

SECTION 60. ORS 471.227 is amended to read:

471.227. (1) A grower sales privilege license shall allow the licensee to perform the following activities only for fruit or grape wine or cider where all of the fruit or grapes used to make the wine or cider are grown in Oregon under the control of the licensee:

(a) To import, store, transport or export such wines or cider.

(b) To sell such wines or cider at wholesale to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or licensees of the commission.

(c) To sell such wines or cider at retail directly to the consumer for consumption on or off the licensed premises.

(d) To sell at retail for consumption off the licensed premises malt beverages and such wines and cider in securely covered containers provided by the consumer and having capacities of not more than two gallons each.

(e) To conduct some or all of the activities allowed under paragraphs (a) to (d) of this subsection at a second or third premises as may be designated by the commission.

(f) To obtain a special events grower sales privilege license which shall entitle the holder to conduct the activities allowed under paragraphs (c) and (d) of this subsection at a designated location other than the one set forth in the grower sales privilege license for a period not to exceed five days.

(2) A grower sales privilege licensee shall allow a patron to remove a partially consumed bottle of wine from the licensed premises if the patron is not a minor and the patron is not visibly intoxicated.

(3) For purposes of ORS 471.392 to 471.400, a grower sales privilege licensee shall be considered a manufacturer.

(4) A person holding a winery license in another state is not eligible for a license under this section.

(5) A person licensed under this section is not eligible for a limited on-premises sales license or an off-premises sales license.

(6) As used in this section, "control" means the grower either owns the land upon which the fruit or grapes are grown or has a legal right to perform or does perform all of the acts common to fruit farming or viticulture under terms of a lease or similar agreement of at least three years' duration.

(7) For the purposes of tax reporting, payment and record keeping, the provisions of law that shall apply to a manufacturer under ORS chapter 473 shall apply to a grower sales privilege licensee, but such a licensee is not a manufacturer for purposes of ORS 473.050 (5).

SECTION 61. ORS 471.230 is amended to read:

471.230. (1) A distillery license allows the licensee to import, manufacture, distill, rectify, blend, denature and store distilled liquor, to sell the distilled liquor to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and to transport the distilled liquor out of this state for sale outside this state. Distillery licensees may purchase and sell distilled liquor from or to another distillery licensee in containers having a capacity greater than one U.S. gallon for blending and manufacturing purposes. A distillery licensee may not sell any alcoholic beverage within this state except to the commission or as provided in this section. However, any agricultural producer or association of agricultural producers or the legal agents of an agricultural producer or association of agricultural producers that manufactures and converts agricultural surpluses, by-products and wastes into denatured ethyl and industrial alcohol for use in the arts and industry are not required to obtain a license from the commission.

(2) If a distillery licensee holds a valid distilled spirits plant basic permit issued by the federal Alcohol and Tobacco Tax and Trade Bureau for the licensed premises, the distillery licensee may:

(a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manufactured in Oregon by the distillery licensee or by another distillery licensee. Tastings may be of the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors on the list of products approved by the commission for retail sale in Oregon and must be purchased by the licensee at the retail price established by the commission. This paragraph does not authorize sales by the drink of distilled liquor. The tastings may be conducted on the licensed premises of the distillery and at no more than five other premises owned or leased by the licensee. The commission may allow more than one distillery licensee to use the same premises at the same time for conducting tastings if the premises are a primary production location and the licensees share the premises or are owned by the same entity. If the manufacturer of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the licensee shall pay the commission a processing fee.

(b) Obtain a special events distillery license.

(c) Apply for appointment by the commission as a distillery retail outlet agent for purposes of retailing distilled liquor at locations where tastings are permitted under paragraph (a) of this subsection or subsection (4)(a) of this section. A distillery retail outlet agent may sell at locations where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee or by another distillery licensee that uses the same premises as a primary production location or is owned by the same entity as the distillery licensee.

(3) Notwithstanding ORS 471.392 to 471.400, a distillery licensee may hold one or more full on-premises sales licenses. All distilled liquor sold under a full on-premises sales license must be purchased from the commission.

(4) A distillery licensee that holds a special events distillery license may conduct an event on premises designated in the special events distillery license. Except as provided in this subsection,

a special events distillery license may be valid for a period not exceeding five days. The commission shall limit the approval of special events distillery licenses for a distillery licensee at the same location to not more than 62 days during a calendar year. A distillery licensee conducting a special event may:

(a) Permit tastings of distilled liquor approved by the commission for sale in Oregon and manufactured in Oregon by the distillery licensee. Tastings may be of the distilled liquor alone or with a mix of other liquids. If any of the other liquids are distilled liquors, they must be distilled liquors on the list of products approved by the commission for retail sale in Oregon and must be purchased by the licensee at the retail price established by the commission. If the manufacturer of the distilled liquor obtains distilled liquor for conducting tastings from the inventory of the commission, the licensee shall pay the commission a processing fee.

(b) Permit sales by the drink of distilled liquor. A drink that a distillery licensee sells under this paragraph must include distilled liquor that the licensee manufactured in Oregon. Any distilled liquor contained in the drink must be on the list of products approved by the commission for retail sale in Oregon. The distillery licensee selling the drink must purchase all distilled liquor contained in the drink at the retail price set by the commission for the month in which the drink is sold.

(c) If the distillery licensee has been appointed as a distillery retail outlet agent under subsection (2)(c) of this section, sell distilled liquor in factory-sealed containers for consumption off the licensed premises. A distillery retail outlet agent may sell at a location where tastings are allowed under paragraph (a) of this subsection only distilled liquor that is on the list of products approved by the commission for retail sale in Oregon and is manufactured in Oregon by the distillery licensee. The distillery retail outlet agent must sell the distilled liquor at the retail price set by the commission for the month of sale.

SECTION 62. ORS 471.235 is amended to read:

471.235. (1) A wholesale malt beverage and wine license shall allow the importation, storage, transportation, wholesale sale and distribution to licensees of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and the export of wine, cider and malt beverages, and the importation and sale to the commission and the export of wine of alcoholic content in excess of 21 percent alcohol by volume. A wholesale malt beverage and wine licensee may not sell any alcoholic liquor for consumption upon the licensed premises. However, a wholesale malt beverage and wine licensee may sell naturally fermented wine or cider in quantities of not less than four gallons nor more than 55 gallons at any one time to consumers for consumption not on the licensed premises. Wholesale malt beverage and wine licensees may sell malt beverages containing not more than nine percent alcohol by volume in quantities not less than four gallons to any unlicensed organization, lodge, picnic party or private gathering. The unlicensed organization, lodge, picnic party or private gathering may not sell the malt beverages. A wholesale malt beverage and wine license shall permit the licensee also to sell malt beverages at wholesale only, to persons holding licenses authorizing the persons to resell such beverages at retail. Employees of wholesale malt beverage and wine licensees may serve sample tastings of malt beverages, cider and wine at alcoholic beverage industry trade shows, seminars and conventions and at alcoholic beverage industry sample tastings for employees of retail licensees.

(2) Subsection (1) of this section does not prohibit the transportation or wholesale sale or distribution of malt beverage or wine by a wholesale malt beverage and wine licensee to any alcoholic treatment center licensed by the Oregon Health Authority.

(3) A wholesale malt beverage and wine licensee may impose an additional handling fee on any wine sold to any retailer in this state if the quantity of wine sold to the retailer is less than the smallest multiple-package case available to be sold and the handling fee is uniform for all licensees.

SECTION 63. ORS 471.242 is amended to read:

471.242. (1) A warehouse license shall allow the licensee to store, import, bottle, produce, blend, transport and export nontax paid, bonded wine or wine on which the tax is paid and to store, import and export nontax paid malt beverages and cider, or malt beverages and cider on which the tax is paid. Wine, cider and malt beverages may be removed from the licensed premises only for:

(a) Sale for export;

(b) Sale or shipment to a wholesale malt beverage and wine licensee;

(c) Sale or shipment to another warehouse licensee;

(d) Sale or shipment to a winery licensee;

(e) Shipment of wine or cider produced by a winery licensee to a licensee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** authorized to sell wine or cider at retail if the shipment is made pursuant to a sale to the retail licensee by the holder of a winery license issued under ORS 471.223, a grower sales privilege license issued under ORS 471.227 or a wholesale malt beverage and wine license issued under ORS 471.235; or

(f) Shipment of malt beverages, wine or cider to a person for personal use, as described in subsection (7) of this section.

(2) A license applicant must hold an approved registration for a bonded wine cellar or winery under federal law.

(3) For the purposes of tax reporting, payment and record keeping, the provisions that shall apply to a manufacturer under ORS chapter 473 shall apply to a warehouse licensee.

(4) A warehouse must be physically secure in an area zoned for the intended use and be physically separated from any other use.

(5) For purposes of ORS 471.392 to 471.400, a warehouse licensee shall be considered a manufacturer.

(6) For purposes of ORS 473.045, a warehouse licensee shall be considered a winery licensee.

(7) Malt beverages, wine or cider may be removed from the premises licensed under this section for shipment pursuant to a sale under ORS 471.282. The warehouse licensee shall take reasonable steps to ensure that shipments are made in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY." In addition, the warehouse licensee shall take reasonable steps to ensure that any carrier used by the licensee does not deliver any malt beverages, wine or cider unless the carrier:

(a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

(b) Verifies by inspecting government-issued photo identification that the recipient is at least 21 years of age; and

(c) Determines that the recipient is not visibly intoxicated at the time of delivery.

SECTION 64. ORS 471.244 is amended to read:

471.244. (1) No licensee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall manufacture, import into, or purchase in the State of Oregon for resale therein any malt beverages, cider or wine unless the manufacturer of such malt beverages, cider or wine has first obtained from the commission a certificate of approval, except that with respect to malt beverages, cider or wine manufactured outside the United States, the certificate of approval may be obtained by the person importing same into the United States. Such certificate of approval shall be granted only to manufacturers or importers who shall have entered into an agreement with the commission to furnish a report to the commission, on or before the 20th day of each month, showing the quantity of malt beverages, cider or wine delivered to each licensee of the commission during the preceding calendar month, and to faithfully comply with all laws of the State of Oregon pertaining to traffic in malt beverages, cider or wine. If any holder of such certificate, or any officer, agent or employee of such holder, shall violate any term or provision of such agreement, or submit any false or fictitious report, the commission may, in its discretion, suspend or revoke such certificate.

(2) The commission may grant special certificates of approval to manufacturers and importers of malt beverages, cider or wine. A special certificate of approval has the effect of a certificate of approval granted under subsection (1) of this section, but is valid only for a period of 30 days.

SECTION 65. ORS 471.251 is amended to read:

471.251. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may issue a manufacturer or other person a certificate of approval authorizing the import of dis-

tilled liquor manufactured by a distillery not licensed under ORS 471.230. The commission may establish by rule:

(1) The conditions under which a manufacturer or other person may qualify for a certificate of approval;

(2) The products covered by the certificate of approval;

(3) Any conditions or limitations placed on imports under the certificate of approval; and

(4) The grounds for suspension or revocation of a certificate of approval.

SECTION 66. ORS 471.268 is amended to read:

471.268. (1) In addition to any other privilege granted to a licensee under this chapter, a licensee may conduct an organized judging, tasting, exhibition, contest or competition of malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices, or related events, at the premises described in a full or limited on-premises sales license, off-premises sales license, brewery-public house license, brewery license, winery license or warehouse license of the licensee. However, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may restrict the portion of the licensed premises that may be used for the judging, tasting, exhibition, contest, competition or related events and may restrict or prohibit sales of alcoholic beverages on the portion of the premises that is being used for conducting the judging, tasting, exhibition, contest, competition or related events.

(2) In addition to any other privilege granted to a licensee under this chapter, a licensee may allow malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines and fermented fruit juices to be stored at the premises described in a full or limited on-premises sales license, off-premises sales license, brewery-public house license, brewery license, winery license or warehouse license of the licensee. The malt beverages or wines and the homemade beers, wines or fermented fruit juices must be clearly identified by owner and kept separate from the alcoholic beverage stock of the licensee.

(3) A licensee may not acquire any ownership interest in malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices stored under this section. However, this subsection does not prohibit a licensee from using malt beverages and wines produced under ORS 471.403 (2) and (3) or homemade beers, wines or fermented fruit juices in conducting an organized judging, tasting, exhibition, contest or competition of the malt beverages and wines or homemade beers, wines or fermented fruit juices, or related events, if the malt beverages and wines or the homemade beers, wines or fermented fruit juices are stored with the licensee for that purpose.

SECTION 67. ORS 471.274 is amended to read:

471.274. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may issue a wine self-distribution permit to a United States manufacturer of wine or cider. The commission may issue a wine self-distribution permit only to a manufacturer of wine or cider that:

(a) Holds a license issued by another state that authorizes the manufacture of wine or cider; and

(b) Holds a certificate of approval issued under ORS 471.244.

(2) The holder of a wine self-distribution permit may sell at wholesale and transport wine or cider that the manufacturer produces directly to the commission, or to retail licensees in the manner provided by this section. A wine self-distribution permit allows the holder to sell wine or cider that the holder produces only to retail licensees who hold a valid endorsement issued by the commission authorizing receipt of wine or cider from the holder of a wine self-distribution permit.

(3) In addition to the information required by ORS 471.311 for licenses, an applicant for a wine self-distribution permit shall provide the commission with a copy of the license held by the applicant or with sufficient information to allow verification of the license by electronic means or other means acceptable to the commission. The applicant also shall provide the commission with any information required by the commission to establish that the license held by the applicant authorizes the manufacture of wine or cider.

(4) A person holding a wine self-distribution permit is responsible for paying all taxes imposed under ORS chapter 473, and for complying with all reporting requirements imposed by ORS chapter

473, for all wine and cider sold and transported to retail licensees in this state. The commission may revoke, or refuse to issue, a wine self-distribution permit if the holder of a permit fails to pay taxes or make reports as required by ORS chapter 473.

(5) A retail licensee may receive wine or cider from the holder of a wine self-distribution permit only if the licensee has received prior authorization from the commission. Prior authorization under this subsection must be made by an endorsement to the license for the premises where the wine or cider will be received. The commission may not charge or collect a fee for an endorsement under this subsection.

(6)(a) Except as provided in paragraph (b) of this subsection, a retail licensee that receives wine or cider from holders of wine self-distribution permits must make a monthly report to the commission, using a form prescribed by the commission, listing the amount of all wine or cider received from permit holders in the previous month, and the names of the permit holders from whom the wine or cider was received. Retail licensees shall retain such purchase records for products received from permit holders as may be required by the commission.

(b) The holder of a full or limited on-premises sales license is not required to file a report under this subsection for any month in which the licensee receives two or fewer cases of wine from holders of wine self-distribution permits.

(7) A manufacturer that is not licensed by the commission may sell and transport wine or cider directly to a retail licensee, and a retail licensee may receive wine or cider directly from a manufacturer that is not licensed by the commission, only if the manufacturer holds a wine self-distribution permit issued under this section.

(8) The holder of a wine self-distribution permit consents to the jurisdiction of the commission and the courts of this state for the purpose of enforcing the provisions of this chapter, ORS chapter 473 and any related laws or rules.

(9) The holder of a wine self-distribution permit must post a bond or other security, as described in ORS 471.155.

(10) The commission may revoke, or refuse to issue, a wine self-distribution permit if the holder of a permit fails to comply with any provision of this section.

SECTION 68. ORS 471.282 is amended to read:

471.282. (1) Notwithstanding any other provision of this chapter and except as provided by ORS 471.186 (6), a person may sell and ship malt beverages, wine or cider directly to a resident of Oregon only if the person holds a direct shipper permit. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall issue a direct shipper permit only to:

(a) A person that holds a license issued by this state or another state that authorizes the manufacture of malt beverages, wine or cider;

(b) A person that holds a license issued by this state or another state that authorizes the sale of wine or cider produced only from grapes or other fruit grown under the control of the person;

(c) A person that holds a license authorizing the sale of malt beverages, wine or cider at retail; or

(d) A nonprofit trade association that holds a temporary sales license under ORS 471.190 and that has a membership primarily composed of persons holding winery licenses issued under ORS 471.223 or grower sales privilege licenses issued under ORS 471.227.

(2) The holder of a direct shipper permit that is a licensee of another state may deliver malt beverages under the permit only if that other state makes direct shipper permits, or the equivalent, available for the delivery of malt beverages by persons holding a license issued by the commission authorizing the manufacture or retail sale of malt beverages.

(3)(a) A person may apply for a direct shipper permit by filing an application with the commission. The application must be made in such form as may be prescribed by the commission.

(b) If the application is based on a license issued by this state, the person must include in the application the number of the license issued to the person.

(c) If the application is based on a license issued by another state, the person must include in the application a true copy of the license issued to the person by the other state or include suffi-

cient information to allow verification of the license by electronic means or other means acceptable to the commission.

(d) If the application is based on a license issued by another state, or the application is by a nonprofit trade association described in subsection (1)(d) of this section, the person or association must pay a $100 registration fee and maintain a bond or other security described in ORS 471.155 in the minimum amount of $1,000.

(4) Sales and shipments under a direct shipper permit:

(a) May be made only to a person who is at least 21 years of age;

(b) May be made only for personal use and not for the purpose of resale; and

(c) May not exceed two cases, containing not more than nine liters per case, to any resident per month.

(5) Sales and shipments under a direct shipper permit must be made directly to a resident of this state in containers that are conspicuously labeled with the words: "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

(6) A person holding a direct shipper permit must take all actions necessary to ensure that a carrier used by the permit holder does not deliver any malt beverages, wine or cider unless the carrier:

(a) Obtains the signature of the recipient of the malt beverages, wine or cider upon delivery;

(b) Verifies by inspecting government-issued photo identification that the recipient is at least 21 years of age; and

(c) Determines that the recipient is not visibly intoxicated at the time of delivery.

(7)(a) A person holding a direct shipper permit must report to the commission on a quarterly basis all shipments of malt beverages, wine or cider made to Oregon residents under the permit. The report must be made in a form prescribed by the commission.

(b) A person holding a direct shipper permit must allow the commission to audit the permit holder's records upon request and shall make those records available to the commission in this state.

(c) A person holding a direct shipper permit consents to the jurisdiction of the commission and the courts of this state for the purpose of enforcing the provisions of this section and any related laws or rules.

(8)(a) A person holding a direct shipper permit must timely pay to the commission all taxes imposed under ORS chapter 473 on malt beverages, wine and cider sold and shipped under the permit. For the purpose of the privilege tax imposed under ORS chapter 473, all malt beverages, wine or cider sold and shipped pursuant to a direct shipper permit is sold in this state.

(b) A person holding a direct shipper permit based on a license issued by another state must timely pay to the commission all taxes imposed under ORS chapter 473 on all malt beverages, wine or cider sold and shipped directly to Oregon residents under the permit. The permit holder, not the purchaser, is responsible for the tax.

(9) A direct shipper permit must be renewed annually. If the person holds the permit based on an annual license issued by another state, the person may renew the permit by paying a $100 renewal fee and providing the commission with a true copy of a current license issued to the person by the other state or with sufficient information to allow verification of the license by electronic means or other means acceptable to the commission. If the person holds the permit based on an annual license issued by this state, the person may renew the permit at the same time that the person renews the license.

(10) The commission may refuse to issue or may suspend or revoke a direct shipper permit if the permit holder fails to comply with the provisions of this section. A person may sell and ship malt beverages, wine or cider under a direct shipper permit only for as long as the person has the license issued by this state or another state that authorizes the person to hold a direct shipper permit. A direct shipper permit does not authorize the shipment of malt beverages by a permit holder described in subsection (1)(b) of this section or lacking authority as provided under subsection (2) of this section.

(11) Any person who knowingly or negligently delivers malt beverages, wine or cider under the provisions of this section to a person under 21 years of age, or who knowingly or negligently delivers malt beverages, wine or cider under the provisions of this section to a visibly intoxicated person, violates ORS 471.410.

(12) A person may not make sales and shipments of malt beverages, wine or cider directly to Oregon residents unless the person holds a direct shipper permit issued under this section. Any person who knowingly makes, participates in, transports, imports or receives a shipment of malt beverages, wine or cider that is in violation of this section commits a misdemeanor as provided in ORS 471.990 (1).

SECTION 69. ORS 471.292 is amended to read:

471.292. (1) A license granted under the Liquor Control 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 ORS 471.311, except for a cause which would be grounds for refusal to issue such license under ORS 471.313.

(d) Be subject to cancellation, suspension or restriction as provided in ORS 471.315.

(e) Be transferable from the place for which the license was originally issued to another location subject to the provisions of the Liquor Control Act, any rules of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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) Alcoholic liquors 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 this chapter 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.

(d) A license granted under this chapter may be transferred from the place for which the license was originally issued to another location.

SECTION 70. ORS 471.294 is amended to read:

471.294. (1) Except as otherwise provided in this section, all licenses under this chapter 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 ORS 471.311.

(3) The term of a temporary letter of authority or license issued under ORS 471.302 or any temporary sales license is the period fixed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** when the letter or license is issued.

SECTION 71. ORS 471.297 is amended to read:

471.297. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may grant a temporary letter of authority for a period not to exceed 90 days on change of ownership applications for licenses granted under this chapter if the applicant pays the fee prescribed by the commission for a temporary letter of authority. The administrator appointed by the commission under ORS 471.720 may extend a temporary letter of authority granted under the provisions of this section for a period not to exceed 30 days if the commission has not granted or denied

the application at the end of the 90-day period. A temporary letter of authority issued under this section does not constitute a license for the purposes of ORS chapter 183.

(2) The commission summarily and without prior administrative proceedings may revoke a temporary letter of authority any time if the commission finds that any of the grounds for refusing a license under ORS 471.313 or canceling or suspending a license under ORS 471.315 exist.

(3) A person subject to subsection (2) of this section shall be given an interview under the direction of the commission if the person requests an interview prior to revocation of a temporary letter of authority. However, the proceedings are not a contested case under ORS chapter 183.

SECTION 72. ORS 471.302 is amended to read:

471.302. (1) Upon receiving an application for an off-premises sales license, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may grant a temporary letter of authority for a period not exceeding 90 days, if it finds:

(a) The applicant is located in an area presently zoned for commercial use and presents documentation of such zoning to the commission.

(b) The applicant pays the fee prescribed by the commission for a temporary letter of authority.

(2) The administrator appointed by the commission under ORS 471.720 may extend a temporary letter of authority granted under the provisions of this section for a period not to exceed 30 days if the commission has not granted or denied the application at the end of the 90-day period provided for in subsection (1) of this section.

(3) A temporary letter of authority issued under this section does not constitute a license for the purposes of ORS chapter 183. The commission summarily and without prior administrative proceedings may revoke a temporary letter of authority at any time if:

(a) The commission finds that any of the grounds for refusing a license under ORS 471.313 exist; or

(b) The city or county in which the applicant is located provides evidence of reasonable grounds to the commission:

(A) That the temporary letter of authority should be revoked; or

(B) That an off-premises sales license should not be issued.

SECTION 72a. If Senate Bill 750 becomes law, section 72 of this 2021 Act (amending ORS 471.302) is repealed.

SECTION 73. ORS 471.305 is amended to read:

471.305. A brewery or a wholesale malt beverage and wine licensee shall deliver malt beverages only to or on a licensed premises. The sale of alcoholic liquors under any license issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** authorizing retail sales by a licensee shall be restricted to the premises described in the license, but deliveries may be made by the licensee to customers pursuant to bona fide orders received on the licensed premises prior to delivery.

SECTION 74. ORS 471.311 is amended to read:

471.311. (1) Any person desiring a license or renewal of a license under this chapter shall make application to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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. A license may not be granted or renewed until the applicant has complied with the provisions of this chapter 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) The commission shall charge an application fee, not to exceed $150, to process an application for the issuance of a new license under this chapter or a license following a change in ownership. The application fee applies only to an application for a class of license having an annual license fee. The application fee is nonrefundable, except that the commission shall refund the fee if the applicant

completes, submits and maintains an application and the commission does not, on or before 75 days following receipt of the completed application, propose that the license be granted, granted with conditions or refused. The commission shall adopt rules to:

(a) Establish application fees by class of license; and

(b) Define a completed application for purposes of this subsection.

(4) Subject to subsection (5) of this section, the commission shall assess a nonrefundable fee for processing a renewal application for any license authorized by this chapter only if the renewal application is received by the commission less than 20 days before expiration of the license. If the renewal application is received prior to expiration of the license but less than 20 days prior to expiration, the fee shall be 25 percent of the annual license fee. If a renewal application is received by the commission after expiration of the license but no more than 30 days after expiration, the fee shall be 40 percent of the annual license fee. This subsection does not apply to a certificate of approval, a brewery-public house license or any license that is issued for a period of less than 30 days.

(5) The commission may waive the fee imposed under subsection (4) of this section if the commission finds that failure to submit a timely application was due to unforeseen circumstances or to a delay in processing the application by the local governing authority that is no fault of the licensee.

(6) The license fee is nonrefundable and must be paid by each applicant upon the granting or committing of a license. Subject to ORS 471.155 and 473.065, the annual or daily license fee and the minimum bond required of each class of license under this chapter are as follows:

License	Fee	Minimum Bond
Brewery, including Certificate of Approval	$ 1,000	$ 1,000
Winery	$ 500	$ 1,000
Distillery	$ 200	None
Wholesale Malt Beverage and Wine	$ 550	$ 1,000
Warehouse	$ 200	$ 1,000
Brewery-Public House, including Certificate of Approval	$ 500	$ 1,000
Limited On-Premises Sales	$ 400	None
Off-Premises Sales	$ 200	None
Temporary Sales	$ 50 per day	
Grower sales privilege license	$ 500	$ 1,000
Special events brewery license	$ 10 per day	
Special events winery license	$ 10 per day	
Special events grower sales privilege license	$ 10 per day	
Special events brewery-public house license	$ 10 per day	
Special events distillery license	$ 10 per day	

(7) The fee for a certificate of approval or special certificate of approval granted under ORS 471.244 is nonrefundable and must be paid by each applicant upon the granting or committing of a certificate of approval or special certificate of approval. No bond is required for the granting of a certificate of approval or special certificate of approval. Certificates of approval are valid for a period commencing on the date of issuance and ending on December 31 of the fifth calendar year following the calendar year of issuance. The fee for a certificate of approval is $350. Special certificates of approval are valid for a period of 30 days. The fee for a special certificate of approval is $10.

(8) Except as provided in subsection (9) of this section, the annual license fee for a full on-premises sales license is $800. No bond is required for any full on-premises sales license.

(9) The annual license fee for a full on-premises sales license held by a nonprofit private club as described in ORS 471.175 (8), or held by a nonprofit or charitable organization that is registered with the state, is $400.

(10) The fee for temporary use of an annual license is $10 per day.

(11) The annual fee for a wine self-distribution permit is $200, and the minimum bond is $1,000.

SECTION 75. ORS 471.313 is amended to read:

471.313. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may refuse to issue a license, or may issue a restricted license, to any applicant under the provisions of this chapter if the commission has reasonable ground to believe any of the following to be true:

(1) 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.

(2) That the applicant has not furnished an acceptable bond as required by ORS 471.311 or is not maintaining the insurance or bond required by ORS 471.168.

(3) That, except as allowed by ORS 471.392 to 471.400, any applicant to sell at retail for consumption on the premises has been financed or furnished with money or property by, or has any connection with, or is a manufacturer of, or wholesale dealer in, alcoholic liquor.

(4) That the applicant:

(a) Is in the habit of using alcoholic beverages, habit-forming drugs 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 the alcoholic liquor laws of this state and the rules of the commission when previously licensed.

(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 read or write the English language or to understand the laws of Oregon relating to alcoholic liquor or the rules of the commission.

(5) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises proposed to be licensed or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior which is grounds for refusal of a license under this section, where so related to the sale or service of alcohol, includes, but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment; unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Histories from premises currently or previously operated by the applicant may be considered when reasonable inference may be made that similar activities will occur as to the premises proposed to be licensed. The applicant may overcome the history by showing that the problems are not serious or persistent or that the applicant demonstrates a willingness and ability to control adequately the premises proposed to be licensed and patrons' behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

SECTION 76. ORS 471.315 is amended to read:

471.315. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may cancel, suspend, restrict or require mandatory training for any license issued under this chapter, or impose a civil penalty in lieu of or in addition to a suspension as provided by ORS 471.322, 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 this chapter or ORS 474.115 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) Is not maintaining an acceptable bond as required by ORS 471.311 or is not maintaining the insurance or bond required by ORS 471.168.

(D) Has maintained an insanitary establishment.

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

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

(G) Has knowingly sold alcoholic liquor to persons under 21 years of age or to persons visibly intoxicated at the time of sale.

(H) Has allowed the consumption of alcoholic liquor on the licensed premises by a person who is visibly intoxicated at the time of consumption.

(I) Has misrepresented to a customer or the public any alcoholic liquor sold by the licensee.

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

(b) That any person licensed to sell at retail for consumption on the premises is acting as an agent of, or is a manufacturer or wholesaler of alcoholic liquors, or has borrowed money or property, or has accepted gratuities or rebates, or has obtained the use of equipment from any manufacturer or wholesaler of alcoholic liquor or any agent thereof.

(c) That there is a history of serious and persistent problems involving disturbances, lewd or unlawful activities or noise either in the premises or involving patrons of the establishment in the immediate vicinity of the premises if the activities in the immediate vicinity of the premises are related to the sale or service of alcohol under the exercise of the license privilege. Behavior that is grounds for cancellation or suspension of a license under this section, where so related to the sale or service of alcohol, includes but is not limited to obtrusive or excessive noise, music or sound vibrations; public drunkenness; fights; altercations; harassment or unlawful drug sales; alcohol or related litter; trespassing on private property; and public urination. Mitigating factors include a showing by the licensee that the problems are not serious or persistent or that the licensee has

demonstrated a willingness and ability to control adequately the licensed premises and patrons' behavior in the immediate vicinity of the premises which is related to the licensee's sale or service of alcohol under the licensee's exercise of the license privilege.

(d) 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.

SECTION 77. ORS 471.316 is amended to read:

471.316. (1) Notwithstanding any other provision of this chapter, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall suspend the license of a licensed premises listed in subsection (4) of this section if the commission determines that:

(a) Unlawful drug use or sales are occurring on the licensed premises;

(b) The licensee is aware of the unlawful drug use or sales because of arrests for unlawful drug sales on the licensed premises or seizures of unlawful drugs on the licensed premises, or because the licensee or employees of the licensee have personally witnessed unlawful drug use or sales on the licensed premises; and

(c) The licensee fails to take immediate and effective action to prevent unlawful drug use or sales on the licensed premises.

(2) In addition to any suspension imposed under this section, the commission may impose a civil penalty under the circumstances described in subsection (1) of this section not to exceed the maximum amount established under ORS 471.322 (2). Notwithstanding ORS 471.322 (1), the commission shall not allow payment of a civil penalty under this subsection in lieu of the suspension provided for in subsection (1) of this section. A civil penalty under this section shall be imposed in the manner provided by ORS 183.745.

(3) The commission may cancel a license listed in subsection (4) of this section if the license is suspended under the provisions of this section two or more times within a two-year period.

(4) This section applies only to premises licensed under:

(a) A full on-premises sales license.

(b) A limited on-premises sales license.

(c) A brewery-public house license.

SECTION 78. ORS 471.318 is amended to read:

471.318. Notwithstanding the lapse, suspension or revocation of a certificate, license, permit or other form of authorization issued under this chapter, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may:

(1) Proceed with any investigation of, or any action or disciplinary proceeding against, the person who held the certificate, license, permit or other authorization; or

(2) Revise or render void an order suspending or revoking the certificate, license, permit or other authorization.

SECTION 79. ORS 471.322 is amended to read:

471.322. (1) If a license issued under this chapter or a service permit issued under ORS 471.360 is suspended for a period of 30 days or less, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may impose against the affected licensee or permittee in lieu of or in addition to the suspension a civil penalty fixed by the commission in accordance with subsection (2) of this section if the commission is satisfied that such a penalty in lieu of or in addition to suspension is consistent with the purposes of the Liquor Control Act and the Oregon Distilled Liquor Control Act. Upon payment of the penalty in lieu of suspension, the commission shall cancel the suspension.

(2) Except as provided in ORS 471.327, the penalty which the commission may impose pursuant to subsection (1) of this section against a licensee shall not be less than $100 nor more than $5,000. The penalty which the commission may impose pursuant to subsection (1) of this section against a service permittee shall not be less than $25 nor more than $500.

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

SECTION 80. ORS 471.326 is amended to read:

471.326. If the action of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in suspending a license or permit issued under this chapter is not sustained upon judicial review under ORS chapter 183, the commission shall promptly refund the amount paid pursuant to ORS 471.322 (1) by check or order drawn on the State Treasurer from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account.

SECTION 81. ORS 471.327 is amended to read:

471.327. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, in suspending any brewery license, wholesale wine license, wholesale malt beverage license, or certificate of approval, may further impose against the licensee or the holder of the certificate of approval a civil penalty not to exceed $5,000, or, in its discretion, may impose such civil penalty without suspending the license or the certificate of approval.

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

SECTION 82. ORS 471.329 is amended to read:

471.329. (1) For the purpose of determining whether there is a history of serious and persistent problems involving noise under the provisions of ORS 471.313 (5) and 471.315 (1)(c), or whether the licensee maintains a noisy establishment in violation of the provisions of ORS 471.425:

(a) Noise from the inside of a licensed premises located within the boundaries of a city or county that has an ordinance regulating excessive noise may be considered obtrusive or excessive only if the noise violates the ordinance;

(b) Noise caused by patrons outside a licensed premises located within the boundaries of a city or county that has an ordinance regulating excessive noise may be considered obtrusive or excessive only if the noise violates the ordinance or if the noise is of a type that a reasonable person would not expect to hear outside a premises licensed for the sale of alcoholic beverages; and

(c) Noise caused by patrons inside or outside a licensed premises located within the boundaries of a city or county that does not have an ordinance regulating excessive noise may be considered obtrusive or excessive only if the noise is of the type that a reasonable person would not expect to hear inside or outside a premises licensed for the sale of alcoholic beverages.

(2) For the purpose of determining whether noise is obtrusive under the provisions of ORS 471.313 (5) and 471.315 (1)(c), or whether the licensee maintains a noisy establishment in violation of the provisions of ORS 471.425, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall consider whether persons complaining about the noise have taken any action to mitigate the disturbance alleged to have been caused by the noise.

SECTION 83. ORS 471.331 is amended to read:

471.331. (1) Whenever the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** proposes to refuse to renew or to suspend or cancel any license issued under this chapter because of adverse neighborhood impact of the licensee's operation, notwithstanding ORS 183.435, the commission shall grant the affected licensee 20 days from notification of the proposed commission action to request a hearing.

(2) Notwithstanding ORS 183.482 (3), the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall not stay any order refusing a license or suspending or canceling any license if the order was entered on grounds stated in ORS 471.313 (5) or 471.315 (1)(c).

SECTION 84. ORS 471.333 is amended to read:

471.333. (1) Except as provided in subsections (2) and (3) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall not refuse to issue, cancel or suspend a license under ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establishment.

(2) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establishment in violation of a city ordinance relating to sanitation only if the licensee is convicted of violating the ordinance.

(3) The commission may refuse to issue, cancel or suspend a license under ORS 471.313, 471.315 or 471.425 for maintaining an insanitary establishment in violation of ORS 447.010 to 447.156 and 447.992 or the laws, orders or rules relating to public health of the Oregon Health Authority or the

State Department of Agriculture only when the agency charged with enforcing those laws, orders or rules finds that the licensee is in violation of them and renders a final order adverse to the licensee.

SECTION 85. ORS 471.341 is amended to read:

471.341. (1) An employee of an off-premises sales licensee who has been found by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to have sold alcoholic beverages to a minor, or to have failed to properly verify identification of a person who purchased alcoholic beverages, must attend a clerk training course approved by the commission as a condition of making sales of alcoholic beverages to members of the public under an off-premises sales license.

(2) The commission shall by rule establish times for employees to complete a required clerk training course under this section. An employee required to complete a clerk training course under this section may continue to make sales of alcoholic beverages to members of the public until taking such training, but may not make any sales of alcoholic beverages after the expiration of the time allowed by commission rule if the employee has not completed the training before the expiration of that time.

(3) Except as provided in subsection (2) of this section, the holder of an off-premises sales license may not allow an employee who has been found by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to have sold alcoholic beverages to a minor, or to have failed to properly verify identification of a person who purchased alcoholic beverages, to sell alcoholic beverages under the license unless the employee completes a clerk training course as required by this section.

(4) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, as part of the Alcohol Education Program established under ORS 471.541, shall approve all clerk training courses offered for the purpose of this section. The holder of an off-premises sales license may establish a clerk training course for employees of the licensee, but the course must be approved by the commission to meet the requirements of this section. Clerk training courses approved under this section must address at least the following topics:

(a) The importance of not selling alcoholic beverages to minors and visibly intoxicated persons.

(b) Guidelines for recognizing minors and visibly intoxicated persons.

(c) Guidelines for checking and verifying identification, and for recognizing false or altered identification.

(d) Recommended approaches for refusing sales of alcoholic beverages to minors and visibly intoxicated persons.

(5) If an employee of an off-premises sales licensee is found to have sold alcoholic beverages to a minor, or to have failed to properly verify identification of a person who purchased alcoholic beverages, the commission shall notify the licensee that the employee must complete a clerk training course approved under this section and may not sell alcoholic beverages to members of the public after the time established by the commission unless the employee completes the training within the time allowed. If the off-premises sales licensee offers a clerk training course to new employees, and the employee has previously completed that course, the requirements of this section may be met by retaking the clerk training course if the course has been approved by the commission for the purposes of this section.

(6) Upon completion of a clerk training course by an employee of an off-premises sales licensee pursuant to the requirements of this section, the off-premises sales licensee that employs the person must notify the commission in writing that the employee has successfully completed the training. The notification must include the name and address of the employee, the name of the clerk training course attended by the employee, and the date or dates on which the course was attended. The notification shall be kept by the commission in the licensee's file.

(7) The commission shall assess and collect a fee not to exceed $13 from each person required to attend a clerk training course under this section. Amounts collected under this section shall be used for the administrative expenses incurred by the commission in the performance of the commission's duties under the Alcohol Education Program.

(8) In addition to any other penalty provided for by law, the commission may impose a civil penalty against any employee of an off-premises sales licensee who sells alcoholic beverages to members of the public and who is prohibited from making those sales under this section. A civil penalty under this subsection may not exceed $500. Civil penalties under this subsection shall be imposed by the commission in the manner provided by ORS 183.745.

SECTION 86. ORS 471.342 is amended to read:

471.342. Upon finding that a retail licensee, as defined in ORS 471.392, or an employee of a retail licensee has sold alcoholic beverages to a minor, or has failed to properly verify identification of a person who purchased alcoholic beverages, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may allow the licensee, in lieu of a civil penalty or denial, suspension or cancellation of the license, to acquire and use equipment designed to prevent sales of alcoholic beverages to minors.

SECTION 87. ORS 471.344 is amended to read:

471.344. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall by rule establish a responsible vendor program. The program shall include a list of positive measures that a licensee must take to avoid sales of alcoholic beverages to minors. Any person holding a liquor license that authorizes the person to sell alcoholic beverages at retail may participate in the program.

(2) If a licensee participates in the responsible vendor program and takes all measures specified by the program as necessary to prevent sales of alcoholic beverages to minors, the commission may not cancel the license of the licensee, or deny issuance of a license to the licensee, based on sales of alcoholic beverages to minors by employees of the licensee.

SECTION 88. ORS 471.346 is amended to read:

471.346. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall by rule develop uniform standards for minor decoy operations used to investigate licensees and agents operating stores on behalf of the commission under ORS 471.750 for violations of the laws of this state prohibiting sales of alcoholic beverages to minors. Uniform standards established by the commission under this section apply to all investigations conducted by the commission that use minor decoys. The commission shall encourage all law enforcement agencies of this state to use the uniform standards established under this section for minor decoy operations conducted by the law enforcement agencies.

(2) To the greatest extent possible, the uniform standards established by the commission under this section:

(a) Shall be the same for minor decoy operations conducted by the commission and for minor decoy operations conducted by law enforcement agencies of this state; and

(b) Shall provide for coordination between the commission and law enforcement agencies of this state in conducting minor decoy operations.

(3) The uniform standards established by the commission under this section shall provide that minor decoy operations must be conducted on either a random or a targeted basis in cities with populations of 20,000 or more. Random minor decoy operations shall cover a range of retail outlets. Targeted minor decoy operations may be conducted for a single licensee or agent, but may be used only if there is a documented compliance problem with the specific licensee or agent that is the target of the operation. For the purpose of implementing standards for random minor decoy operations under this subsection, the commission shall by rule adopt a methodology that produces, to the greatest extent possible, an equal chance that any licensee or agent will be subject to a minor decoy operation.

(4) Except as provided in subsection (5) of this section, the failure of the commission or of a law enforcement agency to follow uniform standards established by the commission under this section is not grounds for challenging any complaint, citation or conviction for violation of the laws prohibiting the sale of alcoholic beverages to minors.

(5) In determining whether to impose sanctions based on multiple violations of the laws of this state prohibiting sales of alcoholic beverages to minors, the commission may not consider any com-

plaint filed against a licensee for selling alcoholic beverages to a minor, citation issued to a licensee for selling alcoholic beverages to a minor or conviction of a licensee for selling alcoholic beverages to a minor if the complaint, citation or conviction arose out of a minor decoy operation that was not conducted pursuant to the uniform standards established by the commission under this section.

(6) Notwithstanding any other provision of this chapter, the commission may not consider any sale of alcoholic beverages to a minor that results from a minor decoy operation that is not conducted in compliance with the standards established under this section for the purpose of imposing any civil penalty against a licensee, making a decision on the renewal, suspension or cancellation of a license issued under this chapter or otherwise sanctioning a licensee for the sale of alcoholic beverages to a minor.

(7) The commission shall give notice of the uniform standards established under this section to all law enforcement agencies of this state that conduct minor decoy operations.

SECTION 89. ORS 471.351 is amended to read:

471.351. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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 this chapter, or to check the alcoholic content of liquors carried by the licensee, for the purpose of determining compliance with this chapter 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 90. ORS 471.360 is amended to read:

471.360. (1) Except as otherwise provided in ORS 471.375:

(a) Any person employed by a licensee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** must have a valid service permit issued by the commission if the person:

(A) Participates in any manner in the mixing, selling or service of alcoholic liquor for consumption on the premises where served or sold; or

(B) Participates in the dispensing of malt beverages, wines or cider sold in securely covered containers provided by the consumer.

(b) A licensee of the commission may not permit any person who lacks a service permit required of the person under paragraph (a) of this subsection:

(A) To mix, sell or serve any alcoholic liquor for consumption on licensed premises; or

(B) To dispense malt beverages, wines or cider sold in securely covered containers provided by the consumer.

(c) A permittee shall make the service permit available at any time while on duty for immediate inspection by any regulatory specialist or by any other peace officer.

(2) The commission may waive the requirement for a service permit for an employee of a licensee whose primary function is not the sale of alcoholic liquor or food, including but not limited to public passenger carriers, hospitals, or convalescent, nursing or retirement homes.

(3) Violation of the requirements of this section is a Class B violation.

SECTION 91. ORS 471.370 is amended to read:

471.370. Unless sooner suspended or revoked, a service permit expires five years after the date the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** issues the permit.

SECTION 92. ORS 471.375 is amended to read:

471.375. (1) Any person who has not had a permit refused or revoked or whose permit is not under suspension may mix, sell or serve alcoholic beverages as provided under subsection (3) of this section if the person prepares in duplicate an application for a service permit prior to mixing, selling or serving any alcoholic beverage for consumption on licensed premises. Until a person who has prepared an application under this subsection receives a service permit, the licensee for the premises shall make a copy of the application available for immediate inspection by any regulatory specialist or by any other peace officer.

(2) An applicant for a service permit must be 18 years of age or over. Application for a service permit shall be made on a form acceptable to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**. The applicant shall truly answer all questions, provide any further information required and pay a fee not to exceed $50.

(3) An applicant described in subsection (1) of this section may:

(a) Participate in the mixing, selling or service of alcoholic beverages for consumption on the premises where served or sold; and

(b) Participate in the dispensing of malt beverages, wine or cider sold in securely covered containers provided by the consumer.

SECTION 93. ORS 471.380 is amended to read:

471.380. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may refuse to grant a service permit if it has reasonable grounds to believe any of the following to be true:

(a) That the applicant is in the habit of using alcoholic beverages or controlled substances to excess.

(b) That the applicant has made false statements to the commission.

(c) That the applicant is incompetent or physically incapable of performing the duties of a permittee.

(d) That the applicant has been convicted of violating any of the alcoholic liquor laws of this state, general or local, or has been convicted at any time of a felony.

(e) That the applicant has not completed the alcohol server education course and examination required by ORS 471.542.

(2) Notwithstanding ORS 183.435, an applicant who seeks review of the refusal of a service permit must request a hearing:

(a) Within 15 days after notification of the refusal, if the refusal is based on failure to complete the alcohol server education course and examination; or

(b) Within 30 days after notification of the refusal, if the refusal is based on any grounds other than failure to complete the alcohol server education course and examination.

SECTION 94. ORS 471.385 is amended to read:

471.385. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may revoke or suspend a service permit, or impose a civil penalty in lieu of or in addition to suspension as provided by ORS 471.322, if it finds or has reasonable grounds to believe any of the following to be true:

(a) That the permittee has made false statements to the commission.

(b) That the permittee has been convicted of a felony, of violating any of the liquor laws of the state, general or local, or any misdemeanor or violation of any municipal ordinance committed on the licensed premises.

(c) That the permittee has performed or permitted any act which would constitute a violation of any provision of this chapter or any rule of the commission, if the act were performed or permitted by any licensee of the commission.

(2) The issuance, suspension or revocation of a permit under ORS 471.360 to 471.385 does not relieve a licensee from responsibility for any act of an employee on the licensee's premises.

(3) When there has been a violation of this chapter or any rule adopted thereunder upon any premises licensed by the commission, the commission may revoke or suspend either the service permit of the employee who violated the law or rule or the license of the licensee upon whose premises the violation occurred, or both the permit and the license.

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

SECTION 95. ORS 471.396 is amended to read:

471.396. (1) The prohibitions of ORS 471.394 (1) do not apply to persons holding winery licenses, grower sales privilege licenses, brewery-public house licenses, distillery licenses or brewery licenses, to the extent that retail sales are authorized by the statutes establishing the privileges of each license.

(2)(a) The prohibitions of ORS 471.394 (2) and (3) do not apply to a person who wholesales alcoholic liquor and who is not required to be licensed under the provisions of this chapter if the retail licensee does not sell any brand of alcoholic liquor sold or distributed by the person and does not sell any brand of alcoholic liquor produced by any manufacturer doing business with the person selling at wholesale.

(b) The prohibitions of ORS 471.394 (2) and (3) do not apply to a manufacturer of alcoholic liquor if the retail licensee does not sell any brand of alcoholic liquor sold, distributed or produced by the manufacturer and does not sell any brand of alcoholic liquor sold, distributed or produced by any subsidiary or other business entity that the manufacturer owns or manages, or that the manufacturer exercises control over.

(3) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of a spouse or family member to a manufacturer or wholesaler if:

(a) The manufacturer or wholesaler is licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to sell alcoholic liquor at wholesale;

(b) The license authorizing sale of alcoholic liquor at wholesale was first issued before January 1, 1965, and has been held continuously since that date;

(c) The spouse or family member holds or seeks a license that authorizes the retail sale of alcoholic liquor for off-premises consumption only; and

(d) The manufacturer or wholesaler does not directly or indirectly sell alcoholic liquor to the spouse or family member.

(4) The prohibitions of ORS 471.394 do not apply solely by reason of the family relationship of a spouse or family member to the retail licensee if the manufacturer or wholesaler is licensed by the commission to sell alcoholic liquor at wholesale and does not directly or indirectly sell alcoholic liquor to the spouse or family member.

(5) Notwithstanding ORS 471.394, a manufacturer or wholesaler, and any officer, director or substantial stockholder of any corporate manufacturer or wholesaler, may hold, directly or indirectly, an interest in a full or limited on-premises sales licensee, provided that the interest does not result in exercise of control over, or participation in the management of, the licensee's business or business decisions, and does not result in exclusion of any competitor's brand of alcoholic liquor.

(6) Notwithstanding ORS 471.394, a full or limited on-premises sales licensee, and any officer, director or substantial stockholder of any corporate full or limited on-premises sales licensee, may hold, directly or indirectly, an interest in a manufacturer or wholesaler, provided that the interest does not result in exercise of control over, or participation in the management of, the manufacturer's or wholesaler's business or business decisions, and does not result in exclusion of any competitor's brand of alcoholic liquor.

(7) Notwithstanding ORS 471.394, an institutional investor with a financial interest in a wholesaler or manufacturer may hold, directly or indirectly, an interest in a retail licensee unless the institutional investor controls, is controlled by, or is under common control with, a wholesaler or manufacturer. Notwithstanding ORS 471.394, an institutional investor with a financial interest in a retail licensee may hold, directly or indirectly, an interest in a wholesaler or manufacturer unless the institutional investor controls, is controlled by, or is under common control with, a retail licensee. The provisions of this subsection apply only to an institutional investor that is a state or federally chartered bank, a state or federally chartered mutual savings bank, a mutual fund or pension fund, or a private investment firm. The principal business activity of the institutional investor must be the investment of capital provided by depositors, participants or investors. The institutional investor must maintain a diversified portfolio of investments. The majority of the institutional investor's investments may not be in businesses that manufacture, distribute or otherwise sell alcoholic beverages. The institutional investor, and the officers, directors, substantial shareholders, partners, employees and agents of the institutional investor, may not participate in management decisions relating to the sale or purchase of alcoholic beverages made by a licensee in which the institutional investor holds an interest.

(8) Notwithstanding ORS 471.394, a member of the board of directors of a parent company of a corporation that is a manufacturer may serve on the board of directors of a parent company of a corporation that is a retail licensee if:

(a) The manufacturer or parent company of a manufacturer is listed on a national security exchange;

(b) All purchases of alcoholic beverages by the retail licensee are made from holders of wholesale malt beverage and wine licenses, brewery licenses or winery licenses in this state;

(c) The interest of the member of the board of directors does not result in the exclusion of any competitor's brand of alcoholic beverages on the licensed premises of the retail licensee; and

(d) The sale of goods and services other than alcoholic beverages by the retail licensee exceeds 50 percent of the gross receipts of the business conducted by the retail licensee on the licensed premises.

SECTION 96. ORS 471.400 is amended to read:

471.400. (1) Notwithstanding ORS 471.394 and 471.398, a manufacturer or wholesaler may lease or furnish picnic pumps, cold plates, tubs, refrigerated trailers, refrigerated vans and refrigerated draft systems to a retail licensee if the equipment is leased or furnished for a special event, if a reasonable rental or service fee is charged for the equipment and if the period that the equipment is leased or furnished does not exceed 10 days.

(2) Notwithstanding ORS 471.394 and 471.398, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may specify by rule the manner and circumstances under which a manufacturer or wholesaler may provide products and services to a nonprofit special licensee.

(3)(a) Notwithstanding ORS 471.394 and 471.398, the commission shall allow the sale of nonalcoholic products in the manner in which the nonalcoholic product is sold by a manufacturer or wholesaler not licensed by the commission. The commission may limit merchandising practices involving nonalcoholic products if the commission finds that the limitations are necessary to prevent abuses of ORS 471.394 and 471.398 by the industry as a whole.

(b) Any fixtures, equipment or furnishings provided by a manufacturer or wholesaler in furtherance of the sale of nonalcoholic products may not be used by the retail licensee to store, service, display, advertise, furnish or sell, or aid in the sale of, alcoholic products regulated by the commission. All such fixtures, equipment or furnishings must be identified by the retail licensee as being furnished by a licensed manufacturer or wholesaler.

SECTION 97. ORS 471.403 is amended to read:

471.403. (1) Except as provided in this section, a person may not brew, ferment, distill, blend or rectify any alcoholic liquor unless licensed so to do by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(2) The holder of a brewery-public house license or a brewery license may allow patrons to brew malt beverages not to exceed 14 percent alcoholic content by volume if the brewing is conducted under the direct supervision of the licensee or employees of the licensee. Malt beverages produced under this subsection may not be sold by the patron.

(3) The holder of a winery license may allow patrons to make wine if the winemaking is conducted under the direct supervision of the licensee or employees of the licensee. Wine produced under this subsection may not be sold by the patron.

(4) A person may make homemade beer, wine and fermented fruit juice as authorized under ORS 471.037. A person may provide assistance to another in making the homemade beer, wine or fermented fruit juice, if the person does not receive financial consideration as defined in ORS 471.037 for providing the assistance.

SECTION 98. ORS 471.404 is amended to read:

471.404. (1) Alcoholic liquor may not be imported into this state by any person other than a holder of a brewery, winery, distillery or wholesaler's license, except as follows:

(a) Alcoholic liquor ordered by and en route to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, under a certificate of approval issued by the commission.

(b) Wines for sacramental purposes according to rules adopted by the commission.

(c) Alcoholic liquor that is in transit on a common carrier to a destination outside Oregon.

(d) Alcoholic liquor coming into Oregon on a common carrier according to orders placed by a licensed brewery, winery or wholesaler.

(e) Grain and ethyl alcohol for scientific, pharmaceutical, manufacturing, mechanical or industrial use, under a certificate of approval issued by the commission.

(f) Wine or cider that is sold and transported by the holder of a wine self-distribution permit to a retail licensee that has the endorsement described in ORS 471.274 (5).

(g) Malt beverages, wine or cider shipped directly to a resident of this state under a direct shipper permit issued pursuant to ORS 471.282.

(2) The commission may require importers of alcoholic liquor to pay a reasonable handling fee based on the quantity and type of alcoholic liquor being imported.

SECTION 99. ORS 471.405 is amended to read:

471.405. (1) No person shall peddle or deliver alcoholic beverages to or at any place, where, without a license, alcoholic beverages are sold or offered for sale. No licensee shall sell or offer for sale any alcoholic beverage in a manner, or to a person, other than the license permits the licensee to sell.

(2) No person shall purchase, possess, transport or import, except for sacramental purposes, an alcoholic beverage unless it is procured from or through the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, except as provided otherwise in the Liquor Control Act.

(3) No person not licensed under the Liquor Control Act shall sell, solicit, take orders for or peddle alcoholic beverages.

(4) Notwithstanding the provisions of subsection (2) of this section, an individual entering the state may have in possession an amount not to exceed four liters (135.2 fluid ounces) of distilled liquor, two cases of wine or cider (620 fluid ounces) and two cases of malt beverages (576 fluid ounces). These quantities of alcoholic beverages are exempt from fees collected by the commission.

(5) Upon conviction for unlawfully purchasing or importing alcoholic beverages into this state, the person convicted shall forfeit to the commission the alcoholic beverage so purchased or imported. The commission shall thereupon seize the forfeited beverage and it shall then become the commission's property.

SECTION 100. ORS 471.410 is amended to read:

471.410. (1) A person may not sell, give or otherwise make available any alcoholic liquor to any person who is visibly intoxicated.

(2) No one other than the person's parent or guardian may sell, give or otherwise make available any alcoholic liquor to a person under the age of 21 years. A parent or guardian may give or otherwise make alcoholic liquor available to a person under the age of 21 years only if the person is in a private residence and is accompanied by the parent or guardian. A person violates this subsection who sells, gives or otherwise makes available alcoholic liquor to a person with the knowledge that the person to whom the liquor is made available will violate this subsection.

(3)(a) A person who exercises control over private real property may not knowingly allow any other person under the age of 21 years who is not a child or minor ward of the person to consume alcoholic liquor on the property, or allow any other person under the age of 21 years who is not a child or minor ward of the person to remain on the property if the person under the age of 21 years consumes alcoholic liquor 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;

(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; and

(C) Does not apply to a person who exercises control over a private residence if the liquor consumed by the person under the age of 21 years is supplied only by an accompanying parent or guardian.

(4) This section does not apply to sacramental wine given or provided as part of a religious rite or service.

(5) Except as provided in subsections (6) and (7) of this section, a person who violates subsection (1) or (2) of this section commits a Class A misdemeanor. Upon violation of subsection (2) of this section, the court shall impose at least a mandatory minimum sentence as follows:

(a) Upon a first conviction, a fine of at least $500.

(b) Upon a second conviction, a fine of at least $1,000.

(c) Upon a third or subsequent conviction, a fine of at least $1,500 and not less than 30 days of imprisonment.

(6)(a) A person who violates subsection (2) of this section is subject to the provisions of this subsection if the person does not act knowingly or intentionally and:

(A) Is licensed or appointed under this chapter; or

(B) Is an employee of a person licensed or appointed under this chapter and holds a valid service permit or has attended a program approved by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** that provides training to avoid violations of this section.

(b) For a person described in paragraph (a) of this subsection:

(A) A first conviction is a Class A violation.

(B) A second conviction is a specific fine violation, and the presumptive fine for the violation is $860.

(C) A third conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than $1,000.

(D) A fourth or subsequent conviction is a Class A misdemeanor. The court shall impose a mandatory fine of not less than $1,000 and a mandatory sentence of not less than 30 days of imprisonment.

(7) For an employee of an off-premises sales licensee who violates subsection (2) of this section while operating a checkout device and does not act knowingly or intentionally, a first conviction is a Class A violation.

(8) The court may waive an amount that is at least $200 but not more than one-third of the fine imposed under subsection (5) of this section, if the violator performs at least 30 hours of community service.

(9) Except as provided in subsection (8) of this section, the court may not waive or suspend imposition or execution of the mandatory minimum sentence required by subsection (5) or (6) of this section. In addition to the mandatory sentence, the court may require the violator to make restitution for any damages to property where the alcoholic liquor was illegally consumed or may require participation in volunteer service to a community service agency.

(10)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection (3) of this section commits a Class A violation.

(b) A second or subsequent violation of subsection (3) of this section is a specific fine violation, and the presumptive fine for the violation is $1,000.

(11) Nothing in this section prohibits any licensee under this chapter from allowing a person who is visibly intoxicated from remaining on the licensed premises so long as the person is not sold or served any alcoholic liquor.

SECTION 101. ORS 471.412 is amended to read:

471.412. (1) A licensee or permittee may not allow a person to consume or to continue to consume alcoholic beverages on the licensed premises after observing that the person is visibly intoxicated.

(2) A licensee or permittee is not in violation of subsection (1) of this section if the licensee or permittee makes a good faith effort to remove any unconsumed alcoholic beverages from the person's possession when the licensee or permittee observes that the person is visibly intoxicated.

(3) Nothing in this section applies to determining liability under ORS 471.565.

(4) Notwithstanding any other provision of law, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall only impose letters of reprimand for the first three vio-

lations of this section within a two-year period. For license renewal purposes, the first three violations of this section in a two-year period do not apply in determining the past record of compliance under ORS 471.313 (4)(g).

SECTION 102. ORS 471.425 is amended to read:

471.425. (1) No person shall make false representations or statements to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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 alcoholic beverages.

(3) No licensee of the commission shall misrepresent to a customer or to the public any alcoholic liquor sold by such licensee.

SECTION 103. ORS 471.430 is amended to read:

471.430. (1) A person under 21 years of age may not attempt to purchase, purchase or acquire alcoholic beverages. Except when such minor is in a private residence accompanied by the parent or guardian of the minor and with such parent's or guardian's consent, a person under 21 years of age may not have personal possession of alcoholic beverages.

(2) For the purposes of this section, personal possession of alcoholic beverages includes the acceptance or consumption of a bottle of such beverages, or any portion thereof or a drink of such beverages. However, this section does not prohibit the acceptance or consumption by any person of sacramental wine as part of a religious rite or service.

(3) 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.

(4)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection (1) or (3) of this section commits a Class B violation.

(b) A person commits a Class A violation if the person violates subsection (1) of this section by reason of personal possession of alcoholic beverages while the person is operating a motor vehicle as defined in ORS 801.360.

(5) In addition to and not in lieu of any other penalty established by law:

(a) The court may order a person who violates subsection (1) of this section through misrepresentation of age to perform community service; and

(b) The court shall order, when a person violates subsection (1) of this section, that the person's driving privileges and right to apply for driving privileges be suspended pursuant to ORS 809.260 and 809.280. The court notification made to the Department of Transportation under this paragraph 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.

(6) 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 established by law, 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).

(7) In addition to and not in lieu of any penalty established by law, the court may order a person who violates this section to undergo assessment and treatment as provided in ORS 471.432. The court shall order a person to undergo assessment and treatment as provided in ORS 471.432 if the person has previously been found to have violated this section.

(8) 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*] **Oregon Liquor and Cannabis Commission** or under the direction of state or local law enforcement agencies for the purpose of investigating possible violations of laws prohibiting sales of alcoholic beverages to persons who are under 21 years of age.

(9) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of a licensee for the purpose of investigating possible violations by employees

of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under 21 years of age.

(10)(a) A person under 21 years of age is not in violation of, and is immune from prosecution under, this section if:

(A) The person contacted emergency medical services or a law enforcement agency in order to obtain medical assistance for another person who was in need of medical assistance due to alcohol consumption and the evidence of the violation was obtained as a result of the person's having contacted emergency medical services or a law enforcement agency; or

(B) The person was in need of medical assistance due to alcohol consumption and the evidence of the violation was obtained as a result of the person's having sought or obtained the medical assistance.

(b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result of a person's having sought medical assistance in proceedings for crimes or offenses other than a violation of this section.

SECTION 104. ORS 471.442 is amended to read:

471.442. (1) No wine or cider shall be sold or offered for sale within this state unless it complies with the minimum standards fixed pursuant to law.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require a manufacturer, importer or wholesaler to provide samples of a particular wine or cider, and to provide a laboratory analysis demonstrating to the satisfaction of the commission that the particular wine or cider complies with the minimum standards in this state.

(3) No wine or cider 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 wine or cider for a reasonable period of time while it is determining whether the wine or cider complies with minimum standards in this state.

SECTION 105. ORS 471.446 is amended to read:

471.446. (1) No retail licensee shall purchase any wine or cider for resale except in sealed containers, the seals of which shall remain unbroken when it is sold for consumption off the premises.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may refuse to sell, or may prohibit any licensee from selling, any brand of alcoholic liquor which in its judgment is deceptively labeled or branded as to content, or contains injurious or adulterated ingredients.

SECTION 106. ORS 471.473 is amended to read:

471.473. (1) A person appointed to operate a store established by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 471.750 qualifies for the payment of business loss compensation under this section if:

(a) The system for selling containers of distilled liquor at retail in this state changes after the person assumes operation of the store; and

(b) The system change results from a law that prohibits the commission from purchasing or selling distilled liquor.

(2) The purpose of business loss compensation is to offset the actual or presumed sales reduction and actual or perceived devaluation of a liquor store business following a system change described in subsection (1) of this section. The commission shall pay a person qualifying under this section business loss compensation equal to four percent of the average annual gross distilled liquor sales made by the store during the five years that preceded the system change, whether or not the person was the store operator during the entire five-year period. If the store has operated less than five years prior to the system change, the commission shall pay compensation equal to four percent of the average annual gross distilled liquor sales made by the store prior to the system change.

(3)(a) The commission shall pay any business loss compensation due under this section from the suspense account described in ORS 471.805. Except as otherwise required by federal or state law or by contract, the commission shall give the payment of business loss compensation priority over the payment of other debts from the suspense account.

(b) Notwithstanding ORS 279A.250 to 279A.290 or the revolving fund balance limit established in ORS 471.805, if a change in the system for selling containers of distilled liquor at retail in this state results in business loss compensation being payable under this section, and the commission declares within five years after the system change that a warehouse established by the commission under ORS 471.750 or the inventory of the commission is surplus property, the net proceeds from sale of the warehouse or inventory remaining after deduction of sales costs shall be deposited to the suspense account described in ORS 471.805. All moneys deposited under this paragraph shall be kept in a subaccount within the suspense account that indicates the source of the moneys. Notwithstanding ORS 471.805, moneys deposited to the suspense account under this paragraph may not be transferred to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account if any business loss compensation is owed and remains unpaid. This paragraph does not restrict the source for paying business loss compensation from the suspense account or alter the priority of business loss compensation payment established in paragraph (a) of this subsection.

(4) If a person that receives business loss compensation under this section brings any action against the commission for damages resulting from a change in the system for selling containers of distilled liquor at retail in this state, the business loss compensation received by the person as a result of that system change shall be an offset against any damages awarded the person in the action. This subsection does not create any new cause of action.

(5) Business loss compensation received by a person under this section does not affect the claiming of any tax deduction by the person for depreciation of equipment, fixtures or other property improvements, but is ordinary business income of the person, taxable as provided by law.

SECTION 107. ORS 471.475 is amended to read:

471.475. No person who owns, operates or conducts a private or public club or place and who is not in possession of a license issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** permitting the mixing, storing and serving of alcoholic liquor at said premises, and no agent, servant or employee of such person, for a financial consideration by way of a charge for service, membership fee, admission fee, initiation fee, club dues, contributions, or other fee or charge, shall serve or permit to be served, or use or permit to be used, any room, place, bar, glasses, mixers, locker, storage place, chairs, tables, cash registers, music devices, furniture, furnishings, equipment or facilities, for the mixing, storing, serving or drinking of alcoholic liquor.

SECTION 108. ORS 471.478 is amended to read:

471.478. On and after January 1, 1978:

(1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** by rule shall require the identification of kegs of malt beverages sold directly to consumers who are not licensees of the commission and the signing of a receipt therefor by the purchaser in order to allow the kegs to be traced if the contents are consumed in violation of the Liquor Control Act. The keg identification shall be in the form of a numbered label prescribed and supplied by the commission which identifies the seller and which is removable or obliterated when the keg is processed for refilling. The receipt shall be on a form prescribed and supplied by the commission and shall include the name and address of the purchaser; motor vehicle operator's license number, if any; the automobile registration of the motor vehicle in which the keg was removed from the seller's premises, if any; and such other identification as the commission by rule may require. The receipt shall contain a statement that must be signed by the purchaser that, under penalty of false swearing, the purchaser will not allow consumption of any malt beverage in the keg in violation of ORS 471.410. A copy of the receipt shall be given to the purchaser and the seller shall retain the original receipt for such period as the commission by rule may require.

(2) Possession of a keg containing malt beverages which is not identified as required by subsection (1) of this section is a Class A misdemeanor.

(3) A person who signs a receipt described in subsection (1) of this section in order to obtain a keg, knowing the receipt to be false, or who falsifies any information required on the receipt, is guilty of false swearing as prescribed by ORS 162.075.

(4) As used in this section, "keg" means any brewery-sealed, individual container of malt beverage having a liquid capacity of more than seven gallons.

SECTION 108a. If House Bill 2264 becomes law, section 108 of this 2021 Act (amending ORS 471.478) is repealed.

SECTION 109. ORS 471.480 is amended to read:

471.480. (1) Any employee 18 years of age or older of a person who holds an off-premises sales license from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may sell any alcoholic liquor authorized by such license on the licensed premises.

(2) Any employee 18 years of age or older of a person who holds a wholesale malt beverage and wine license from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may assist the licensee in the delivery of any alcoholic liquor authorized by such license.

(3) During any inspection of a licensed premises, the commission may require proof that a person performing work at the premises meets any applicable minimum age requirement created under this chapter or under commission rules. 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 that is subject to a minimum age requirement until the commission receives acceptable proof of age. If the activity is the sole lawful basis for the person to be present on the premises, the commission may require that the person leave the premises. This subsection does not apply to a person temporarily at the premises to make a service, maintenance or repair call, to make a delivery or for other purposes independent of the premises operations.

(4) If a person performing work that is subject to a minimum age requirement has not provided proof of age requested by the commission under subsection (3) of this section, the commission may request that the licensee or a manager of the premises provide proof that the person meets any applicable minimum age requirement created under this chapter or under commission rules. Failure of the licensee or manager 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 a minimum age requirement.

SECTION 110. ORS 471.482 is amended to read:

471.482. (1) The holder of a license issued under this chapter may employ persons 18, 19 and 20 years of age who may take orders for, serve and sell alcoholic liquor in any part of the licensed premises when that activity is incidental to the serving of food except in those areas classified by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** as being prohibited to the use of minors. However, no person who is 18, 19 or 20 years of age shall be permitted to mix, pour or draw alcoholic liquor except when pouring is done as a service to the patron at the patron's table or drawing is done in a portion of the premises not prohibited to minors.

(2) A person who is 18, 19 or 20 years of age may enter areas classified by the commission as being prohibited to the use of minors only for the purpose of ordering and picking up alcoholic liquor for service in other parts of the premises. However, the person shall not remain in the areas longer than is necessary to perform those duties.

(3) The commission by rule may permit access to prohibited areas by any minor for nonalcoholic liquor employment purposes as long as the minor does not remain longer than is necessary to perform the duties.

(4) During any inspection of a licensed premises, the commission may require proof that a person performing work at the premises meets any applicable minimum age requirement created under this chapter or under commission rules. 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 that is subject to a minimum age requirement until the commission receives acceptable proof of age. If the activity is the sole lawful basis for the person to be present on the premises, the commission may require that the person leave the premises. This subsection does not apply to a person temporarily at the premises to make a service, maintenance or repair call, make a delivery or for other purposes independent of the premises operations.

(5) If a person performing work that is subject to a minimum age requirement has not provided proof of age requested by the commission under subsection (4) of this section, the commission may request that the licensee or a manager of the premises provide proof that the person meets any applicable minimum age requirement created under this chapter or under commission rules. Failure of the licensee or manager 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 a minimum age requirement.

SECTION 111. ORS 471.495 is amended to read:

471.495. Any wholesale licensee who receives a check, order, negotiable instrument or voucher in payment for malt beverages, cider or wine, who receives an instrument from a retail licensee which, upon presentation, is not paid by the party on whom it is drawn, shall report such fact forthwith to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

SECTION 112. ORS 471.500 is amended to read:

471.500. The provisions of ORS 471.485, 471.490 and 471.495 shall not apply to any common carrier licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

SECTION 113. ORS 471.510 is amended to read:

471.510. ORS 471.506 shall not prohibit the sale of pure alcohol for scientific or manufacturing purposes, or of wines to church officials for sacramental purposes, nor shall it prevent any person residing in the county or city from ordering and having delivered to the home of the person, for the personal use of self and family, alcoholic liquors purchased from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or from persons duly licensed to sell them under the Liquor Control Act.

SECTION 114. ORS 471.541 is amended to read:

471.541. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall establish an Alcohol Education Program. The Alcohol Education Program shall consist of all the duties of the commission in administering clerk training courses under ORS 471.341 and alcohol server education courses under ORS 471.542.

SECTION 115. ORS 471.542 is amended to read:

471.542. (1) Except as provided in subsection (2) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall require a person applying for issuance or renewal of a service permit or any license that authorizes the sale or service of alcoholic beverages for consumption on the premises to complete an approved alcohol server education course and examination as a condition of the issuance or renewal of the permit or license.

(2) A person applying for issuance or renewal of a license that authorizes the sale or service of alcoholic beverages for consumption on the premises need not complete an approved alcohol server education course and examination as a condition of the issuance or renewal of the license if:

(a) The license has been restricted by the commission to prohibit sale or service of alcoholic beverages for consumption on the premises; or

(b) The person applying for issuance or renewal of the license submits a sworn statement to the commission stating that the person will not engage in sale or service of alcoholic beverages for consumption on the premises, will not directly supervise or manage persons who sell or serve alcoholic beverages on the premises, and will not participate in establishing policies governing the sale or service of alcoholic beverages on the premises.

(3) The commission by rule shall establish requirements that licensees and permittees must comply with as a condition of requalifying for a license or permit. The licensee or permittee must comply with those requirements once every five years after completing the initial alcohol server education course and examination. The requirements established by the commission to requalify for a license may include retaking the alcohol server education course and examination. The requirements established by the commission to requalify for a service permit shall include retaking the alcohol server education course and examination.

(4) The commission may extend the time periods established by this section upon a showing of hardship. The commission by rule may exempt a licensee from the requirements of this section if the licensee does not participate in the management of the business.

(5) The standards and curriculum of alcohol server education courses shall include but not be limited to the following:

(a) Alcohol as a drug and its effects on the body and behavior, especially driving ability.

(b) Effects of alcohol in combination with commonly used legal, prescription or nonprescription, drugs and illegal drugs.

(c) Recognizing the problem drinker and community treatment programs and agencies.

(d) State alcohol beverage laws such as prohibition of sale to minors and sale to intoxicated persons, sale for on-premises or off-premises consumption, hours of operation and penalties for violation of the laws.

(e) Drunk driving laws and liquor liability statutes.

(f) Intervention with the problem customer, including ways to cut off service, ways to deal with the belligerent customer and alternative means of transportation to get the customer safely home.

(g) Advertising and marketing for safe and responsible drinking patterns and standard operating procedures for dealing with customers.

(6) The commission shall adopt rules to impose reasonable fees for administrative costs on alcohol server education course instructors and providers.

(7) The commission shall provide alcohol server education courses and examinations through independent contractors, private persons or private or public schools certified by the commission. The commission shall adopt rules governing the manner in which alcohol server education courses and examinations are made available to persons required to take the course. In adopting rules under this subsection, the commission shall consider alternative means of providing courses, including but not limited to providing courses through audiotapes, videotapes, the Internet and other electronic media.

SECTION 116. ORS 471.547 is amended to read:

471.547. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall establish an Alcohol Server Education Advisory Committee. The advisory committee shall consist of the following members:

(a) One person who represents the commission.

(b) One person who represents the Oregon State Police.

(c) One person who represents the Oregon District Attorneys Association.

(d) One person who represents the Oregon Health Authority.

(e) One person who represents the Department of Transportation.

(f) One person who represents a nonprofit organization the purpose of which is to reduce the incidence of drunk driving.

(g) One person who has general expertise in education.

(h) One person who has expertise in health education.

(i) One person who represents classroom alcohol server education providers.

(j) One person who represents online alcohol server education providers.

(k) At least one person who is a service permittee under ORS 471.360.

(L) Not more than two persons who represent insurance companies.

(m) Not more than three persons who represent retail licensees.

(2) The purpose of the advisory committee is to assist in the development of:

(a) The standards, curriculum and materials for the alcohol server education courses required under ORS 471.542;

(b) The examination required by ORS 471.542, and procedures for administering that examination;

(c) The certification procedures, enforcement policies and penalties for alcohol server education course instructors and providers; and

(d) The time requirements for completion of an alcohol server education course and examination and the conditions for probationary extension.

SECTION 117. ORS 471.549 is amended to read:

471.549. In addition to such other sanctions as may be authorized by law, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may impose a civil penalty not to exceed $1,000 against any alcohol server education course instructor or provider who violates a rule promulgated by the commission pursuant to ORS 471.542. The civil penalty may be in addition to or in lieu of any suspension, revocation or cancellation of the certification of an alcohol server education course instructor or provider.

SECTION 118. ORS 471.551 is amended to read:

471.551. (1) Any person in possession of a valid retail liquor license, who sells liquor by the drink for consumption on the premises or sells for consumption off the premises, shall post a sign informing the public of the effects of alcohol consumption during pregnancy.

(2) The sign shall:

(a) Contain the message: "Pregnancy and alcohol do not mix. Drinking alcoholic beverages, including wine, coolers and beer, during pregnancy can cause birth defects."

(b) Be either:

(A) A large sign, no smaller than eight and one-half inches by 11 inches in size with lettering no smaller than five-eighths of an inch in height; or

(B) A reduced sign, five by seven inches in size with lettering of the same proportion as the large sign described in paragraph (a) of this subsection.

(c) Contain a graphic depiction of the message to assist nonreaders in understanding the message. The depiction of a pregnant female shall be universal and shall not reflect a specific race or culture.

(d) Be in English unless a significant number of the patrons of the retail premises use a language other than English as a primary language. In such cases, the sign shall be worded in both English and the primary language or languages of the patrons.

(e) Be displayed on the premises of all licensed retail liquor premises as either a large sign at the point of entry, or a reduced sized sign at points of sale.

(3) The person described in subsection (1) of this section shall be encouraged to also post signs of any size at places where alcoholic beverages are displayed.

(4) Notwithstanding ORS 471.561, the holder of a retail liquor license may produce the sign required by this section insofar as the sign is consistent with the standards established pursuant to this section, ORS 616.286 and 624.060 and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and is displayed in accordance with subsection (2)(e) of this section.

SECTION 119. ORS 471.553 is amended to read:

471.553. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall consult with representatives of business and industry as well as interested citizens groups, including the March of Dimes and the Junior League, to determine the most cost-effective, convenient method to produce and post the sign described in ORS 471.551, which shall be distributed by the commission.

SECTION 120. ORS 471.557 is amended to read:

471.557. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may solicit private funds, if necessary, to produce and distribute the signs.

SECTION 121. ORS 471.559 is amended to read:

471.559. (1) If no warning sign is posted:

(a) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall furnish a warning sign.

(b) The retailer shall have five days from the receipt of the warning sign to post it appropriately.

(2) If there is a violation of this section or of ORS 471.551, the violator shall be subject to:

(a) A written warning from the commission for the first violation accompanied by a copy of the sign.

(b) A civil penalty of not to exceed $25 payable to the commission for a second violation.

(c) A civil penalty of not to exceed $25 for the third and subsequent violations for each day the sign is not posted.

(3) The civil penalty imposed under subsection (2) of this section shall be separate from any other sanction or penalty imposed by the commission and shall not be used in any progressive violation schedule.

(4) The penalty provided by this section shall be the sole penalty for violation of this section or ORS 471.551 or the rules adopted under section 1, chapter 324, Oregon Laws 1991.

(5) Violation of this section or ORS 471.551 or the rules adopted under section 1, chapter 324, Oregon Laws 1991, shall not be grounds for refusal to issue a license, cancellation of a license or suspension of a license issued under this chapter.

(6) Nothing in this section or ORS 471.551 or the rules adopted under section 1, chapter 324, Oregon Laws 1991, creates any new cause of action or any private right of any person.

SECTION 122. ORS 471.561 is amended to read:

471.561. By June 30, 1992, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall produce and complete distribution of the warning signs, free of charge, to all holders of retail liquor licenses. The commission shall produce and distribute additional signs as liquor licenses are granted.

SECTION 123. ORS 471.565 is amended to read:

471.565. (1) A patron or guest who voluntarily consumes alcoholic beverages served by a person licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, a person holding a permit issued by the commission or a social host does not have a cause of action, based on statute or common law, against the person serving the alcoholic beverages, even though the alcoholic beverages are served to the patron or guest while the patron or guest is visibly intoxicated. The provisions of this subsection apply only to claims for relief based on injury, death or damages caused by intoxication and do not apply to claims for relief based on injury, death or damages caused by negligent or intentional acts other than the service of alcoholic beverages to a visibly intoxicated patron or guest.

(2) A person licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, person holding a permit issued by the commission or social host is not liable for damages caused by intoxicated patrons or guests unless the plaintiff proves by clear and convincing evidence that:

(a) The licensee, permittee or social host served or provided alcoholic beverages to the patron or guest while the patron or guest was visibly intoxicated; and

(b) The plaintiff did not substantially contribute to the intoxication of the patron or guest by:

(A) Providing or furnishing alcoholic beverages to the patron or guest;

(B) Encouraging the patron or guest to consume or purchase alcoholic beverages or in any other manner; or

(C) Facilitating the consumption of alcoholic beverages by the patron or guest in any manner.

(3) Except as provided in subsection (4) of this section, an action for damages caused by intoxicated patrons or guests off the premises of a person licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, a person holding a permit issued by the commission or a social host may be brought only if the person asserting the claim has given the licensee, permittee or social host the notice required by subsection (5) of this section within the following time periods:

(a) If a claim is made for damages arising out of wrongful death, notice must be given within one year after the date of death, or within one year after the date that the person asserting the claim discovers or reasonably should have discovered the existence of a claim under this section, whichever is later.

(b) If a claim is made for damages for injuries other than wrongful death, notice must be given within 180 days after the injury occurs, or within 180 days after the person asserting the claim discovers or reasonably should have discovered the existence of a claim under this section, whichever is later.

(4) The time provided for the giving of notice under subsection (3) of this section does not include any period during which:

(a) The claimant is under 18 years of age;

(b) The claimant is unable to give notice by reason of the injury or by reason of being financially incapable, as defined in ORS 125.005, or is incapacitated, as defined in ORS 125.005; or

(c) The claimant is unable to determine that the licensee, permittee or social host is liable because the patron or guest who caused the damages asserts a right against self-incrimination and cannot be compelled to reveal the identity of the licensee, permittee or social host, or cannot be compelled to reveal facts that would establish the liability of the licensee, permittee or social host.

(5) A licensee, permittee or social host shall be considered to have been given notice for the purposes of this section if:

(a) The licensee, permittee or social host is given formal notice in the manner specified in subsection (6) of this section;

(b) The licensee, permittee or social host receives actual notice as described in subsection (7) of this section;

(c) An action is commenced by or on behalf of the claimant within the period of time specified by subsections (3) and (4) of this section; or

(d) Any payment on the claim is made to the claimant by or on behalf of the licensee, permittee or social host.

(6) Formal notice of a claim subject to this section must be in writing, must be mailed to the licensee, permittee or social host, or personally served on the licensee, permittee or social host, and must contain all of the following:

(a) A statement that a claim for damages is made against the licensee, permittee or social host.

(b) A description of the time, place and circumstances giving rise to the claim, so far as known to the claimant.

(c) The name of the claimant and mailing address for the claimant to which correspondence regarding the claim may be mailed.

(7) For the purposes of this section, "actual notice" means any communication to a licensee, permittee or social host that gives the licensee, permittee or social host actual knowledge of the time, place and circumstances of the claim, if the communication is such that a reasonable person would conclude that a particular person intends to assert a claim against the licensee, permittee or social host.

SECTION 124. ORS 471.567 is amended to read:

471.567. (1) Notwithstanding ORS 471.130 and 471.565, no licensee, permittee or social host shall be liable to third persons injured by or through persons under the age of 21 years who obtained alcoholic beverages from the licensee, permittee or social host unless it is demonstrated that a reasonable person would have determined that identification should have been requested or that the identification exhibited was altered or did not accurately describe the person to whom the alcoholic liquor was sold or served.

(2) A person who is under 21 but at least 18 years of age and who through misrepresentation of age causes an [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** licensee to be fined or have a license suspended or revoked shall be civilly liable for damages sustained by the licensee. The court may award reasonable attorney fees to the prevailing party in an action under this subsection.

(3) Subsection (2) of this section does not apply to a person under the age of 21 years who is acting under the direction of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or under the direction of state or local law enforcement agencies for the purpose of

investigating possible violations of laws prohibiting sales of alcoholic beverages to persons who are under the age of 21 years.

(4) Subsection (2) of this section does not apply to a person under the age of 21 years who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of alcoholic beverages to persons who are under the age of 21 years.

SECTION 125. ORS 471.605 is amended to read:

471.605. The state police, sheriffs, constables and all police officers within the State of Oregon shall enforce all provisions of the Liquor Control Act and assist the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in detecting violations of that statute and apprehending offenders. Each such enforcing officer having notice, knowledge or reasonable ground of suspicion of any violation of that statute 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 126. ORS 471.610 is amended to read:

471.610. Whenever any officer arrests any person for violation of the Liquor Control Act, the officer may take into possession all alcoholic liquor and other property which the person so arrested has in possession, or on the premises, which is apparently being used in violation of that statute. If the person so arrested is convicted, and it is found that the liquor and other property has been used in violation of the law, the same shall be forfeited to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and shall be delivered by the court or officer to the commission. The commission is authorized to destroy or make such other disposition thereof as it considers to be in the public interest. In any such case, all alcoholic liquor purchased or acquired from any source, and all property, including bars, glasses, mixers, lockers, chairs, tables, cash registers, music devices, gambling devices, furniture, furnishings, equipment and facilities for the mixing, storing, serving or drinking of alcoholic liquor 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 127. ORS 471.615 is amended to read:

471.615. The county courts, district attorneys and municipal authorities, immediately upon the conviction of any licensee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** of a violation of any provision of the Liquor Control Act or the violation of any other law of this state or ordinance of any municipality therein, in which violation alcoholic liquor 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 the Liquor Control Act and shall recommend such action on the part of the commission as will remove the evil.

SECTION 128. ORS 471.630 is amended to read:

471.630. The Attorney General, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or its administrators, or the district attorney of the county wherein a nuisance as defined in ORS 471.620 exists, or where it has existed but has temporarily ceased and there is good and sufficient cause to believe that it will be maintained in the future, may institute an action in the circuit court for such county in the name of the state to abate, and to temporarily and permanently enjoin, such nuisance. The court has the right to make temporary and final orders as in other injunction proceedings. The plaintiff shall not be required to give bond in such action.

SECTION 129. ORS 471.645 is amended to read:

471.645. If a temporary injunction is granted, the court may issue further restraining orders as described in ORS 471.635; and forthwith may issue an order closing such place against its use for any purpose until the final decision, or the court may allow such place to be occupied or used during the pendency of the injunction proceedings by requiring the defendants to furnish an irrevocable letter of credit issued by an insured institution as defined in ORS 706.008 or a bond with sufficient surety, to be approved by the court, in the penal sum of not less than $2,500, payable to the state.

The bond or letter of credit shall be conditioned that alcoholic liquor will not be manufactured, possessed, sold, served, bartered, or given away, or furnished, or otherwise disposed of thereon or therein, or kept thereon or therein with the intent to sell, barter, serve, or give away, or otherwise dispose of alcoholic liquor contrary to law, and that the defendants will pay all fines, costs and damages assessed against them for any violation of such conditions. The State of Oregon in an action brought by the Attorney General, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or its administrators, or the district attorney, may take whatever steps necessary to recover the whole amount as a penalty for the use of the county wherein the premises are situated.

SECTION 130. ORS 471.666 is amended to read:

471.666. (1) The court, upon conviction of the person arrested under ORS 471.660, shall order the alcoholic liquor delivered to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and shall, subject to the ownership rights of innocent third parties, order a sale at public auction by the sheriff of the county of the property seized. The sheriff, after deducting the expense of keeping the property and the cost of sale, shall pay all the liens, according to their priorities, which are established by intervention or otherwise at such hearing or in other proceedings brought for that purpose, and shall pay the balance of the proceeds into the general fund of the county. No claim of ownership or of any right, title or interest in or to such vehicle that is otherwise valid shall be held invalid unless the state shows to the satisfaction of the court, by clear and convincing evidence, that the claimant had knowledge that the vehicle was used or to be used in violation of law. All liens against property sold under this section shall be transferred from the property to the proceeds of the sale.

(2) If no person claims the vehicle or conveyance, the taking of the same and the description thereof shall be advertised in some daily newspaper published in the city or county where taken, or if no daily newspaper is published in such city or county, in a newspaper having weekly circulation in the city or county, once a week for two weeks and by handbills posted in three public places near the place of seizure, and shall likewise notify by mail the legal owner, in the case of an automobile, if licensed by the State of Oregon, as shown by the name and address in the vehicle registration records of the Department of Transportation. If no claimant appears within 10 days after the last publication of the advertisement, the property shall be sold and the proceeds, after deducting the expenses and costs, shall be paid into the general fund of the county.

SECTION 131. ORS 471.695 is amended to read:

471.695. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require each applicant for a full or limited on-premises sales license to submit to fingerprinting. If the applicant is a corporation, the fingerprints of each officer, director and major stockholder of the corporation may be required by the commission. Prior to approving any change in officers, directors or major stockholders, the commission may require the fingerprints of the new officials.

(2) The commission shall require that all employees of the commission who work in the licensing or enforcement divisions or who have access to criminal background information be fingerprinted.

(3) Fingerprints acquired under this section may be used for the purpose of requesting state or nationwide criminal records checks under ORS 181A.195.

(4) As used in this section, "major stockholder" means any person who owns, directly or indirectly, more than 10 percent of any class of any equity security of the corporation.

SECTION 132. ORS 471.700 is amended to read:

471.700. In carrying out its duties under ORS 471.315, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall not suspend or cancel a license on grounds of any violation of ORS 167.108 to 167.164 until:

(1) The licensee has been convicted thereof in a court of competent jurisdiction; or

(2) An employee of the licensee has been convicted thereof in a court of competent jurisdiction and the violation occurred on the licensed premises.

SECTION 133. ORS 471.703 is amended to read:

471.703. (1) The police shall notify the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** of the name of the alleged provider of alcoholic liquor when:

(a) The police investigate any motor vehicle accident where someone other than the operator is injured or incurs property damage;

(b) The operator appears to have consumed alcoholic liquor;

(c) A citation is issued against the operator that is related to the consumption of alcoholic liquor or could have been issued if the operator had survived; and

(d) The provider of the alcoholic liquor is alleged to be a licensee or permittee of the commission.

(2) The notice shall include the name and address of the operator involved and the name and address of the person who named the alleged provider, if the person is other than the operator.

(3) Upon receipt of the notice described in subsection (1) of this section, the commission shall cause the licensee or permittee named as the alleged provider to be notified of receipt of the notice and of its content. A copy of the notice shall be retained in the files of the commission and shall be open to inspection by the person injured or damaged by the motor vehicle operator or a representative of the person.

(4) The police shall notify the alleged social host when the circumstances described in subsection (1) of this section occur and the alleged social host is named as the provider of the alcoholic liquor. The notice shall include the information described in subsection (2) of this section.

SECTION 134. ORS 471.705 is amended to read:

471.705. (1) There is created the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, consisting of seven commissioners appointed by the Governor. One commissioner must be from among the residents of each congressional district of this state. One additional commissioner must be from eastern Oregon. One additional commissioner must be from western Oregon. One commissioner must be from the food and alcoholic beverage retail industry. Not more than four commissioners may be of the same political party. The Governor shall designate one commissioner to be chairperson of the commission. The commissioners are entitled to compensation and expenses as provided in ORS 292.495.

(2) Each commissioner at the time of appointment must be a resident of this state and must have resided in this state for at least five years next preceding appointment and qualification. Each commissioner must be an elector in this state and may not be less than 30 years of age. The term of office of a commissioner terminates if the commissioner ceases to possess the residency or industry qualification for appointment. If the term of office of a commissioner terminates under this subsection, the Governor shall appoint a qualified individual to complete the unexpired term of the commissioner.

(3) The term of office of a commissioner is four years from the time of appointment and qualification and until a successor qualifies for appointment. The terms of the commissioners commence April 1. If a commissioner is allowed to hold office after the expiration of a term, the Governor shall appoint the successor for the remainder of the unexpired term. If a vacancy occurs in the commission, the Governor shall appoint the successor for the remainder of the unexpired term. Each commissioner is eligible for reappointment, but an individual is not eligible to serve for more than two full terms.

(4) Appointments of commissioners by the Governor under this section are subject to confirmation by the Senate pursuant to section 4, Article III, Oregon Constitution.

SECTION 135. ORS 471.710 is amended to read:

471.710. (1) The Governor may remove any commissioner for inefficiency, neglect of duty, or misconduct in office, giving to the commissioner a copy of the charges made and an opportunity of being publicly heard in person or by counsel, in the commissioner's own defense, upon not less than 10 days' notice. If such commissioner is removed, the Governor shall file in the office of the Secretary of State a complete statement of all charges made against such commissioner, the findings thereon, and a complete record of the proceedings.

(2) No person, other than the member appointed in accordance with ORS 471.705 who is designated from the food and alcoholic beverage retail industry, is eligible to hold the office of commissioner, or to be employed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** if:

(a) The person has any financial interest in any business licensed by the commission or in any business which manufactures alcoholic beverages sold in Oregon;

(b) Anyone in the person's household or immediate family has a financial interest described in paragraph (a) of this subsection;

(c) Anyone in the person's household or immediate family is employed by a business licensed by the commission, unless the person is not in a position to take action or make decisions which could affect the licensed business; or

(d) The person or anyone in the person's household or immediate family has a business connection with any business licensed by the commission, unless the person is not in a position to take action or make decisions which could affect the licensed business.

(3)(a) A retail sales agent appointed by the commission, or a person in the household or immediate family of a retail sales agent, may not have any financial interest in or business connection with:

(A) A person or business that is licensed as a distillery;

(B) A person or business that holds a full on-premises sales license; or

(C) A distillery whose products are sold in Oregon.

(b) Paragraph (a) of this subsection does not apply to a distillery retail outlet agent appointed by the commission under ORS 471.230.

(4) Nothing in this section prohibits a person from having a financial interest resulting from investments made by the Public Employees Retirement System or through mutual funds, blind trusts or similar investments where the person does not exercise control over the nature, amount or timing of the investment.

(5) The commission by rule may establish additional restrictions to prohibit potential conflicts of interest. The commission by rule shall define "immediate family" and "business connection" as used in this section.

SECTION 136. ORS 471.715 is amended to read:

471.715. (1) The member from the food and alcoholic beverage retail industry shall not serve as chairperson. The chairperson shall preside at all meetings of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or, in the chairperson's absence, some other member may serve as chairperson.

(2) The commission shall meet at such times and places within this state as it determines. A majority of the commissioners constitutes a quorum for the transaction of any business, for the performance of any duty or for the exercise of any power of the commission.

SECTION 137. ORS 471.720 is amended to read:

471.720. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall appoint an administrator who shall serve at its discretion. The administrator shall be subject to policy direction by the commissioners, and shall be the secretary of the commission and custodian of commission records. The administrator shall manage the commission, administer the laws, and appoint, assign and coordinate personnel of the commission within budget limitations and the State Personnel Relations Law.

SECTION 138. ORS 471.725 is amended to read:

471.725. The function, duties and powers of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** include the following:

(1) To buy, have in its possession, bottle, blend, rectify, transport and sell, for present or future delivery, in its own name, alcoholic liquor in the manner set forth in this chapter.

(2) To purchase, acquire, rent, lease or occupy any building, rooms, stores or land and acquire, own, lease and sell equipment and fixtures required for its operations.

(3) To lease or sublet to others property which it acquires or owns and which is not immediately required for its operations. However, no real property shall be purchased without the consent and approval of the Governor.

(4) To borrow money, guarantee the payment thereof and of the interest thereon, by the transfer or pledge of goods or in any other manner required or permitted by law.

(5) To issue, sign, indorse and accept checks, promissory notes, bills of exchange and other negotiable instruments.

(6) In the event the United States Government provides any plan or method whereby the taxes upon alcoholic liquors are collected at the source, to enter into any and all contracts and comply with all regulations, even to the extent of partially or wholly abrogating any statutory provisions which might be in conflict with federal law or regulations, to the end that the commission receives the portion thereof allocated to this state, to be distributed as provided by statute.

(7) To secure and pay for such policies of insurance as may be necessary to adequately protect it from loss by fire, theft or other casualty.

SECTION 139. ORS 471.730 is amended to read:

471.730. The function, duties and powers of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** include the following:

(1) To control the manufacture, possession, sale, purchase, transportation, importation and delivery of alcoholic liquor in accordance with the provisions of this chapter and ORS 474.105 and 474.115.

(2) To grant, refuse, suspend or cancel licenses and permits for the sale or manufacture of alcoholic liquor, or other licenses and permits in regard thereto, and to permit, in its discretion, the transfer of a license of any person.

(3) To collect the taxes and duties imposed by statutes relating to alcoholic liquors, and to issue, and provide for cancellation, stamps and other devices as evidence of payment of such taxes or duties.

(4) To investigate and aid in the prosecution of every violation of statutes relating to alcoholic liquors, to seize alcoholic liquor manufactured, sold, kept, imported or transported in contravention of this chapter and ORS 474.105 and 474.115, and apply for the confiscation thereof, whenever required by statute, and cooperate in the prosecution of offenders before any court of competent jurisdiction.

(5) To adopt such regulations as are necessary and feasible for carrying out the provisions of this chapter and ORS 474.105 and 474.115 and to amend or repeal such regulations. When such regulations are adopted they shall have the full force and effect of law.

(6) To exercise all powers incidental, convenient or necessary to enable it to administer or carry out any of the provisions of this chapter and ORS 474.105 and 474.115.

(7) To control, regulate and prohibit any advertising by manufacturers, wholesalers or retailers of alcoholic liquor by the medium of newspapers, letters, billboards, radio or otherwise.

(8) To sell, license, regulate and control the use of alcohol for scientific, pharmaceutical, manufacturing, mechanical, industrial and other purposes, and to provide by regulation for the sale thereof for such uses.

SECTION 140. ORS 471.732 is amended to read:

471.732. (1) The Legislative Assembly finds and declares that the regulation of health and sanitation matters in premises licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this chapter can best be performed by the Oregon Health Authority and the State Department of Agriculture.

(2) It is the policy of the Legislative Assembly and the intent of ORS 471.333 and 624.010 and this section that premises licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this chapter shall be subject to the laws governing health and sanitation matters, including any applicable licensing requirements, and to the rules adopted thereunder by the authority and the department.

SECTION 141. ORS 471.735 is amended to read:

471.735. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall have the power to investigate by sample or chemical analysis, the quality of all wines manufactured, imported, sold or offered for sale within this state, and to seize, confiscate and destroy all wines sold or offered for sale within this state which do not conform in all respects to the minimum standards provided for by the laws of this state.

SECTION 142. ORS 471.737 is amended to read:

471.737. (1) As used in this section:

(a) "Stock keeping unit" means a product that is assigned a specific identification code, which states the type, size, brand or other inventory tracking information for the product.

(b) "Vermouth" means fortified wine that is flavored with botanicals.

(2) Notwithstanding ORS 471.230, a distillery retail outlet agent appointed under ORS 471.230 or a store established under ORS 471.750 may sell vermouth at retail for off-premises consumption as provided under this section without holding an off-premises sales license. Vermouth sold under this section must be in factory-sealed containers. A distillery retail outlet agent or store may not offer more than 20 stock keeping units of vermouth for sale under this section.

(3) A distillery retail outlet agent may sell vermouth under this section at the licensed premises of the distillery or at a location described in ORS 471.230 (2) where the agent offers tastings.

(4) Except as provided in this section, vermouth sales under this section are subject to the restrictions and requirements imposed under this chapter and [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** rules for retail sales of wine by an off-premises sales licensee.

SECTION 143. ORS 471.740 is amended to read:

471.740. Except as provided in this chapter, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** is vested with the exclusive right to purchase, sell, have in possession for sale, import or transport alcoholic beverages.

SECTION 144. ORS 471.745 is amended to read:

471.745. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall fix the prices at which alcoholic liquors containing over five percent alcohol by volume may be purchased from it, and has power to bottle, blend, rectify, manufacture or sell alcoholic liquors for itself, or for or to any person or commission within or without this state.

SECTION 145. ORS 471.747 is amended to read:

471.747. (1) As used in this section, "granulated alcohol" means powders, crystals or other dry preparations designed to produce an alcoholic beverage when added to a liquid.

(2) Granulated alcohol may not be sold at retail in this state. Granulated alcohol may be sold at wholesale only for scientific, industrial, manufacturing or other purposes identified by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under terms and conditions the commission considers appropriate to safeguard against the misuse of granulated alcohol.

SECTION 146. ORS 471.750 is amended to read:

471.750. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall establish such stores and warehouses in such places in the state as in its judgment are required by public convenience or necessity, for the sale of spirituous liquors, wines and other alcoholic liquors containing over five percent alcohol by volume, in sealed containers for consumption off the premises. The commission shall keep on hand in such stores or warehouses such quantities and kinds of alcoholic liquors as are reasonably required to supply the public demand.

(2) Any person qualified to purchase such liquors from the commission has the right to present to the commission, or at any of its stores, an application for any kind or brand of alcoholic liquor that the person may desire and that may be manufactured or obtainable in any place in the United States, and the commission shall obtain such liquor and sell it to the applicant. The commission may not require that an application for a kind or brand of alcoholic liquor include a commitment to purchase a minimum amount of the liquor or require that a purchase be for more than one container of a kind or brand of alcoholic liquor if the liquor:

(a) Except as provided in subsection (5) of this section, has a retail sales price of $30 or more per container;

(b) Is available through a distributor in the United States that does not require the commission to acquire more than one case of the distilled liquor in a single transaction;

(c) Is not regularly stocked by the commission; and

(d) Is ordered in a 750 milliliter container size if available in that size.

(3) The commission may not establish a store in any county or incorporated city of this state where a local prohibitory law is in effect. The commission shall adopt rules governing advertising by stores operated by the commission. The commission may appoint agents in the sale of said liquor under such agreement as the commission may negotiate with said agents or their representative.

(4) Rules relating to advertising adopted by the commission under subsection (3) of this section shall allow signs and displays within its stores for the purpose of supplying consumer information to customers, including but not limited to discounts, sales and other specials. Commission discretion with respect to those signs and displays shall be limited to regulation of the content, size, number per brand, type and duration of the sign or display. Signs and displays may be supplied by manufacturers, wholesalers or distributors, and may bear the name of a particular distillery, supplier or brand of liquor. The use of signs and displays shall be optional with the agent appointed by the commission. Signs or displays authorized by the commission may not be placed in positions within the store where the sign or display would be readily visible from outside of the store.

(5) The commission may annually adjust the price threshold established in subsection (2)(a) of this section by a percentage equal to the percentage change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor. However, the commission may not adjust the price threshold to be less than $30.

SECTION 147. ORS 471.752 is amended to read:

471.752. (1) An agent appointed under ORS 471.750 may participate in a health benefit plan available to state employees pursuant to ORS 243.105 to 243.285 at the expense of the agent and may participate in the state deferred compensation plan established under ORS 243.401 to 243.507. For such purposes, agents shall be considered eligible state employees.

(2) A person who is the surviving spouse or child of a deceased agent or the spouse or child of an agent of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** who has a disability shall be given preference in the appointment of a successor agent, if otherwise qualified, the spouse having greater preference. The experience of such applicant in the business operation of the deceased agent or the agent who has a disability shall be the primary consideration in determining the qualifications of the applicant.

SECTION 148. ORS 471.754 is amended to read:

471.754. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall develop recycling education materials for distribution through stores established by the commission under ORS 471.750 that encourage the patrons of the store to recycle bottles sold through the stores.

SECTION 149. ORS 471.757 is amended to read:

471.757. (1) At such times as the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may prescribe and upon forms furnished by the commission, any license applicant or licensee of the commission may be required to submit a sworn statement to the commission showing the name, address and the nature and extent of the financial interest of each person, individual and corporate, having a financial interest in the business operated under the license.

(2) The commission shall review the statement and may refuse to issue a license to any license applicant, or may suspend, cancel or refuse to renew the license of any licensee, when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for cancellation or suspension of a license if such person were the license applicant or licensee. However, in cases where the financial interest is held by a corporation, only the officers and directors of the corporation, any indi-

vidual or combination of individuals who own a controlling financial interest in the business and any manager of the business shall be considered persons having a financial interest within the meaning of this subsection.

SECTION 150. ORS 471.760 is amended to read:

471.760. Each member of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, or any of its authorized agents, shall, for the purposes contemplated by this chapter and ORS 474.105 and 474.115, have power to issue subpoenas, compel the attendance of witnesses, administer oaths, certify to official acts, take depositions within or without this state, as provided by law, and compel the production of pertinent books, payrolls, accounts, papers, records, documents and testimony.

SECTION 151. ORS 471.765 is amended to read:

471.765. If a person in attendance before the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or a commissioner refuses, without reasonable cause, to be examined or to answer a legal and pertinent question, or to produce a book or paper when ordered so to do by the commission, the commission may apply to the judge of the circuit court of any county where such person is in attendance, upon proof by affidavit of the fact, for a rule or order returnable in not less than two nor more than five days, directing such person to show cause before the judge who made the order, or any other judge of such county, why the person should not be punished for contempt. Upon the return of such order, the judge shall examine such person under oath and the person shall be given an opportunity to be heard. If the judge determines that such person has refused, without reasonable cause or legal excuse, to be examined or to answer a legal or pertinent question, or to produce a book or paper which the person was ordered to bring or produce, the judge may forthwith punish the offender for contempt of court.

SECTION 152. ORS 471.770 is amended to read:

471.770. No person shall be excused from testifying or from producing any books, papers or documents in any investigation or inquiry by or upon any hearing before the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or any commissioner when ordered so to do by the commission or any of its authorized agents, upon the ground that the testimony, evidence, books, papers or documents required of the person may tend to incriminate the person or subject the person to penalty or forfeiture. No person shall be prosecuted, punished or subjected to any penalty or forfeiture for or on account of any act, transaction, matter or thing concerning which the person shall, under oath, have, by order of the commission, or a commissioner, or any of its authorized agents, testified to or produced documentary evidence of; but no person so testifying shall be exempt from prosecution or punishment for any perjury committed by the person in testimony.

SECTION 153. ORS 471.775, as amended by section 15, chapter 3, Oregon Laws 2020 (second special session), is amended to read:

471.775. (1) The provisions of ORS 183.440 shall apply to subpoenas issued by each member of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or any of its authorized agents.

(2) Subject to subsection (3) of this section, regulatory specialists have authority as provided under this chapter, ORS chapter 153, ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739 and 161.245 and chapter 743, Oregon Laws 1971, and sections 7 and 8, chapter 3, Oregon Laws 2020 (second special session), to conduct inspections or investigations, make arrests and seizures, aid in prosecutions for offenses, issue criminal citations and citations for violations and otherwise enforce this chapter, ORS 474.005 to 474.095 and 474.115, commission rules and any other laws of this state that the commission considers related to alcoholic liquor, including but not limited to:

(a) Laws regarding the production, processing, manufacture, importation, transportation, possession, distribution, sale or consumption of alcoholic beverages;

(b) The manufacture or use of false identification; or

(c) The entry of premises licensed to sell alcoholic liquor.

(3) A regulatory specialist may not:

(a) Be sworn in as a federal law enforcement official and act in that capacity while performing duties under subsection (2) of this section; or

(b) Carry a firearm.

SECTION 154. ORS 471.790 is amended to read:

471.790. No member of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may be sued for doing or omitting to do any act in the performance of duties as prescribed in the Liquor Control Act. No member of the commission personally shall be liable for any loss caused by the default or failure of the depository of funds of the commission. All funds of the commission deposited in any bank or trust company are entitled to priority of payment as public funds of the state, if the commission funds are only kept in depositories designated by the State Treasurer and under security of the same character required by law for depositories of state funds.

SECTION 155. ORS 471.795 is amended to read:

471.795. No provision of the Liquor Control Act prevents any member or employee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** from purchasing and keeping in possession, for the personal use of self or members of the family of the member or employee, any alcoholic liquor in the same manner as it may be purchased or kept by any other person under that statute.

SECTION 156. ORS 471.800 is amended to read:

471.800. If by the laws of another state or by the rules and regulations of any administrative body or authorized agency thereof or therein, market restrictions are imposed that prevent or tend to prevent the sale of wine manufactured in Oregon in free and unrestricted competition with like kinds of wine manufactured in such other state, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** is authorized and directed to impose similar restrictions in Oregon upon such wine manufactured in such other state and offered for sale in Oregon.

SECTION 157. ORS 471.802 is amended to read:

471.802. (1) As used in this section, "American viticultural area" means a delimited grape growing region approved under 27 C.F.R. part 9.

(2) If the appellation of origin on a wine label is an American viticultural area that is wholly or partially within the boundaries of a larger American viticultural area, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require that the wine label also identify the larger American viticultural area. If the commission requires that the wine label identify the larger American viticultural area, the area must be identified in letters:

(a) At least two millimeters high if the wine container is more than 187 milliliters in volume; or

(b) At least one millimeter high if the wine container is 187 milliliters or less in volume.

(3) Subsection (2) of this section does not require that the name of the larger American viticultural area:

(a) Be included in or near the appellation of origin; or

(b) Be in the same size or font as the appellation of origin.

(4) The commission shall adopt rules specifying any American viticultural areas for which the wine labeling requirement in subsection (2) of this section is applicable. The commission shall, at a minimum, adopt rules to require American viticultural areas that are wholly or partially within the boundaries of the Willamette Valley viticultural area to identify the Willamette Valley viticultural area on the label. For all other areas, the commission shall solicit and consider recommendations by Oregon winemaking industry associations that are associated with an American viticultural area before determining whether the area should be included for purposes of the wine labeling requirement in subsection (2) of this section.

(5) Except as provided in this subsection, an American viticultural area may not appear on a wine label in a manner that resembles all or part of a brand name or appear in lettering that is larger or more prominent than the brand name. This subsection does not apply if the brand name stating or implying an American viticultural area has been in continuous use as a brand name since December 31, 2017, and prior to December 31, 2017, was:

(a) Used in conformance with commission standards;

(b) Subject to a federal trademark registration for wine under United States Patent and Trademark Office Class 33; and

(c) Sold in interstate commerce.

(6) The commission may adopt rules to impose additional wine labeling requirements that the commission deems appropriate. The commission may make a wine labeling requirement applicable to wines produced in some or all of the American viticultural areas in this state.

SECTION 158. ORS 471.805 is amended to read:

471.805. (1) Except as otherwise provided in subsection (3) of this section and ORS 471.810 (2), all money collected by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this chapter and ORS chapter 473 and privilege taxes 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 Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account in the General Fund. Moneys in the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account are continuously appropriated to the commission to be distributed and used as required or allowed by law.

(2) All necessary expenditures of the commission incurred in carrying out the purposes required of the commission by law, including the salaries of its employees, purchases made by the commission and such sums necessary to reimburse the $250,000 revolving fund, shall be audited and paid from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account in the General Fund, upon warrants drawn by the Oregon Department of Administrative Services, pursuant to claims duly approved by the commission.

(3) Moneys from the retail sale of distilled liquor that are being held by an agent appointed under ORS 471.750 or by a distillery retail outlet agent appointed under ORS 471.230 are not subject to ORS 295.001 to 295.108 if the agent has on deposit with the commission an amount equaling or exceeding an amount the commission, in its discretion, deems to be reasonable and sufficient and to be not less than the average daily gross receipts from retail sales of distilled liquor by the agent. The commission shall remit moneys deposited with the commission under this subsection to the State Treasurer for deposit to a separate reserve account of the commission. Moneys in the reserve account are not revenue of the commission for purposes of ORS 221.770. The commission shall return the deposit, and any interest earned on the deposit, if the appointment of the agent terminates and the agent has forwarded to the commission all moneys owed the commission from retail sales of distilled liquor by the agent.

SECTION 159. ORS 471.810 is amended to read:

471.810. (1) At the end of each month, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall certify the amount of moneys available for distribution in the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account and, after withholding such moneys as it may deem necessary to pay its outstanding obligations, shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:

(a) Fifty-six percent, or the amount remaining after the distribution under subsection (4) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt;

(b) Twenty percent to the cities of the state in such shares as the population of each city bears to the population of the cities of the state, as determined by Portland State University last preceding such apportionment, under ORS 190.510 to 190.610;

(c) Ten percent to counties in such shares as their respective populations bear to the total population of the state, as estimated from time to time by Portland State University; and

(d) Fourteen percent to the cities of the state to be distributed as provided in ORS 221.770 and this section.

(2) The commission shall direct the Oregon Department of Administrative Services to transfer 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.380.

(3) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections (1)(b), (c) and (d) and (2) of this section and the amounts that would have been paid or transferred under subsections (1)(b), (c) and (d) and (2) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections (1)(b), (c) and (d) and (2) of this section from the General Fund to the recipients or accounts described in subsections (1)(b), (c) and (d) and (2) of this section.

(4) Notwithstanding subsection (1) of this section, no city or county shall receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with ORS 471.350 (1965 Replacement Part), 471.810, 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census. If the population declined, the per capita distribution to the city or county shall be not less than the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection (1)(a) of this section.

(5) Notwithstanding subsection (1) of this section, amounts to be distributed from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** Account that are attributable to a per bottle surcharge imposed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, shall be credited to the General Fund.

SECTION 160. ORS 471.817 is amended to read:

471.817. Each nonprofit organization formed by licensees to provide alternative transportation for patrons of the licensees shall report annually to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**. The commission may acknowledge receipt of the notice and shall keep a list of such organizations that have given notice. The commission shall provide information to the Department of Revenue on request for purposes of sections 2 and 4, chapter 700, Oregon Laws 1985.

SECTION 161. ORS 473.020 is amended to read:

473.020. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall administer this chapter, and shall prescribe forms and make such rules and regulations as it deems necessary to enforce its provisions.

SECTION 162. ORS 473.030 is amended to read:

473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of malt beverages at the rate of $2.60 per barrel of 31 gallons on all such beverages.

(2) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of wines at the rate of 65 cents per gallon on all such beverages.

(3) In addition to the tax imposed by subsection (2) of this section, a manufacturer or an importing distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the rate of 10 cents per gallon.

(4) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer or an importing distributor of wines shall be taxed at the rate of two cents per gallon. Notwithstanding any other provision of law, all moneys collected by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** pursuant to this subsection shall be paid into the account established by the Oregon Wine Board under ORS 182.470.

(5) The rates of tax imposed by this section upon malt beverages apply proportionately to quantities in containers of less capacity than those quantities specified in this section.

(6) The taxes imposed by this section shall be measured by the volume of wine or malt beverages produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold and in the possession of the producer at the plant where it was produced, no tax imposed or levied by this section is required to be paid until the wine or malt beverage has become sufficiently aged for marketing at retail, but this subsection shall not be construed so as to alter or affect any provision of this chapter relating to tax liens or the filing of statements.

SECTION 163. ORS 473.045 is amended to read:

473.045. (1) A tax is hereby imposed upon the sale or use of all agricultural products used in a winery for making wine.

(2) The amount of the tax shall be $25 per ton of grapes of the vinifera varieties, whether true or hybrid.

(3) An equivalent tax is imposed upon the sale or use of vinifera or hybrid grape products imported for use in a winery licensed under ORS chapter 471 for making wine. Such tax shall be $25 per ton of grapes used to produce the imported grape product. The tax shall be determined on the basis of one ton of grapes for each 150 gallons of wine made from such vinifera or hybrid grape products.

(4) A tax on the sale or use of products that are not subject to subsection (2) or (3) of this section that are used to make wine in this state shall be imposed at a rate of $.021 per gallon of wine made from those products.

(5) In the case of vinifera or hybrid grape products harvested in this state, $12.50 of such tax shall be levied and assessed against the person selling or providing such grape products to the winery. If the purchasing winery is licensed under ORS chapter 471, that winery shall deduct the tax levied under this subsection from the price paid to the seller. If the purchasing winery is not licensed under ORS chapter 471, the seller shall report all sales on forms provided by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and pay $12.50 per ton as a tax directly to the commission.

(6) Taxes paid by sellers under subsection (5) of this section shall be collected by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** on behalf of the Oregon Wine Board. The commission may retain an amount sufficient to cover the cost of collecting the taxes paid under subsection (5) of this section and shall transfer the remainder of those taxes to the board for deposit as provided in ORS 576.877. Failure to pay a tax imposed under subsection (5) of this section subjects the violator to the penalty provided in ORS 473.992.

(7) Except for the tax specified in subsection (4) of this section the taxes specified under this section shall be levied and assessed to the licensed winery at the time of purchase of the product by the winery or of importation of the product, whichever is later. The tax specified in subsection (4) of this section shall be levied and assessed to the licensed winery at the time the wine is made.

(8) The taxes imposed by this section shall be paid by the licensed winery and collected by the commission subject to the same powers as taxes imposed and collected under ORS chapter 473. The tax obligation for a calendar year shall be paid in two installments. Half shall be due on December 31 of the current calendar year. The remaining half shall be due the following June 30.

SECTION 164. ORS 473.045, as amended by section 1, chapter 542, Oregon Laws 2019, is amended to read:

473.045. (1) A tax is hereby imposed upon the sale or use of all agricultural products used in a winery for making wine.

(2) The amount of the tax shall be $25 per ton of grapes of the vinifera varieties, whether true or hybrid.

(3) An equivalent tax is imposed upon the sale or use of vinifera or hybrid grape products imported for use in a winery licensed under ORS chapter 471 for making wine. Such tax shall be $25 per ton of grapes used to produce the imported grape product. The tax shall be determined on the basis of one ton of grapes for each 150 gallons of wine made from such vinifera or hybrid grape products.

(4) A tax on the sale or use of products that are not subject to subsection (2) or (3) of this section that are used to make wine in this state shall be imposed at a rate of $.021 per gallon of wine made from those products.

(5)(a) In the case of vinifera or hybrid grape products harvested in this state, $12.50 per ton of the tax shall be levied and assessed against the person selling or providing the grape products to the winery and, except as provided in ORS 473.046, $12.50 per ton shall be levied and assessed against the winery purchasing the grape products.

(b) If the purchasing winery is licensed under ORS chapter 471 or holds a wine self-distribution permit, direct shipper permit or certificate of approval, the purchasing winery shall pay the $25 per ton tax and deduct $12.50 per ton from the price paid to the person selling or providing the grape products to the winery.

(c) If the purchasing winery is not licensed under ORS chapter 471 and does not hold a wine self-distribution permit, direct shipper permit or certificate of approval, the person selling or providing the grape products to the winery shall report the sale on forms provided by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and pay $12.50 per ton as a tax directly to the commission.

(6) Moneys that a winery deducts for taxes described in subsection (5) of this section and forwards to the commission shall be collected by the commission on behalf of the Oregon Wine Board. The commission may retain an amount sufficient to cover the cost of collecting the taxes paid under subsection (5) of this section and shall transfer the remainder of those taxes to the board for deposit as provided in ORS 576.877. Failure to pay a tax imposed under subsection (5) of this section subjects the violator to the penalty provided in ORS 473.992.

(7) If a winery deducts and pays the tax imposed on an item under this section, resale of the item in bulk to an out-of-state buyer does not subject the out-of-state buyer to the imposition of tax under this section.

(8) Except for the tax specified in subsection (4) of this section the taxes specified under this section shall be levied and assessed to the winery at the time of purchase of the product by the winery or of importation of the product, whichever is later. The tax specified in subsection (4) of this section shall be levied and assessed to the licensed winery at the time the wine is made.

(9) The taxes imposed by this section shall be paid to and collected by the commission subject to the same powers as taxes imposed and collected under ORS chapter 473. The tax obligation for a calendar year shall be paid in two installments. Half shall be due on December 31 of the current calendar year. The remaining half shall be due the following June 30.

(10) The commission may adopt rules for carrying out this section.

SECTION 165. ORS 473.047 is amended to read:

473.047. (1) As used in this section, "qualified marketing activity" means marketing activity:

(a) That promotes the sale of wine or wine products;

(b) That does not promote specific brands of wine or wine products or exclusively promote the products of any particular winery; and

(c) That has been approved by the Oregon Wine Board.

(2) A credit against the privilege tax otherwise due under ORS 473.030 (2) is allowed to a manufacturer or importing distributor of wine for the qualified marketing activity expenditures made by the manufacturer or importing distributor in the calendar year prior to the year for which the credit is claimed.

(3) The credit allowed under this section shall be 28 percent of the sum of the following:

(a) One hundred percent of the cost of qualified marketing activity to the extent that the cost of the activity does not exceed the amount of taxes the manufacturer or importing distributor of wine owed under ORS 473.030 (2) on the first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon; and

(b) Twenty-five percent of the tax owed under ORS 473.030 (2) for qualified marketing activity on wine sales above 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon.

(4) The credit allowed under this section may not exceed the tax liability of the manufacturer or importing distributor of wine under ORS 473.030 (2) for the calendar year following the year in which qualified marketing activity occurred.

(5) A manufacturer or importing distributor of wine that wishes to claim the credit allowed under this section shall submit with the manufacturer's or importing distributor's tax return form a certificate issued by the board verifying that the marketing activity was a qualified marketing activity. The credit shall be claimed on the form and include the information required by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** by rule.

(6) The credit shall be claimed against the taxes reported on the return filed under ORS 473.060 for each month in the calendar year following the year in which the qualified marketing activity occurred, until the credit is completely used or the year ends, whichever occurs first.

(7) The board shall by rule further define, consistent with the definition in subsection (1) of this section, the marketing activities that constitute qualified marketing activity.

SECTION 166. ORS 473.050 is amended to read:

473.050. In computing any privilege tax imposed by ORS 473.030 or 473.035:

(1) No malt beverage, cider or wine is subject to tax more than once.

(2) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine sold to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or exported from the state.

(3) No tax shall be levied, collected or imposed upon any malt beverage given away and consumed on the licensed premises of a brewery licensee, or sold to or by a voluntary nonincorporated organization of army, air corps or navy personnel operating a place for the sale of goods pursuant to regulations promulgated by the proper authority of each such service.

(4) No tax shall be levied, collected or imposed upon any malt beverage, cider or wine determined by the commission to be unfit for human consumption or unsalable.

(5) No tax shall be levied, collected or imposed upon the first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon from a United States manufacturer of wines producing less than 100,000 gallons, or 379,000 liters, annually.

SECTION 167. ORS 473.060 is amended to read:

473.060. (1) The privilege taxes imposed by ORS 473.030 and 473.035 shall be paid to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**. The taxes covering the periods for which statements are required to be rendered by ORS 473.070 shall be paid before the time for filing such statements expires or, as concerns wines, on or before the 20th day of the month after such wines have been withdrawn from federal bond. 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, and may waive the collection or refund the payment of any tax imposed and collected on wine, cider or malt beverages subsequently exported from this state, sold to a federal instrumentality or to the commission, or determined by the commission to be unfit for human consumption or unsalable.

(2) The commission may waive any interest or penalty assessed to a manufacturer subject to the tax imposed under ORS 473.030 or 473.035 if the commission, in its discretion, determines that the manufacturer has made a good faith attempt to comply with the requirements of this chapter.

(3) Except in the case of fraud, the commission may not assess any interest or penalty on any tax due under ORS 473.030 or 473.035 following the expiration of 36 months from the date on which was filed the statement required under ORS 473.070 reporting the quantity of wine, cider or malt beverages upon which the tax is due.

(4) A manufacturer may appeal a tax imposed under ORS 473.030 or 473.035 in the manner of a contested case under ORS chapter 183.

SECTION 168. ORS 473.065 is amended to read:

473.065. (1) If a manufacturer's total tax liability under ORS 473.030 (1) in the previous calendar year was less than $1,000, the manufacturer may deposit with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** an amount in cash equal to the manufacturer's total tax liability under ORS 473.030 (1) for the previous calendar year in lieu of the bond required by ORS 471.155 (1).

(2) If a manufacturer's actual tax liability under ORS 473.030 (1) is less than the amount deposited under subsection (1) of this section, the manufacturer may request that the commission refund the excess funds or may apply those funds toward the manufacturer's tax liability under ORS 473.030 (1) for the next calendar year.

(3) If a manufacturer's actual tax liability under ORS 473.030 (1) is greater than the amount deposited under subsection (1) of this section, the manufacturer shall pay to the commission the additional amount owed in the manner required under ORS 473.060.

(4) Unless the commission determines that a winery, grower sales privilege or warehouse licensee or direct shipper or wine self-distribution permit holder presents an unusual risk for nonpayment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or interest imposed under this chapter or ORS chapter 471, the commission shall waive the bond required under ORS 471.155 (1) for the licensee or permit holder if:

(a) The licensee or permit holder was not liable for a privilege tax under this chapter in the immediately preceding calendar year and does not expect to be liable for a privilege tax under this chapter in the current calendar year; or

(b) The licensee or permit holder of a business established during the current calendar year does not expect to be liable for a privilege tax under this chapter in the current calendar year. As used in this paragraph, "business" means:

(A) A winery.

(B) A business operated pursuant to a license issued under ORS 471.227.

(C) A warehouse.

(D) A business operated pursuant to a permit issued under ORS 471.274.

(E) A business operated pursuant to a permit issued under ORS 471.282.

SECTION 169. ORS 473.070 is amended to read:

473.070. (1) On or before the 20th day of each month, every manufacturer shall file with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** a statement of the quantity of wine, cider and malt beverages produced, purchased or received by the manufacturer during the preceding calendar month.

(2) Notwithstanding subsection (1) of this section, a manufacturer of wine that was not liable for a privilege tax under this chapter in the prior calendar year and that does not expect to be liable for a privilege tax under this chapter in the current calendar year, or a manufacturer of wine that is newly established during the current calendar year and that does not expect to be liable for a privilege tax under this chapter in the current calendar year, may file a single annual statement of the quantity of wine produced, purchased or received by the manufacturer during the current calendar year. The annual statement shall be filed with the commission on or before January 20 of the following year.

(3) The commission shall by rule establish procedures that allow manufacturers or importing distributors to use electronic means to:

(a) File statements required under this section; and

(b) Pay privilege taxes imposed by ORS 473.030 and 473.035.

SECTION 170. ORS 473.080 is amended to read:

473.080. If any manufacturer fails, neglects or refuses to file a statement required by ORS 473.070 or files a false statement, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall estimate the amount of wine, cider and malt beverages produced, pur-

chased or received by the manufacturer and assess the privilege tax thereon. The manufacturer shall be estopped from complaining of the amount so estimated.

SECTION 171. ORS 473.100 is amended to read:

473.100. (1) Whenever any manufacturer is delinquent in the payment of the privilege tax provided for in ORS 473.030 and 473.035, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or its duly authorized representative shall seize any property subject to the tax and sell, at public auction, property so seized, or a sufficient portion thereof to pay the privilege tax due, together with any penalties imposed under ORS 473.060 for such delinquency and all costs incurred on account of the seizure and sale.

(2) Written notice of the intended sale and the time and place thereof, shall be given to such delinquent manufacturer and to all persons appearing of record to have an interest in the property, at least 10 days before the date set for the sale. The notice shall be enclosed in an envelope addressed to the manufacturer at the last-known residence or place of business of the manufacturer in this state, if any; and in the case of any person appearing of record to have an interest in such property, addressed to such person at the last-known place of residence of the person, if any. The envelope shall be deposited in the United States mail, postage prepaid. In addition, notice shall be published for at least 10 days before the date set for such sale, in a newspaper of general circulation published in the county in which the property seized is to be sold. If there is no newspaper of general circulation in such county, the notice shall be posted in three public places in such county for the 10-day period. The notice shall contain a description of the property to be sold, a statement of the amount of the privilege taxes, penalties and costs, the name of the manufacturer and the further statement that, unless the privilege taxes, penalties and costs are paid on or before the time fixed in the notice for the sale, the property, or so much thereof as may be necessary, will be sold in accordance with law and the notice.

SECTION 172. ORS 473.110 is amended to read:

473.110. At the sale, the property shall be sold by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or by its duly authorized agent in accordance with law and the notice. The commission shall deliver to the purchaser a bill of sale for the personal property, and a deed for any real property so sold. The bill of sale or deed vests title in the purchaser. The unsold portion of any property seized under ORS 473.100 may be left at the place of sale at the risk of the manufacturer. If upon any such sale, the money received exceeds the amount of all privilege taxes, penalties and costs due the state from the manufacturer, the excess shall be returned to the manufacturer, and a receipt therefor obtained. However, if any person having an interest in or lien upon the property has filed with the commission, prior to the sale, notice of interest or lien, the commission shall withhold any such excess pending a determination of the rights of the respective parties thereto by a court of competent jurisdiction. If the receipt of the manufacturer is not available, the commission shall deposit such excess money with the State Treasurer, as trustee for the owner, subject to the order of the manufacturer, the heirs, successors or assigns of the manufacturer.

SECTION 173. ORS 473.120 is amended to read:

473.120. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall immediately transmit notice of the delinquency mentioned in ORS 473.100 to the Attorney General. The Attorney General shall at once proceed to collect all sums due to the state from the manufacturer under this chapter by bringing suit against the necessary parties to effect forfeiture of the bonds of the manufacturer, reducing any deficiency to judgment against the manufacturer.

(2) The remedies of the state provided in ORS 473.090 to 473.120 are cumulative and no action taken by the commission or Attorney General constitutes an election on the part of the state or any of its officers to pursue one remedy to the exclusion of any other remedy provided in this chapter.

SECTION 174. ORS 473.130 is amended to read:

473.130. In any suit brought to enforce the rights of the state, the assessment made by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS

473.080, or a copy of so much thereof as is applicable in such suit, duly certified by the commission and showing unpaid privilege taxes assessed against any manufacturer, is prima facie evidence:

(1) Of the assessment of the privilege tax and the delinquency thereof.

(2) Of the amount of the privilege tax, interest, penalties and costs due and unpaid to the state.

(3) That the manufacturer is indebted to this state in the amount of such privilege tax, interest and penalties therein appearing unpaid.

(4) That the law relating to assessment and levy of such privilege tax has been fully complied with by all persons required to perform administrative duties under this chapter.

SECTION 175. ORS 473.140 is amended to read:

473.140. Every manufacturer shall keep a complete and accurate record of all sales of wine, cider and malt beverages, a complete and accurate record of the number of gallons imported, produced, purchased, manufactured, brewed or fermented, and the date of importation, production, purchase, manufacturing, brewing or fermentation. The records shall be in such form and contain such other information as the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may prescribe. The commission, by rule or regulation, may require the delivery of statements by distributors to purchasers, with wine, cider and malt beverages, and prescribe the matters to be contained therein. Such records and statements shall be preserved by the distributor and the purchaser respectively, for a period of two years, and shall be offered for inspection at any time upon oral or written demand by the commission or its duly authorized agents.

SECTION 176. ORS 473.150 is amended to read:

473.150. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may, at any time, examine the books and records of a holder of a wine self-distribution permit or of any manufacturer of wine, cider or malt beverages, and may appoint auditors, investigators and other employees that the commission considers necessary to enforce its powers and perform its duties under this section.

(2) Every holder of a wine self-distribution permit and every manufacturer shall maintain and keep for two years all records, books and accounts required by this chapter and shall provide copies of those records, books and accounts to the commission when requested by the commission.

SECTION 177. ORS 473.160 is amended to read:

473.160. Every person transporting wine, cider or malt beverages within this state, whether such transportation originates within or without this state, shall keep a true and accurate record of wine, cider or malt beverages transported. The record shall include ingredients which may be used in the manufacture, production, brewing or fermentation of the wine, cider or malt beverages, showing such facts with relation to those beverages, their ingredients and their transportation, as the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require. The records shall be open to inspection by the representative of the commission at any time. The commission may require from any such person sworn returns of all or any part of the information shown by the records.

SECTION 178. ORS 473.170 is amended to read:

473.170. (1) No manufacturer shall:

(a) Fail to pay the privilege tax prescribed in ORS 473.030 and 473.035 when it is due; or

(b) Falsify the statement required by ORS 473.070.

(2) No person shall:

(a) Refuse to permit the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or any of its representatives to make an inspection of the books and records authorized by ORS 473.140 to 473.160;

(b) Fail to keep books of account prescribed by the commission or required by this chapter;

(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 this chapter to be made, maintained or preserved.

SECTION 179. ORS 474.115 is amended to read:

474.115. (1) It shall be unlawful for any wholesaler to sell any brand of malt beverage in this state except in the territory described in an agreement with the manufacturer or importer authorizing sale by the wholesaler of the brand within a designated territory. Within the designated territory the wholesaler must service as provided in subsection (2) of this section all of the customers without discrimination. The territorial agreement must be in writing and must specify the brand or brands it covers. Where a manufacturer or importer sells several brands, the agreement need not apply to all brands sold by the manufacturer or importer and may apply only to one brand. No manufacturer or importer shall provide by the written agreement for the distribution of a brand to more than one distributor for all or any part of the designated territory. All such agreements shall be filed with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(2) Every malt beverage wholesaler licensed shall service for the purpose of quality control all of the malt beverages it sells to its customers. Each wholesaler shall provide quality control services and comply with quality control standards as are specified in writing from time to time by the owner of the trademark of the brand or brands of malt beverage if:

(a) These services or standards are reasonable and are reasonably related to the maintenance of quality control; and

(b) The wholesaler has received written notice of them.

(3) An exclusive territorial designation in any agreement shall be changed only upon the written notice of the manufacturer and shall be filed pursuant to this section and ORS 474.105. The commission shall require the manufacturer to verify that the level of service within the designated territory will not be affected by the change. The notice shall only be given after recognizing all rights of the wholesaler and duties of the manufacturer contained in any written agreement between them. However, if a wholesaler is prevented from servicing the territory due to fire, flood, labor disputes or other causes beyond reasonable control, and if first given permission by the duly licensed exclusive wholesaler of that area and approved by the manufacturer and the commission, another licensed wholesaler not within the designated area may sell the specified brands of malt beverage in that designated area.

(4)(a) It shall be unlawful for any wholesaler, either directly or indirectly, to grant or to afford a quantity discount in connection with the sale of malt beverages to any retailer in this state.

(b) No provision of any agreement between any manufacturer and importer shall expressly or by implication, or in its operation, establish or maintain the resale price of any brand or brands of malt beverage by the wholesaler.

SECTION 180. ORS 475B.015 is amended to read:

475B.015. As used in ORS 475B.010 to 475B.545:

(1) "Cannabinoid" means any of the chemical compounds that are the active constituents derived from marijuana.

(2) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

(c) A chemical extraction process using carbon dioxide, provided that the process does not involve the use of high heat or pressure; or

(d) Any other process identified by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, in consultation with the Oregon Health Authority, by rule.

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

(4) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:

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

(b) A chemical extraction process using carbon dioxide, if the process uses high heat or pressure; or

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

(5)(a) "Cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contains cannabinoids or dried marijuana leaves or flowers.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp, as defined in ORS 571.269.

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

(7) "Deliver" means the actual, constructive or attempted transfer from one person to another of a marijuana item, whether or not there is an agency relationship.

(8) "Designated primary caregiver" has the meaning given that term in ORS 475B.791.

(9)(a) "Financial consideration" means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

(b) "Financial consideration" does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.301.

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

(11) "Household" means a housing unit and any place in or around a housing unit at which the occupants of the housing unit are producing, processing, possessing or storing homegrown marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

(12) "Housing unit" means a house, an apartment or a mobile home, or 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 that has direct access from the outside of the building or through a common hall.

(13) "Immature marijuana plant" means a marijuana plant that is not flowering.

(14) "Licensee" means a person that holds a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

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

(16)(a) "Manufacture" means producing, propagating, preparing, compounding, converting or processing a marijuana item, either directly or indirectly, by extracting from substances of natural origin.

(b) "Manufacture" includes any packaging or repackaging of a marijuana item or the labeling or relabeling of a container containing a marijuana item.

(17)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and marijuana seeds.

(b) "Marijuana" does not include:

(A) Industrial hemp, as defined in ORS 571.269; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

(18) "Marijuana flowers" means the flowers of the plant genus Cannabis within the plant family Cannabaceae.

(19) "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

(20) "Marijuana leaves" means the leaves of the plant genus Cannabis within the plant family Cannabaceae.

(21) "Marijuana processor" means a person that processes marijuana items in this state.

(22) "Marijuana producer" means a person that produces marijuana in this state.

(23) "Marijuana retailer" means a person that sells marijuana items to a consumer in this state.

(24)(a) "Marijuana seeds" means the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana seeds" does not include the seeds of industrial hemp, as defined in ORS 571.269.

(25) "Marijuana wholesaler" means a person that purchases marijuana items in this state for resale to a person other than a consumer.

(26) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.

(27) "Medical grade cannabinoid product, cannabinoid concentrate or cannabinoid extract" means a cannabinoid product, cannabinoid concentrate or cannabinoid extract that has a concentration of tetrahydrocannabinol that is permitted under ORS 475B.625 in a single serving of the cannabinoid product, cannabinoid concentrate or cannabinoid extract for consumers who hold a valid registry identification card issued under ORS 475B.797.

(28) "Medical purpose" means a purpose related to using usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

(29) "Noncommercial" means not dependent or conditioned upon the provision or receipt of financial consideration.

(30)(a) "Premises" includes the following areas of a location licensed under ORS 475B.010 to 475B.545:

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

(B) All areas outside a building that the commission has specifically licensed for the 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 a building, that portion of the location used to produce marijuana.

(b) "Premises" does not include a primary residence.

(31)(a) "Processes" means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

(b) "Processes" does not include packaging or labeling.

(32)(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.

(33) "Propagate" means to grow immature marijuana plants or to breed or produce marijuana seeds.

(34) "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 areas used in connection with public passenger transportation.

(35) "Registry identification cardholder" has the meaning given that term in ORS 475B.791.

(36)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

(A) Marijuana seeds;

(B) The stalks and roots of marijuana; or

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

SECTION 181. ORS 475B.025 is amended to read:

475B.025. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** has the duties, functions and powers specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission to carry out the commission's duties, functions and powers under ORS 475B.010 to 475B.545. The jurisdiction, supervision, duties, functions and powers of the commission extend to any person that produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The commission may sue and be sued.

(2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545 include the following:

(a) To regulate the production, processing, transportation, delivery, sale and purchase of marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production, processing or sale of marijuana items, or other licenses related to the consumption of marijuana items, and to permit, in the commission's discretion, the transfer of a license between persons.

(c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public health and safety.

(d) To exercise all powers incidental, convenient or necessary to enable the commission to administer or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that charges the commission with a duty, function or power related to marijuana. Powers described in this paragraph include, but are not limited to:

(A) Issuing subpoenas;

(B) Compelling the attendance of witnesses;

(C) Administering oaths;

(D) Certifying official acts;

(E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documents and testimony; and

(G) Establishing fees in addition to the application, licensing and renewal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.105, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

(e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

(A) That is appealing to minors;

(B) That promotes excessive use;

(C) That promotes illegal activity; or

(D) That otherwise presents a significant risk to public health and safety.

(f) To regulate the use of marijuana items for other purposes as deemed necessary or appropriate by the commission.

(g) To establish pilot programs, of not more than three years in duration, to expand access to marijuana for medical use for registry identification cardholders and designated primary caregivers, as defined in ORS 475B.791.

(3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 182. ORS 475B.030 is amended to read:

475B.030. Subject to any applicable provision of ORS chapter 183, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may purchase, possess, seize, transfer to a licensee or dispose of marijuana items as is necessary for the commission to ensure compliance with and enforce the provisions of ORS 475B.010 to 475B.545 and any rule adopted under ORS 475B.010 to 475B.545.

SECTION 183. ORS 475B.033 is amended to read:

475B.033. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may, by rule or order, provide for the manner and conditions under which:

(1) Marijuana items left by a deceased, insolvent or bankrupt person or licensee, or subject to a security interest, may be foreclosed, sold under execution or otherwise disposed.

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

(3) A secured party, as defined in ORS 79.0102, may continue to operate at a premises for which a license has been issued under ORS 475B.010 to 475B.545 for a reasonable period after default on the indebtedness by the debtor.

SECTION 184. ORS 475B.035 is amended to read:

475B.035. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may limit the quantity of marijuana items transferred to a consumer or other individual if the commission determines that the limitation is necessary to prevent the resale of marijuana items.

SECTION 185. ORS 475B.040 is amended to read:

475B.040. (1) An applicant for a license or renewal of a license issued under ORS 475B.010 to 475B.545 shall apply to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in the form required by the commission by rule, showing the name and address of the applicant, location of the premises that is to be operated under the license and other pertinent information required by the commission. The commission may not issue or renew a license until the applicant has complied with the provisions of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.

(2) The commission may reject any application that is not submitted in the form required by the commission 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 issued under ORS 475B.010 to 475B.545 is subject to the requirements for contested case proceedings under ORS chapter 183.

SECTION 186. ORS 475B.045 is amended to read:

475B.045. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may not license an applicant under the provisions of ORS 475B.010 to 475B.545 or 475B.560 if the applicant is under 21 years of age.

(2) The commission may refuse to issue a license or may issue a restricted license to an applicant under the provisions of ORS 475B.010 to 475B.545 if the commission makes a finding 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 federal law, state law or local ordinance if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license.

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

(f) Does not have a good record of compliance with ORS 475B.010 to 475B.545 or any rule adopted under ORS 475B.010 to 475B.545.

(g) Is not the legitimate owner of the premises proposed to be licensed, or has not disclosed that other persons have ownership interests in the premises proposed to be licensed.

(h) Has not demonstrated financial responsibility sufficient to adequately meet the requirements of the premises proposed to be licensed.

(i) Is unable to understand the laws of this state relating to marijuana items or the rules adopted under ORS 475B.010 to 475B.545.

(3) Notwithstanding subsection (2)(d) of this section, in determining whether to issue a license or a restricted license to 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 two or more 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 two or more 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 187. ORS 475B.050 is amended to read:

475B.050. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require the fingerprints of any individual listed on an application submitted under ORS 475B.040. The powers conferred on the commission under this section include the power to require the fingerprints of:

(1) If the applicant is a limited partnership, each partner of the limited partnership;

(2) If the applicant is a limited liability company, each member of the limited liability company;

(3) If the applicant is a corporation, each director and officer of the corporation;

(4) Any individual who holds a financial interest of 10 percent or more in the person applying for the license; and

(5) Any individual who is a partner, member, director or officer of a legal entity with a financial interest in the person applying for the license.

SECTION 188. ORS 475B.060 is amended to read:

475B.060. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall approve or deny an application to be licensed under ORS 475B.010 to 475B.545. Upon receiving an application under ORS 475B.040, the commission may not unreasonably delay processing, approving or denying the application or, if the application is approved, issuing the license.

(2) The licenses described in ORS 475B.010 to 475B.545 must be issued by the commission, subject to the provisions of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.

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

SECTION 189. ORS 475B.063 is amended to read:

475B.063. (1) Prior to receiving a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105, an applicant shall request a land use compatibility statement from the city or county that authorizes the land use. The land use compatibility statement must demonstrate that the requested license is for a land use that is allowable as a permitted or conditional use within the given zoning designation where the land is located. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.

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

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

(b) Final local permit approval, if the land use is allowable as a conditional use.

(3) A city or county that receives a request for a land use compatibility statement under this section is not required to act on that request during the period that the commission discontinues licensing those premises pursuant to ORS 475B.968 (4)(b).

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

SECTION 190. ORS 475B.070 is amended to read:

475B.070. (1) The production of marijuana is subject to regulation by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

(2) A marijuana producer must have a production license issued by the commission for the premises at which the marijuana is produced. To hold a production license issued under this section, a marijuana producer:

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

(b) Must provide proof that the applicant is 21 years of age or older; and

(c) Must meet the requirements of any rule adopted by the commission under subsections (3) and (4) of this section.

(3)(a) If the applicant is not the owner of the premises at which the marijuana is to be produced, the applicant shall submit to the commission signed informed consent from the owner of the premises to produce marijuana at the premises.

(b) The commission may adopt rules regarding the informed consent described in this subsection.

(4) The commission shall adopt rules that:

(a) Require a marijuana producer to annually renew a license issued under this section;

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

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

(d) Assist the viability of marijuana producers that are independently owned and operated and that are limited in size and revenue with respect to other marijuana producers, by minimizing barriers to entry into the regulated system and by expanding, to the extent practicable, transportation options that will support their access to the retail market;

(e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for medical purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana producer to produce marijuana for nonmedical purposes, excepting those circumstances where differentiating between the production of marijuana for medical purposes and the production of marijuana for nonmedical purposes is necessary to protect the public health and safety;

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

(g) Require a marijuana producer to meet any public health and safety standards and industry best practices established by the commission by rule related to the production of marijuana or the propagation of immature marijuana plants and marijuana seeds.

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545;

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

(c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 191. ORS 475B.085 is amended to read:

475B.085. (1) Subject to subsection (3) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt rules restricting the size of marijuana plant grow canopies at premises for which a license has been issued under ORS 475B.070. In adopting rules under this subsection, the commission shall:

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

(b) Adopt a tiered system under which the permitted size of a marijuana producer's marijuana plant grow canopy increases at the time of licensure renewal under ORS 475B.070, except that the permitted size of a marijuana producer's marijuana plant grow canopy may not increase following any year during which the commission disciplined the marijuana producer for violating a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

(c) Take into consideration the market demand for marijuana items in this state, the number of marijuana producers applying for a license under ORS 475B.070, the number of marijuana producers that hold a license issued under ORS 475B.070 and whether the availability of marijuana items in this state is commensurate with the market demand.

(2) For purposes of this section, the commission may adopt different rules for mature marijuana plant grow canopies and immature marijuana plant grow canopies.

(3) This section applies only to that portion of a premises for which a license has been issued under ORS 475B.070 that is used to produce marijuana plants.

SECTION 192. ORS 475B.090 is amended to read:

475B.090. (1) The processing of marijuana items is subject to regulation by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

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

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

(b) Must provide proof that the applicant is 21 years of age or older;

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Allow a marijuana processor registered under ORS 475B.139 to process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana processor to process marijuana and usable marijuana into general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts, excepting those circumstances where differentiating between the processing of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the processing of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

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

(A) Cannabinoid edibles;

(B) Cannabinoid concentrates;

(C) Cannabinoid extracts; and

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

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 193. ORS 475B.096 is amended to read:

475B.096. (1) Notwithstanding ORS 475B.090, a marijuana producer that holds a license issued under ORS 475B.070 and has a mature marijuana plant grow canopy described in subsection (2) of

this section may process marijuana into a cannabinoid concentrate if the process involves separating cannabinoids from marijuana by:

(a) A mechanical process; or

(b) An extraction process using water as the solvent.

(2) To be eligible to process marijuana into a cannabinoid concentrate under this section, a marijuana producer must have a mature marijuana plant grow canopy, as restricted by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 475B.085, that does not exceed:

(a) For marijuana grown outdoors, 5,000 square feet; or

(b) For marijuana grown indoors, 1,250 square feet.

(3)(a) A marijuana producer that holds a license issued under ORS 475B.070 and that has a plant grow canopy determined by rule by the commission, may produce and transfer kief.

(b) For purposes of this subsection, "kief" means the resinous trichomes of marijuana that accumulate or fall off when marijuana flowers are sifted through a mesh screen or sieve.

(4) The processing of marijuana under this section must comport with any reasonable condition adopted under ORS 475B.486 that is imposed on the manner in which a marijuana processor licensed under ORS 475B.090 may process marijuana.

SECTION 194. ORS 475B.100 is amended to read:

475B.100. (1) The wholesale sale of marijuana items is subject to regulation by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

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

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

(b) Must provide proof that the applicant is 21 years of age or older;

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Allow a marijuana wholesaler registered under ORS 475B.144 to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana wholesaler to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale, excepting those circumstances where differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

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

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 195. ORS 475B.105 is amended to read:

475B.105. (1) The retail sale of marijuana items is subject to regulation by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

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

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

(b) Must provide proof that the applicant is 21 years of age or older;

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

(d) Except as provided in ORS 475B.109, may not be located within 1,000 feet of:

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

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

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

(3) The commission shall adopt rules that:

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

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

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

(d) Notwithstanding ORS 475B.206, allow a marijuana retailer to deliver marijuana items to another marijuana retailer that is owned by the same or substantially the same persons;

(e) Subject to the limitations and privileges described in ORS 475B.146 (3), allow a marijuana retailer registered under ORS 475B.146 to sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana retailer to sell general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts at retail, excepting those circumstances where differentiating between the sale of medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts and the sale of general use cannabinoid products, cannabinoid concentrates and cannabinoid extracts is necessary to protect the public health and safety; and

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

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

(a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545; and

(b) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 196. ORS 475B.109 is amended to read:

475B.109. Notwithstanding ORS 475B.105 (2)(d), a marijuana retailer may be located within 1,000 feet of a school if:

(1)(a) The marijuana retailer is not located within 500 feet of:

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

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

(b) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** determines that there is a physical or geographic barrier capable of preventing children from traversing to the premises of the marijuana retailer; or

(2) The marijuana retailer was established before August 1, 2017, in accordance with a city or county ordinance adopted under section 29b, chapter 83, Oregon Laws 2016.

SECTION 197. ORS 475B.115 is amended to read:

475B.115. If a school described in ORS 475B.105 (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 475B.105, the marijuana retailer located at that premises may remain at that location unless the

[*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** revokes the license of the marijuana retailer under ORS 475B.256.

SECTION 198. ORS 475B.119 is amended to read:

475B.119. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may adopt rules establishing the circumstances under which the commission may require a marijuana retailer that holds a license issued under ORS 475B.105 to use an age verification scanner or any other equipment used to verify a person's age for the purpose of ensuring that the marijuana retailer does not sell marijuana items to a person under 21 years of age. Information obtained under this section may not be retained after verifying a person's age and may not be used for any purpose other than verifying a person's age.

SECTION 199. ORS 475B.122 is amended to read:

475B.122. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall designate any marijuana producer that holds a license issued under ORS 475B.070 and that is registered under ORS 475B.136 as an exclusively medical licensee if the marijuana producer attests, in a form and manner prescribed by the commission, to:

(a) Producing marijuana only for medical purposes; and

(b) Transferring usable marijuana only to marijuana processors registered under ORS 475B.139, marijuana wholesalers registered under ORS 475B.144, marijuana retailers registered under ORS 475B.146, registry identification cardholders and designated primary caregivers.

(2) If the commission makes a designation under this section, the commission shall keep a record of the designation.

SECTION 200. ORS 475B.127 is amended to read:

475B.127. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall designate any marijuana processor that holds a license issued under ORS 475B.090 and that is registered under ORS 475B.139 as an exclusively medical licensee if the marijuana processor attests, in a form and manner prescribed by the commission, to:

(a) Processing marijuana only for medical purposes;

(b) Receiving usable marijuana only from a marijuana producer registered under ORS 475B.136; and

(c) Transferring cannabinoid products, cannabinoid concentrates and cannabinoid extracts only to marijuana wholesalers registered under ORS 475B.144, marijuana retailers registered under ORS 475B.146, registry identification cardholders and designated primary caregivers.

(2) If the commission makes a designation under this section, the commission shall keep a record of the designation.

SECTION 201. ORS 475B.129 is amended to read:

475B.129. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall designate any marijuana wholesaler that holds a license issued under ORS 475B.100 and that is registered under ORS 475B.144 as an exclusively medical licensee if the marijuana wholesaler attests, in a form and manner prescribed by the commission, to:

(a) Selling marijuana items only for medical purposes;

(b) Receiving usable marijuana only from marijuana producers registered under ORS 475B.136 and marijuana processors registered under ORS 475B.139;

(c) Receiving cannabinoid products, cannabinoid concentrates and cannabinoid extracts only from a marijuana processor registered under ORS 475B.139; and

(d) Transferring usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts only to marijuana retailers registered under ORS 475B.146.

(2) If the commission makes a designation under this section, the commission shall keep a record of the designation.

SECTION 202. ORS 475B.131 is amended to read:

475B.131. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall designate any marijuana retailer that holds a license issued under ORS 475B.105 and that

is registered under ORS 475B.146 as an exclusively medical licensee if the marijuana retailer attests, in a form and manner prescribed by the commission, to:

(a) Selling marijuana items only for medical purposes;

(b) Receiving usable marijuana only from marijuana producers registered under ORS 475B.136, marijuana processors registered under ORS 475B.139 and marijuana wholesalers registered under ORS 475B.144;

(c) Receiving cannabinoid products, cannabinoid concentrates and cannabinoid extracts only from a marijuana processor registered under ORS 475B.139 and marijuana wholesalers registered under ORS 475B.144; and

(d) Transferring usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts only to registry identification cardholders and designated primary caregivers.

(2) If the commission makes a designation under this section, the commission shall keep a record of the designation.

SECTION 203. ORS 475B.136 is amended to read:

475B.136. (1) To produce marijuana for medical purposes, a marijuana producer that holds a license issued under ORS 475B.070 must register with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this section.

(2) The commission shall register a marijuana producer for the purpose of producing marijuana for medical purposes if the marijuana producer:

(a) Holds a license issued under ORS 475B.070;

(b) Meets any qualifications adopted by the commission by rule;

(c) Applies to the commission in a form and manner prescribed by the commission; and

(d) Pays any fee adopted by the commission by rule.

(3) Subject to subsection (4) of this section, a marijuana producer registered under this section may produce marijuana plants on a medically designated grow canopy in addition to producing marijuana plants on the grow canopy allowed under rules adopted under ORS 475B.085. The commission shall specify the size of medically designated grow canopies by rule, provided that the size of any medically designated grow canopy does not exceed 10 percent of the total size of both the medically designated grow canopy and the grow canopy allowed under rules adopted under ORS 475B.085 at the time that the marijuana producer applies for registration under this section.

(4) A marijuana producer registered under this section must provide, for no consideration, at least 75 percent of the annual yield of usable marijuana harvested from the marijuana producer's medically designated grow canopy to registry identification cardholders and designated primary caregivers.

(5) A marijuana producer registered under this section may not, during a single transaction, provide a registry identification cardholder or the designated primary caregiver of a registry identification cardholder an amount of usable marijuana that exceeds the amount of usable marijuana that a registry identification cardholder and a designated primary caregiver may jointly possess under ORS 475B.834.

(6) A marijuana producer registered under this section may provide immature marijuana plants to a person responsible for a marijuana grow site registered under ORS 475B.810, a registry identification cardholder or a designated primary caregiver of a registry identification cardholder.

(7)(a) The commission shall adopt rules necessary to administer this section.

(b) The rules must establish sanctions for failure to meet the requirements of this section or a rule adopted under this section, including revocation of permission for the marijuana producer's medically designated grow canopy.

(c) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.

SECTION 204. ORS 475B.139 is amended to read:

475B.139. (1) To process marijuana for medical purposes, a marijuana processor that holds a license issued under ORS 475B.090 must register with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this section.

(2) The commission shall register a marijuana processor for the purpose of processing marijuana for medical purposes if the marijuana processor:

(a) Holds a license issued under ORS 475B.090;

(b) Meets any qualifications adopted by the commission by rule;

(c) Applies to the commission in a form and manner prescribed by the commission; and

(d) Pays any fee adopted by the commission by rule.

(3) A marijuana processor registered under this section may:

(a) Process marijuana and usable marijuana into medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts; and

(b) Notwithstanding ORS 475B.206, receive marijuana and usable marijuana from, and for a fee process that marijuana and usable marijuana into cannabinoid products, cannabinoid concentrates and cannabinoid extracts for, a registry identification cardholder or the designated primary caregiver of a registry identification cardholder, provided that the cannabinoid products, cannabinoid concentrates and cannabinoid extracts meet the requirements of ORS 475B.550 to 475B.590 and the concentration standards adopted under ORS 475B.625.

(4)(a) The commission shall adopt rules necessary to administer this section.

(b) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.

SECTION 205. ORS 475B.144 is amended to read:

475B.144. (1) To sell marijuana items at wholesale for medical purposes, a marijuana wholesaler that holds a license issued under ORS 475B.100 must register with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this section.

(2) The commission shall register a marijuana wholesaler for the purpose of selling marijuana items at wholesale for medical purposes if the marijuana wholesaler:

(a) Holds a license under ORS 475B.100;

(b) Meets any qualifications adopted by the commission by rule;

(c) Applies to the commission in a form and manner prescribed by the commission; and

(d) Pays any fee adopted by the commission by rule.

(3) A marijuana wholesaler registered under this section may sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts at wholesale.

(4) The commission shall adopt rules necessary to administer this section. The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.

SECTION 206. ORS 475B.146 is amended to read:

475B.146. (1) To sell marijuana items at retail for medical purposes, a marijuana retailer that holds a license issued under ORS 475B.105 must register with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under this section.

(2) The commission shall register a marijuana retailer for the purpose of selling marijuana items at retail for medical purposes if the marijuana retailer:

(a) Holds a license issued under ORS 475B.105;

(b) Meets any qualifications adopted by the commission by rule;

(c) Applies to the commission in a form and manner prescribed by the commission; and

(d) Pays any fee adopted by the commission by rule.

(3) A marijuana retailer registered under this section:

(a) May sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to registry identification cardholders and designated primary caregivers;

(b) May not sell medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to individuals other than registry identification cardholders and designated primary caregivers;

(c) May sell usable marijuana and medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to registry identification cardholders and designated primary caregivers at a discounted price; and

(d) May provide, for no consideration, usable marijuana and medical grade cannabinoid products, cannabinoid concentrates and cannabinoid extracts to a registry identification cardholder and the designated primary caregiver of the registry identification cardholder.

(4)(a) The commission shall adopt rules necessary to administer this section.

(b) The rules must provide that any fee adopted by the commission under subsection (2)(d) of this section be in an amount reasonably calculated to not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost of administering ORS 475B.010 to 475B.545.

SECTION 207. ORS 475B.154 is amended to read:

475B.154. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may, after 72 hours' notice, make an examination of the books of a licensee for the purpose of determining compliance with ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.

(2) The commission may at any time make an examination of a premises for which a license has been issued under ORS 475B.010 to 475B.545 for the purpose of determining compliance with ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545.

(3) The commission may not require the books of a licensee to be maintained on a premises of the licensee.

(4) This section does not authorize the commission to make an examination of a premises of a person registered under ORS 475B.785 to 475B.949.

SECTION 208. ORS 475B.158 is amended to read:

475B.158. As is necessary to protect the public health and safety, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require a premises licensed under ORS 475B.010 to 475B.545 to be segregated into separate areas:

(1) For conducting the activities permitted under each license, if the licensee holds more than one license issued under ORS 475B.010 to 475B.545 for the same premises;

(2) For conducting activities related to processing marijuana into different types of cannabinoid products, cannabinoid concentrates or cannabinoid extracts, if the licensee is a marijuana processor that holds a license issued under ORS 475B.090 and that processes marijuana into any combination of different types of products, concentrates and extracts; or

(3) For producing marijuana and processing marijuana as described in ORS 475B.096 if the licensee is a marijuana producer that holds a license issued under ORS 475B.070 and that processes marijuana as described in ORS 475B.096.

SECTION 209. ORS 475B.163 is amended to read:

475B.163. As is necessary to protect the public health and safety, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require a licensee to maintain general liability insurance in an amount that the commission determines is reasonably affordable and available for the purpose of protecting the licensee against damages resulting from a cause of action related to activities undertaken pursuant to the license held by the licensee.

SECTION 210. ORS 475B.167 is amended to read:

475B.167. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt by rule procedures by which:

(a) A person responsible for a marijuana grow site registered under ORS 475B.810, or, if multiple persons responsible for a marijuana grow site registered under ORS 475B.810 are located at the same address, each person responsible for a marijuana grow site located at the address, may apply for a license under ORS 475B.070 to transition from being registered by the Oregon Health Authority to being licensed by the commission;

(b) A marijuana processing site registered under ORS 475B.840 may apply for a license under ORS 475B.090 to transition from being registered by the authority to being licensed by the commission; and

(c) A medical marijuana dispensary registered under ORS 475B.858 may apply for a license under ORS 475B.105 to transition from being registered by the authority to being licensed by the commission.

(2)(a) In adopting rules under this section, the commission shall adopt, at a minimum, procedures by which the inventory possessed by a person responsible for a marijuana grow site, a marijuana processing site or a medical marijuana dispensary on the date on which the person responsible for a marijuana grow site, the marijuana processing site or the medical marijuana dispensary is first subject to tracking by the commission under ORS 475B.177:

(A) May be delivered to a premises for which a license has been issued under ORS 475B.090, 475B.100 or 475B.105; or

(B) May be sold to consumers by marijuana retailers that hold a license under ORS 475B.105.

(b) Procedures adopted under this subsection must require a person responsible for a marijuana grow site registered under ORS 475B.810, or, if multiple persons responsible for a marijuana grow site registered under ORS 475B.810 are located at the same address, each person responsible for a marijuana grow site located at the address, to return to an individual to whom a registry identification card has been issued under ORS 475B.797, and for whom the person or persons are producing marijuana, all the marijuana and usable marijuana owned by the individual, except as otherwise allowed under a personal agreement entered into under ORS 475B.822, at the time that the person or the persons receive a license under ORS 475B.070.

SECTION 211. ORS 475B.173 is amended to read:

475B.173. In adopting rules related to industry best practices under ORS 475B.070, 475B.090, 475B.100 and 475B.105, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may establish merit-based criteria for licensure or renewal of licensure, including, but not limited to, possession of a developed business plan, access to sufficient capital, offering living wages and benefits to employees, provision of training and apprenticeship, provision of community benefits, implementation of best environmental practices and implementation of consumer safety practices.

SECTION 212. ORS 475B.177 is amended to read:

475B.177. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall develop and maintain a system for tracking the transfer of marijuana items between premises for which licenses have been issued under ORS 475B.010 to 475B.545.

(2) The purposes of the system developed and maintained under this section include, but are not limited to:

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

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

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

(d) Ensuring that laboratory testing results are accurately reported; and

(e) Ensuring compliance with ORS 475B.010 to 475B.545, rules adopted under ORS 475B.010 to 475B.545 and any other law of this state that charges the commission with a duty, function or power related to marijuana.

(3) The system developed and maintained under this section must be capable of tracking, at a minimum:

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

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

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

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

(e) The sale and purchase of marijuana items between licensees, as permitted by ORS 475B.010 to 475B.545;

(f) The transfer of marijuana items between premises for which licenses have been issued under ORS 475B.010 to 475B.545; and

(g) Any other information that the commission determines is reasonably necessary to accomplish the duties, functions and powers of the commission under ORS 475B.010 to 475B.545.

SECTION 213. ORS 475B.182 is amended to read:

475B.182. Except as otherwise provided by law, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** has any power, and may perform any function, necessary for the commission to prevent the diversion of marijuana from licensees to a source that is not operating legally under the laws of this state.

SECTION 214. ORS 475B.186 is amended to read:

475B.186. (1) The Legislative Assembly finds and declares that the unregulated commerce of marijuana items constitutes a serious danger to public health and safety.

(2)(a) A person may not produce, process, transport, deliver or sell a marijuana item unless the person holds a valid license issued under ORS 475B.010 to 475B.545 or a registration issued under ORS 475B.785 to 475B.949 or is exempted under ORS 475B.301.

(b) A licensee is engaged in the unregulated commerce of marijuana items if the licensee allows a person who does not hold a license issued under ORS 475B.010 to 475B.545 or 475B.560 to engage in an activity that requires a license issued under ORS 475B.010 to 475B.545 or 475B.560.

(3) In addition to any other disciplinary action available to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 475B.010 to 475B.545 or 475B.550 to 475B.590, the commission may immediately:

(a) Restrict, suspend or refuse to renew a license issued under ORS 475B.010 to 475B.545 or 475B.560 if circumstances create probable cause for the commission to conclude that a licensee has:

(A) Purchased or received a marijuana item from an unlicensed source; or

(B) Sold, stored or transferred a marijuana item in a manner that is not permitted by the licensee's license;

(b) Restrict, suspend or refuse to renew a license issued under ORS 475B.010 to 475B.545 or 475B.560 if circumstances create probable cause for the commission to believe that a person who does not hold a license issued under ORS 475B.010 to 475B.545 or 475B.560 for the licensed premises engaged, or is engaging, in an activity that requires a license under ORS 475B.010 to 475B.545 or 475B.560; or

(c) Seize marijuana items from a licensee if circumstances create probable cause for the commission to conclude that the licensee has:

(A) Engaged, or is engaging, in the unlawful diversion of marijuana items; or

(B) Allowed, or is allowing, a person who does not hold a license issued under ORS 475B.010 to 475B.545 or 475B.560 to engage in an activity that requires a license issued under ORS 475B.010 to 475B.545 or 475B.560 at the premises for which a license is issued.

SECTION 215. ORS 475B.191 is amended to read:

475B.191. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require a licensee or applicant for a license under ORS 475B.010 to 475B.545 to submit, in a form and manner prescribed by the commission, to the commission a sworn statement showing:

(a) The name and address of each person that has a financial interest in the business operating or to be operated under the license; and

(b) The nature and extent of the financial interest of each person that has a financial interest in the business operating or to be operated under the license.

(2) The commission may refuse to issue, or may suspend, revoke or refuse to renew, a license issued under ORS 475B.010 to 475B.545 if the commission determines that a person that has a financial interest in the business operating or to be operated under the license committed or failed to commit an act that would constitute grounds for the commission to refuse to issue, or to suspend, revoke or refuse to renew, the license if the person were the licensee or applicant for the license.

SECTION 216. ORS 475B.194 is amended to read:

475B.194. (1) Notwithstanding the lapse, suspension or revocation of a license issued under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may:

(a) Proceed with any investigation of, or any action or disciplinary proceeding against, the person who held the license; or

(b) Revise or render void an order suspending or revoking the license.

(2) In cases involving the proposed denial of a license issued under ORS 475B.010 to 475B.545, the applicant for licensure may not withdraw the applicant's application.

SECTION 217. ORS 475B.199 is amended to read:

475B.199. (1) Notwithstanding the lapse, suspension or revocation of a permit issued under ORS 475B.266, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may:

(a) Proceed with any investigation of, or any action or disciplinary proceeding against, the person who held the permit; or

(b) Revise or render void an order suspending or revoking the permit.

(2) In cases involving the proposed denial of a permit issued under ORS 475B.266, the applicant for the permit may not withdraw the applicant's application.

SECTION 218. ORS 475B.201 is amended to read:

475B.201. Except for the power to adopt rules, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may delegate to the administrator appointed under ORS 471.720 any of the commission's functions, duties and powers as prescribed by ORS 475B.010 to 475B.545, 475B.550 to 475B.590, 475B.600 to 475B.655, 475B.785 to 475B.949 and 475B.968 or any other law of the state related to the regulation of marijuana items.

SECTION 219. ORS 475B.206 is amended to read:

475B.206. (1) Except as provided in ORS 475B.136 and 475B.873, a marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090 or marijuana wholesaler that holds a license issued under ORS 475B.100 may deliver marijuana items only to or on a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105, or to a registry identification cardholder or designated primary caregiver as allowed under ORS 475B.010 to 475B.545.

(2) A licensee to which marijuana items may be delivered under subsection (1) of this section may receive marijuana items only from:

(a) A marijuana producer that holds a license issued under ORS 475B.070, marijuana processor that holds a license issued under ORS 475B.090, marijuana wholesaler that holds a license issued under ORS 475B.100, marijuana retailer that holds a license issued under ORS 475B.105 or a laboratory licensed under ORS 475B.560;

(b) A researcher of cannabis that holds a certificate issued under ORS 475B.286 and that transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

(c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in accordance with procedures adopted by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 475B.167; or

(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS 475B.825 and any procedures adopted by rule by the commission.

(3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises for which the license has been issued, but deliveries may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the premises prior to delivery.

(4) The commission may by order waive the requirements of subsections (1) and (2) of this section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to

475B.545. An order issued under this subsection does not constitute a waiver of any other requirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

SECTION 220. ORS 475B.216 is amended to read:

475B.216. (1) Subject to subsection (2) of this section, a licensee or licensee representative, before selling or providing a marijuana item to another person, must require the person to produce one of the following pieces of identification:

(a) The person's passport, issued by the United States or a foreign government.

(b) The person's driver license, issued by the State of Oregon or another state of the United States.

(c) An identification card issued under ORS 807.400.

(d) A United States military identification card.

(e) An identification card issued by a federally recognized Indian tribe.

(f) Any other identification card issued by a state or territory of the United States 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.

(g) The person's proof of participation in the United States Customs and Border Protection Secure Electronic Network for Travelers Rapid Inspection program or NEXUS program, or successor programs.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may adopt rules exempting a licensee or licensee representative from this section.

SECTION 221. ORS 475B.224 is amended to read:

475B.224. (1) A licensee may not employ a person under 21 years of age at a premises for which a license has been issued under ORS 475B.010 to 475B.545.

(2) During an inspection of a premises for which a license has been issued under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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 premises for which a license has been issued under ORS 475B.010 to 475B.545 in violation of the minimum age requirement.

SECTION 222. ORS 475B.232 is amended to read:

475B.232. (1) A licensee may not use or allow the use of a mark or label on the container of a marijuana item that is kept for sale if the mark or label does not precisely and clearly indicate the nature of the container's contents or if the mark or label in any way might deceive a customer about the nature, composition, quantity, age or quality of the container's contents.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may prohibit a licensee from selling any brand of marijuana item that in the commission's judgment is deceptively branded or labeled or contains injurious or adulterated ingredients.

SECTION 223. ORS 475B.236 is amended to read:

475B.236. (1) A marijuana item may not be sold or offered for sale within this state unless the marijuana item complies with the minimum standards prescribed by the statutory laws of this state.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may prohibit the sale of a marijuana item by a marijuana retailer for a reasonable period of time for the purpose of determining whether the marijuana item complies with the minimum standards prescribed by the statutory laws of this state.

SECTION 224. ORS 475B.246 is amended to read:

475B.246. (1) A person may not make false representations or statements to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in order to induce or prevent action by the commission.

(2) A licensee may not maintain a noisy, lewd, disorderly or insanitary establishment or supply impure or otherwise deleterious marijuana items.

(3) A licensee may not misrepresent to a customer or to the public any marijuana items.

SECTION 225. ORS 475B.253 is amended to read:

475B.253. (1) As used in this section, "industrial hemp" has the meaning given that term in ORS 571.269.

(2) An industrial hemp product or commodity offered for sale by a marijuana retailer that holds a license issued under ORS 475B.105 must carry a label that clearly identifies whether the product or commodity is derived from hemp or marijuana.

(3) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may inspect the premises of a marijuana retailer that holds a license issued under ORS 475B.105 to ensure compliance with this section.

SECTION 226. ORS 475B.256 is amended to read:

475B.256. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may revoke, suspend or restrict a license issued under ORS 475B.010 to 475B.545 or require a licensee or licensee representative to undergo training if the commission finds or has reasonable ground to believe any of the following to be true:

(a) That the licensee or licensee representative:

(A) Has violated a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

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

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

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

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

(F) Since the issuance 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 premises for which the license has been issued.

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

(2)(a) The commission shall revoke a marijuana retailer license issued under ORS 475B.105 if the licensee fails to:

(A) Pay the tax as required under ORS 475B.710 twice in any four consecutive quarters and the Department of Revenue has issued to the licensee a distraint warrant under ORS 475B.715 for the nonpayment of tax; or

(B) File a return as required under ORS 475B.710 twice in any four consecutive quarters and the department has issued to the licensee a notice of determination and assessment under ORS 475B.715 for failure to file a return.

(b) The department's written notice to the commission that a licensee described under this subsection has failed to pay a tax or file a return twice in any four consecutive quarters, and that the department has issued a distraint warrant or notice of determination and assessment, shall constitute prima facie evidence of the licensee's failure to pay the tax or file a return.

SECTION 227. ORS 475B.261 is amended to read:

475B.261. (1) An individual who performs work for or on behalf of a licensee must have a valid permit issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 475B.266 if the individual participates in:

(a) The possession, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued;

(b) The recording of the possession, production, propagation, processing, securing or selling of marijuana items at the premises for which the license has been issued; or

(c) The verification of any document described in ORS 475B.216.

(2) A licensee must verify that an individual has a valid permit issued under ORS 475B.266 before allowing the individual to perform any work described in subsection (1) of this section at the premises for which the license has been issued.

SECTION 228. ORS 475B.266 is amended to read:

475B.266. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall issue permits to qualified applicants to perform work described in ORS 475B.261. The commission shall adopt rules establishing:

(a) The qualifications for performing work described in ORS 475B.261;

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

(c) Procedures for applying for and renewing a permit issued under this section; and

(d) Reasonable application, issuance and renewal fees for a permit issued under this section.

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

(A) Checking identification;

(B) Detecting intoxication;

(C) Handling marijuana items;

(D) If applicable, producing and propagating marijuana;

(E) If applicable, processing marijuana;

(F) The content of ORS 475B.010 to 475B.545 and rules adopted under ORS 475B.010 to 475B.545; or

(G) Any matter deemed necessary by the commission to protect the public health and safety.

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

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

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

(B) As part of a final order revoking a permit issued under this section, the commission shall require an individual to successfully complete the course prior to applying for a new permit.

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

(4) Subject to the applicable provisions of ORS chapter 183, the commission may suspend, revoke or refuse to issue or renew a permit if the individual who is applying for or who holds the permit:

(a) Is convicted of a felony or is convicted of an offense under ORS 475B.010 to 475B.545, except that the commission may not consider a conviction for an offense under ORS 475B.010 to 475B.545 if the date of the conviction is two or more years before the date of the application or renewal;

(b) Violates any provision of ORS 475B.010 to 475B.545 or any rule adopted under ORS 475B.010 to 475B.545; or

(c) Makes a false statement to the commission.

(5) A permit issued under this section is a personal privilege and permits work described under ORS 475B.261 only for the individual who holds the permit.

SECTION 229. ORS 475B.271 is amended to read:

475B.271. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require the fingerprints of any individual listed on an application submitted under ORS 475B.266.

SECTION 230. ORS 475B.281 is amended to read:

475B.281. (1) It is an unlawful employment practice for a licensee to discharge, demote, suspend or in any manner discriminate or retaliate against an employee of the licensee with regard to promotion, compensation or other terms, conditions or privileges of employment on the basis that the employee has in good faith reported information to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** that the employee believes is evidence of a violation of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545.

(2) This section is subject to enforcement under ORS chapter 659A.

SECTION 231. ORS 475B.286 is amended to read:

475B.286. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, in consultation with the Oregon Health Authority and the State Department of Agriculture, shall establish a program for the purpose of identifying and certifying private and public researchers of cannabis.

(2)(a) The authority shall assist the commission in identifying candidates for certification under this section with respect to potential medical research.

(b) The department shall assist the commission in identifying candidates for certification under this section with respect to potential agricultural research.

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

(a) Qualifications for certification under this section;

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

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

(d) Procedures for tracking marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts received by and disposed or otherwise made use of by a person that holds a certificate issued under this section; and

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

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

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

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

(c) Legal barriers to conducting the proposed research or legal risks associated with conducting the proposed research.

(5) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts, the commission shall also adopt procedures by which a person that holds a certificate issued under this section may transfer limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to another person that holds a certificate issued under this section or to a premises for which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

(6) In adopting procedures under subsection (3)(d) and (e) of this section with respect to making use of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts, the commission shall also adopt procedures by which a person that holds a certificate issued under this section may give, devise or bequest usable marijuana, immature marijuana plants, marijuana seeds, cannabinoid products, cannabinoid concentrates and cannabinoid extracts to a medical marijuana dispensary registered with the authority under ORS 475B.858 and owned by a nonprofit corporation organized under ORS chapter 65 for purposes described in ORS 475B.873.

(7) A person that holds a certificate issued under this section:

(a) May receive marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts from a licensee or a registrant under ORS 475B.785 to 475B.949; and

(b) May not sell or otherwise transfer marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates or cannabinoid extracts to any other person, except as provided in this section and rules adopted by the commission under this section.

(8) Except as otherwise provided by the commission by rule, rules adopted under ORS 475B.010 to 475B.545 with respect to licensees and licensee representatives apply to persons that hold a certificate issued under this section and persons employed by or who otherwise perform work for persons that hold a certificate issued under this section.

(9) A person that holds a certificate issued under this section, and an employee of or other person who performs work for a person that holds a certificate issued under this section, is exempt from the criminal laws of this state for possession, delivery or manufacture of marijuana, aiding and abetting another in the possession, delivery and manufacture of marijuana, or any other criminal offense in which possession, delivery or manufacture of marijuana is an element, while performing activities related to conducting research as described in this section.

SECTION 232. ORS 475B.291 is amended to read:

475B.291. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require the fingerprints of any individual listed on an application submitted under ORS 475B.286. The powers conferred on the commission under this section include the power to require the fingerprints of:

(1) If the applicant is a limited partnership, each partner of the limited partnership;

(2) If the applicant is a limited liability company, each member of the limited liability company;

(3) If the applicant is a corporation, each director and officer of the corporation;

(4) Any individual who holds a financial interest of 10 percent or more in the person applying for the certificate; and

(5) Any individual who is a partner, member, director or officer of a legal entity with a financial interest in the person applying for the certificate.

SECTION 233. ORS 475B.296 is amended to read:

475B.296. The Marijuana Control and Regulation Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Marijuana Control and Regulation Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to administer and enforce ORS 475B.010 to 475B.545, 475B.550 to 475B.590, 475B.600 to 475B.655 and 475B.895.

SECTION 234. ORS 475B.299, as amended by section 16, chapter 3, Oregon Laws 2020 (second special session), is amended to read:

475B.299. (1) In addition to the duties, functions and powers described in ORS 471.775, and subject to subsection (2) of this section, a regulatory specialist, as defined in ORS 471.001, has the authority as provided in ORS 133.005 to 133.400, 133.450, 133.525 to 133.703, 133.721 to 133.739, 161.245, 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655, and chapter 743, Oregon Laws 1971, and section 7, chapter 3, Oregon Laws 2020 (second special session), to conduct inspections and investigations, make seizures, aid in prosecutions of and issue citations to licensees and persons who hold a certificate or permit under ORS 475B.010 to 475B.545 for violations of and offenses related to, and otherwise enforce, ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655, any rule adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and any other law of this state that charges the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** with a duty, function or power related to a marijuana item, including enforcing any law or rule related to individuals who use false identification for purposes of purchasing or possessing a marijuana item or who engage in illegal activity on or near a premises.

(2) A regulatory specialist may not:

(a) Be sworn in as a federal law enforcement official and act in that capacity while performing an activity authorized by this section.

(b) Carry a firearm.

(c) Conduct inspections and investigations of a primary residence.

(d) For purposes of ensuring compliance with ORS 475B.785 to 475B.949, conduct inspections and investigations of registry identification cardholders or designated primary caregivers, the residences of registry identification cardholders or designated primary caregivers, or the locations where registry identification cardholders or designated primary caregivers produce marijuana.

SECTION 235. ORS 475B.316 is amended to read:

475B.316. (1)(a) A person under 21 years of age may not possess, attempt to purchase or purchase a marijuana item.

(b) For purposes of this subsection, purchasing a marijuana item includes accepting a marijuana item, and possessing a marijuana item includes consuming a marijuana item, provided that the consumption of the marijuana item occurred no more than 24 hours before the determination that the person consumed the marijuana item.

(2) Except as authorized by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** by rule, or as necessary in an emergency, a person under 21 years of age may not enter or attempt to enter any portion of a premises that is posted or otherwise identified as being prohibited to the use of persons under 21 years of age.

(3)(a) Except as provided in paragraph (b) of this subsection, a person who violates subsection (1) or (2) of this section commits a Class B violation.

(b) A person commits a Class A violation if the person violates subsection (1) of this section by reason of possessing a marijuana item while the person is operating a motor vehicle as defined in ORS 801.360.

(4) In addition to and not in lieu of any other penalty established by law:

(a) The court may require a person who violates subsection (1) of this section through misrepresentation of age to perform community service; and

(b) The court shall order that, when a person violates subsection (1) of this section, the person's driving privileges and right to apply for driving privileges be suspended pursuant to ORS 809.260 and 809.280. The court notification made to the Department of Transportation under this paragraph 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 established by law, 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) In addition to and not in lieu of any penalty established by law, the court may order a person who violates this section to undergo assessment and treatment. The court shall order a person to undergo assessment and treatment if the person has previously been found to have violated this section.

(7) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of the 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.

(8) The prohibitions of this section do not apply to a person under 21 years of age who is acting under the direction of a licensee for the purpose of investigating possible violations by employees of the licensee of laws prohibiting sales of marijuana items to persons who are under 21 years of age.

(9)(a) A person under 21 years of age is not in violation of, and is immune from prosecution under, this section if:

(A) The person contacted emergency medical services or a law enforcement agency in order to obtain medical assistance for another person who was in need of medical assistance because that person consumed a marijuana item and the evidence of the violation was obtained as a result of the person's having contacted emergency medical services or a law enforcement agency; or

(B) The person was in need of medical assistance because the person consumed a marijuana item and the evidence of the violation was obtained as a result of the person's having sought or obtained the medical assistance.

(b) Paragraph (a) of this subsection does not exclude the use of evidence obtained as a result of a person's having sought medical assistance in proceedings for crimes or offenses other than a violation of this section.

SECTION 236. ORS 475B.376 is amended to read:

475B.376. (1) As used in this section, "marijuana paraphernalia" means an object that is marketed to be used for, or that is designed for, 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 marijuana item. "Marijuana paraphernalia" does not include hypodermic syringes or needles.

(2) It is unlawful for a person to sell or deliver, to possess with intent to sell or deliver or to manufacture with intent to sell or deliver marijuana paraphernalia to a person who is under 21 years of age, knowing that the marijuana paraphernalia will be used for the purpose for which it was marketed or designed.

(3) Violation of this section is a Class B violation.

(4) Subject to the provisions of ORS chapter 131A, and notwithstanding the violation classification specified in subsection (3) of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may purchase, possess, seize or dispose of marijuana paraphernalia as is necessary for the commission to ensure compliance with and enforce this section and any rule adopted under this section.

(5) In determining whether an object is marijuana paraphernalia under this section or drug paraphernalia under ORS 475.525, a trier of fact in an administrative or judicial proceeding must consider, in addition to any other relevant factor, the following:

(a) Any oral or written instruction provided with the object related to the object's use;

(b) Any descriptive material packaged with the object that explains or depicts the object's use;

(c) Any national or local advertising related to the object's use;

(d) Any proffered expert testimony related to the object's use;

(e) The manner in which the object is displayed for sale, if applicable; and

(f) Any other proffered evidence substantiating the object's intended use.

SECTION 237. ORS 475B.409 is amended to read:

475B.409. For purposes of ORS 475B.010 to 475B.545, the provisions of ORS 183.440 apply to subpoenas issued by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and to subpoenas issued by an authorized agent of the commission.

SECTION 238. ORS 475B.416 is amended to read:

475B.416. In addition to any other liability or penalty provided by law, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may impose for each violation of a provision of ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545 a civil penalty that does not exceed $10,000 for each violation. The commission shall impose civil penalties under this section in the manner provided by ORS 183.745. Moneys collected under this section shall be deposited in the General Fund.

SECTION 239. ORS 475B.429 is amended to read:

475B.429. The law enforcement officers of this state may enforce ORS 475B.010 to 475B.545 and assist the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** in detecting violations of ORS 475B.010 to 475B.545 and apprehending offenders. A law enforcement officer who has notice, knowledge or reasonable ground of suspicion of a violation of ORS 475B.010 to

475B.545 shall immediately notify the district attorney who has jurisdiction over the violation and furnish the district attorney who has jurisdiction over the violation with names and addresses of any witnesses to the violation or other information related to the violation.

SECTION 240. ORS 475B.436 is amended to read:

475B.436. (1) When a law enforcement officer arrests a person for violating ORS 475B.010 to 475B.545, the law enforcement officer may take into possession all marijuana items and other property that the arrested person has in possession, or that is on the premises, that apparently is being used in violation of ORS 475B.010 to 475B.545.

(2) If a person arrested as described in this section is convicted, and the court finds that the marijuana items and other property have been used in violation of ORS 475B.010 to 475B.545:

(a) The marijuana items must be forfeited to an appropriate state or local law enforcement agency and must be delivered by the court or law enforcement officer, at the direction of the court, to the law enforcement agency; and

(b) Subject to any other applicable law, the other property must be forfeited to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and must be delivered by the court or law enforcement officer, at the direction of the court, to the commission.

(3) The commission is authorized to destroy or otherwise dispose of any property the commission receives under subsection (2)(b) of this section, provided that if the commission elects to sell the property, including furniture, furnishings, and equipment and facilities for the storing, serving or using of marijuana items, the clear proceeds of the sale must be credited to the State Treasury and deposited in the Common School Fund.

SECTION 241. ORS 475B.442 is amended to read:

475B.442. The county courts, district attorneys and municipal authorities, immediately upon the conviction of a licensee of a violation of ORS 475B.010 to 475B.545, or of a violation of any other law of this state or ordinance of a city or county located in this state an element of which is the possession, delivery or manufacture of a marijuana item, shall notify the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** of the conviction.

SECTION 242. ORS 475B.496 is amended to read:

475B.496. (1) The governing body of a city or county may repeal an ordinance that prohibits the establishment of any one or more of the following in the area subject to the jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:

(a) Marijuana processing sites registered under ORS 475B.840;

(b) Medical marijuana dispensaries registered under ORS 475B.858;

(c) Marijuana producers that hold a license issued under ORS 475B.070;

(d) Marijuana processors that hold a license issued under ORS 475B.090;

(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

(f) Marijuana retailers that hold a license issued under ORS 475B.105;

(g) Marijuana producers that hold a license issued under ORS 475B.070 and that the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** has designated as an exclusively medical licensee under ORS 475B.122;

(h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission has designated as an exclusively medical licensee under ORS 475B.127;

(i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commission has designated as an exclusively medical licensee under ORS 475B.129;

(j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission has designated as an exclusively medical licensee under ORS 475B.131; or

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

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

(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana processing site registered under ORS 475B.840; or

(b)(A) To the commission, in a form and manner prescribed by the commission, if the ordinance concerns a premises for which a license has been issued under ORS 475B.010 to 475B.545; and

(B) To the Oregon Department of Administrative Services, in a form and manner prescribed by the department, within 30 days of enactment of the repeal of the ordinance, if the ordinance concerns a premises for which issuance of a license is required under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

SECTION 243. ORS 475B.501 is amended to read:

475B.501. The Oregon Health Authority shall assist and cooperate with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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 ORS 475B.010 to 475B.545.

SECTION 244. ORS 475B.506 is amended to read:

475B.506. The State Department of Agriculture shall assist and cooperate with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis 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 ORS 475B.010 to 475B.545.

SECTION 245. ORS 475B.514 is amended to read:

475B.514. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, the State Department of Agriculture and the Oregon Health Authority may not refuse to perform any duty under ORS 475B.010 to 475B.545 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, certificate or permit under ORS 475B.010 to 475B.545 on the basis that manufacturing, distributing, dispensing, possessing or using marijuana is prohibited by federal law.

SECTION 246. ORS 475B.518 is amended to read:

475B.518. A person may not sue the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** or a member of the commission, the State Department of Agriculture or the Oregon Health Authority, or any employee of the commission, department or authority, for performing or omitting to perform any duty, function or power of the commission, department or authority set forth in ORS 475B.010 to 475B.545 or in any other law of this state requiring the commission, department or authority to perform a duty, function or power related to marijuana items.

SECTION 247. Section 3, chapter 464, Oregon Laws 2019, is amended to read:

Sec. 3. (1) Section 2**, chapter 464, Oregon Laws 2019,** [*of this 2019 Act*] becomes operative on the earlier of the date on which:

(a) Federal law is amended to allow for the interstate transfer of marijuana items between authorized marijuana-related businesses; or

(b) The United States Department of Justice issues an opinion or memorandum allowing or tolerating the interstate transfer of marijuana items between authorized marijuana-related businesses.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall notify the interim committees of the Legislative Assembly related to the judiciary and the Legislative Counsel upon the occurrence of an event described in subsection (1) of this section.

SECTION 248. ORS 475B.537 is amended to read:

475B.537. The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall maintain a telephone hotline for the following persons to inquire if an address is the location of a premises for which a license has been issued under ORS 475B.010 to 475B.545 or is the location of a premises for which an application for licensure has been submitted under ORS 475B.040:

(1) A person designated by a city or a county;

(2) A person designated by the Water Resources Department; and

(3) A person designated by the watermaster of any water district.

SECTION 249. ORS 475B.539 is amended to read:

475B.539. (1) Notwithstanding ORS 475B.206 or any other provision prohibiting the transportation of marijuana items to or from a location for which a license has not been issued under ORS 475B.010 to 475B.545 or prohibiting the possession of marijuana items at a location for which a license has not been issued under ORS 475B.010 to 475B.545, a licensee may transport marijuana items to and exhibit marijuana items at a trade show, the Oregon State Fair or a similar event if:

(a) The marijuana items are tracked using the system developed and maintained under ORS 475B.177;

(b) All of the marijuana items are returned to a premises for which a license has been issued under ORS 475B.010 to 475B.545 immediately after the conclusion of the event; and

(c) The licensee complies with any other requirement imposed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** by rule or order for the purpose of ensuring the security of the marijuana items, for the purpose of preventing minors from having access to the marijuana items or for any other purpose deemed relevant by the commission.

(2) The commission shall adopt rules to implement this section.

SECTION 250. ORS 475B.541 is amended to read:

475B.541. (1) Subject to subsection (2) of this section, information is exempt from public disclosure under ORS 192.311 to 192.478 if the information is:

(a) The address of a premises for which a license has been issued or for which an applicant has proposed licensure under ORS 475B.070, 475B.090 or 485B.100;

(b) Is related to the security plan or the operational plan for a premises for which a license has been issued or for which an applicant has proposed licensure under ORS 475B.010 to 475B.545; or

(c) Is related to any record that the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** determines contains proprietary information of a licensee.

(2) The exemption from public disclosure as provided by this section does not apply to a request for information if the request is made by a law enforcement agency.

SECTION 251. ORS 475B.548 is amended to read:

475B.548. (1) As used in this section, "marijuana" and "marijuana item" have the meanings given those terms in ORS 475B.015.

(2) On or before February 1 of each odd-numbered year, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall report to the Legislative Assembly in the manner required by ORS 192.245, the approximate amount of marijuana produced by marijuana producers that hold a license issued under ORS 475B.070 and the approximate amount of marijuana items sold by marijuana retailers that hold a license issued under ORS 475B.105, and whether the supply of marijuana in this state is commensurate with the demand for marijuana items in this state.

SECTION 252. ORS 475B.555 is amended to read:

475B.555. (1) As is necessary to protect the public health and safety, and in consultation with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and the State Department of Agriculture, the Oregon Health Authority shall adopt rules:

(a) Establishing standards for testing marijuana items.

(b) Identifying appropriate tests for marijuana items, depending on the type of marijuana item and the manner in which the marijuana item was produced or processed, that are necessary to protect the public health and safety, including, but not limited to, tests for:

(A) Microbiological contaminants;

(B) Pesticides;

(C) Other contaminants;

(D) Solvents or residual solvents; and

(E) Tetrahydrocannabinol and cannabidiol concentration.

(c) Establishing procedures for determining batch sizes and for sampling usable marijuana, cannabinoid products and cannabinoid concentrates or extracts.

(d) Establishing different minimum standards for different varieties of usable marijuana and different types of cannabinoid products and cannabinoid concentrates and extracts.

(2) In addition to the testing requirements established under subsection (1) of this section, the authority or the commission may require cannabinoid edibles to be tested in accordance with any applicable law of this state, or any applicable rule adopted under a law of this state, related to the production and processing of food products or commodities.

(3) In adopting rules under ORS 475B.785 to 475B.949, the authority may require:

(a) A person responsible for a marijuana grow site under ORS 475B.810 to test usable marijuana before transferring the usable marijuana to a registrant other than an individual who holds a registry identification card under ORS 475B.797; and

(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a registrant other than an individual who holds a registry identification card under ORS 475B.797.

(4) In adopting rules under ORS 475B.010 to 475B.545, the commission may require:

(a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the usable marijuana; and

(b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or extracts.

(5) The authority and the commission may conduct random testing of marijuana items for the purpose of determining whether a person subject to testing under subsection (3) of this section or a licensee subject to testing under subsection (4) of this section is in compliance with this section.

(6) In adopting rules to implement this section, the authority and commission may not require a marijuana item to undergo the same test more than once unless the marijuana item is processed into a different type of marijuana item or the condition of the marijuana item has fundamentally changed.

(7) The testing of marijuana items as required by this section must be conducted by a laboratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS 475B.565.

(8) In adopting rules under subsection (1) of this section, the authority:

(a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(b) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 253. ORS 475B.560 is amended to read:

475B.560. (1) A laboratory that conducts testing of marijuana items as required by ORS 475B.555 must have a license to operate at the premises at which the marijuana items are tested.

(2) For purposes of this section, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt rules establishing:

(a) Qualifications to be licensed under this section, including that an applicant for licensure under this section must be accredited by the Oregon Health Authority as described in ORS 475B.565;

(b) Processes for applying for and renewing a license under this section;

(c) Fees for applying for, receiving and renewing a license under this section; and

(d) Procedures for:

(A) Tracking usable marijuana, cannabinoid products and cannabinoid concentrates or extracts to be tested;

(B) Documenting and reporting test results; and

(C) Disposing of samples of usable marijuana, cannabinoid products and cannabinoid concentrates or extracts that have been tested.

(3) A license issued under this section must be renewed annually.

(4) The commission may inspect premises licensed under this section to ensure compliance with ORS 475B.550 to 475B.590 and rules adopted under ORS 475B.550 to 475B.590.

(5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue or renew, or may suspend or revoke, a license issued under this section for violation of:

(a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS 475B.550 to 475B.590; or

(b) A provision of ORS 475B.010 to 475B.545 or a rule adopted under a provision of ORS 475B.010 to 475B.545.

(6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the expenses incurred by the commission under ORS 475B.550 to 475B.590.

(7) Fee moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296 and are continuously appropriated to the commission for the purpose of carrying out the duties, functions and powers of the commission under ORS 475B.550 to 475B.590.

SECTION 254. ORS 475B.562 is amended to read:

475B.562. For the purpose of requesting a state or nationwide criminal records check under ORS 181A.195, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require the fingerprints of any individual listed on an application submitted under ORS 475B.560. The powers conferred on the commission under this section include the power to require the fingerprints of:

(1) If the applicant is a limited partnership, each partner of the limited partnership;

(2) If the applicant is a limited liability company, each member of the limited liability company;

(3) If the applicant is a corporation, each director and officer of the corporation;

(4) Any individual who holds a financial interest of 10 percent or more in the person applying for the license; and

(5) Any individual who is a partner, member, director or officer of a legal entity with a financial interest in the person applying for the license.

SECTION 255. ORS 475B.564 is amended to read:

475B.564. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may require a licensee or applicant for a license under ORS 475B.560 to submit, in a form and manner prescribed by the commission, to the commission a sworn statement showing:

(a) The name and address of each person that has a financial interest in the business operating or to be operated under the license; and

(b) The nature and extent of the financial interest of each person that has a financial interest in the business operating or to be operated under the license.

(2) The commission may refuse to issue, or may suspend, revoke or refuse to renew, a license issued under ORS 475B.560 if the commission determines that a person that has a financial interest in the business operating or to be operated under the license committed or failed to commit an act that would constitute grounds for the commission to refuse to issue, or to suspend, revoke or refuse to renew, the license if the person were the licensee or applicant for the license.

SECTION 256. ORS 475B.575 is amended to read:

475B.575. Subject to the applicable provisions of ORS chapter 183, if an applicant or licensee violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS 475B.550 to 475B.590, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may refuse to issue or renew, or may suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

SECTION 257. ORS 475B.577 is amended to read:

475B.577. (1) Notwithstanding the lapse, suspension or revocation of a license issued under ORS 475B.560, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may:

(a) Proceed with any investigation of, or any action or disciplinary proceeding against, the person who held the license; or

(b) Revise or render void an order suspending or revoking the license.

(2) In cases involving the proposed denial of a license issued under ORS 475B.560, the applicant for licensure may not withdraw the applicant's application.

SECTION 258. ORS 475B.593 is amended to read:

475B.593. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall establish an advisory committee to advise the commission, the Oregon Health Authority and the State Department of Agriculture on establishing and maintaining standards for testing the potency of marijuana and marijuana items, as those terms are defined in ORS 475B.015. The members of the committee must include members who are:

(a) Representatives of the commission, the authority and the department;

(b) Stakeholders in the marijuana industry; and

(c) Individuals who have expertise in the potency testing of marijuana and marijuana items.

(2) The commission may adopt rules to carry out this section.

SECTION 259. ORS 475B.605 is amended to read:

475B.605. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt rules establishing standards for the labeling of marijuana items, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products have labeling that communicates:

(A) Health and safety warnings;

(B) If applicable, activation time;

(C) Potency;

(D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the number of servings included in a cannabinoid product or cannabinoid concentrate or extract package; and

(E) Content of the marijuana item; and

(b) Labeling that is in accordance with applicable state food labeling requirements for the same type of food product or potable liquid when the food product or potable liquid does not contain marijuana or cannabinoids.

(2) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license issued under ORS 475B.105 to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section, the commission:

(a) May establish different labeling standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts;

(b) May establish different minimum labeling standards for persons registered under ORS 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;

(c) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(d) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 260. ORS 475B.610 is amended to read:

475B.610. (1) As used in this section:

(a) "Licensee" has the meaning given that term in ORS 475B.015.

(b) "Registrant" means a person registered under ORS 475B.785 to 475B.949.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may by rule require a licensee, and the Oregon Health Authority may by rule require a registrant, to submit a label intended for use on a marijuana item for preapproval by the commission before the licensee or registrant may sell or transfer a marijuana item bearing the label. The commission shall

determine whether a label submitted under this section complies with ORS 475B.605 and any rule adopted under ORS 475B.605.

(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.

SECTION 261. ORS 475B.615 is amended to read:

475B.615. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt rules establishing standards for the packaging of marijuana items, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles and other cannabinoid products are:

(A) Packaged in child-resistant safety packaging; and

(B) Not marketed in a manner that:

(i) Is untruthful or misleading;

(ii) Is attractive to minors; or

(iii) Otherwise creates a significant risk of harm to public health and safety; and

(b) Ensuring that cannabinoid edibles and other cannabinoid products are not packaged in a manner that is attractive to minors.

(2) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to be packaged in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section the commission:

(a) May establish different packaging standards for different varieties of usable marijuana and for different types of cannabinoid products and cannabinoid concentrates and extracts;

(b) May establish different minimum packaging standards for persons registered under ORS 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;

(c) May consider the effect on the environment of requiring certain packaging;

(d) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item; and

(e) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 262. ORS 475B.620 is amended to read:

475B.620. (1) As used in this section:

(a) "Licensee" has the meaning given that term in ORS 475B.015.

(b) "Registrant" means a person registered under ORS 475B.785 to 475B.949.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may by rule require a licensee, and the Oregon Health Authority may by rule require a registrant, to submit packaging intended for a marijuana item for preapproval by the commission before the licensee or registrant may sell or transfer a marijuana item packaged in the packaging. The commission shall determine whether packaging submitted under this section complies with ORS 475B.615 and any rule adopted under ORS 475B.615.

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

SECTION 263. ORS 475B.625 is amended to read:

475B.625. (1) The Oregon Health Authority shall adopt rules establishing:

(a) The maximum concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract; and

(b) The number of servings that are permitted in a cannabinoid product or cannabinoid concentrate or extract package.

(2)(a) In adopting rules under subsection (1)(a) of this section, the authority shall prescribe the different levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for:

(A) Consumers who hold a valid registry identification card issued under ORS 475B.797; and

(B) Consumers who do not hold a valid registry identification card issued under ORS 475B.797.

(b) In prescribing the levels of concentration of tetrahydrocannabinol that is permitted in a single serving of a cannabinoid product or cannabinoid concentrate or extract for consumers who hold a valid registry identification card issued under ORS 475B.797, the authority shall consider the appropriate level of concentration necessary to mitigate the symptoms or effects of a debilitating medical condition, as defined in ORS 475B.791.

(3) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to meet the concentration standards and packaging standards adopted by rule pursuant to this section.

(4) In adopting rules under ORS 475B.010 to 475B.545, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license under ORS 475B.105 to meet the concentration standards and packaging standards adopted by rule pursuant to this section.

SECTION 264. ORS 475B.635 is amended to read:

475B.635. To ensure compliance with ORS 475B.600 to 475B.655 and any rule adopted under ORS 475B.600 to 475B.655, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may inspect the premises of a person that holds a license under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

SECTION 265. ORS 475B.645 is amended to read:

475B.645. Subject to the applicable provisions of ORS chapter 183, if the applicant or licensee violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under a provision of ORS 475B.600 to 475B.655, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may refuse to issue or renew, or may suspend or revoke, a license issued under ORS 475B.070, 475B.090, 475B.100 or 475B.105.

SECTION 266. ORS 475B.655 is amended to read:

475B.655. (1) In addition to any other liability or penalty provided by law, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may impose for each violation of a provision of ORS 475B.600 to 475B.655, or a rule adopted under a provision of ORS 475B.600 to 475B.655, a civil penalty that does not exceed $500 for each day that the violation occurs.

(2) The commission shall impose civil penalties under this section in the manner provided by ORS 183.745.

(3) Moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296 and are continuously appropriated to the commission for the purpose of carrying out the duties, functions and powers of the authority under ORS 475B.600 to 475B.655.

SECTION 267. ORS 475B.705 is amended to read:

475B.705. (1) A tax is hereby imposed upon the retail sale of marijuana items in this state. The tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is required. The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs.

(2) The tax imposed under this section shall be imposed at the rate of:

(a) 17 percent of the retail sales price of usable marijuana;

(b) 17 percent of the retail sales price of immature marijuana plants;

(c) 17 percent of the retail sales price of a cannabinoid edible;

(d) 17 percent of the retail sales price of a cannabinoid concentrate;

(e) 17 percent of the retail sales price of a cannabinoid extract;

(f) 17 percent of the retail sales price of a cannabinoid product that is intended to be used by applying the cannabinoid product to the skin or hair; and

(g) 17 percent of the retail sales price of cannabinoid products other than those described in paragraph (f) of this subsection.

(3) If the tax imposed under this section does not equal an amount calculable to a whole cent, the tax shall be equal to the next higher whole cent.

(4) Except as otherwise provided by the Department of Revenue by rule, the amount of the tax shall be separately stated on an invoice, receipt or other similar document that the marijuana retailer provides to the consumer at the time at which the retail sale occurs.

(5) A person may not knowingly sell, purchase, install, transfer or possess electronic devices or software programs for the purposes of:

(a) Hiding or removing records of retail sales of marijuana items; or

(b) Falsifying records of retail sales of marijuana items.

(6)(a) A marijuana retailer may not discount a marijuana item or offer a marijuana item for free if the retail sale of the marijuana item is made in conjunction with the retail sale of any other item.

(b) Paragraph (a) of this subsection does not affect any provision of ORS 475B.010 to 475B.545 or any rule adopted by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** pursuant to ORS 475B.010 to 475B.545 that is related to the retail sale of marijuana items.

SECTION 268. ORS 475B.710 is amended to read:

475B.710. (1) Except as otherwise provided in ORS 475B.700 to 475B.760, the tax imposed upon the consumer under ORS 475B.705 shall be collected at the point of sale and remitted by each marijuana retailer that engages in the retail sale of marijuana items. The tax is considered a tax upon the marijuana retailer that is required to collect the tax, and the marijuana retailer is considered a taxpayer.

(2) The marijuana retailer shall file a return to the Department of Revenue on or before the last day of January, April, July and October of each year for the previous calendar quarter.

(3) The marijuana retailer shall pay the tax to the department in the form and manner prescribed by the department, but not later than with each quarterly return, without regard to an extension granted under subsection (5) of this section.

(4) Marijuana retailers shall file the returns required under this section regardless of whether any tax is owed.

(5) For good cause, the department may extend the time for filing a return under this section. The extension may be granted at any time if a written request is filed with the department during or prior to the period for which the extension may be granted. The department may not grant an extension of more than 30 days.

(6) Interest shall be added at the rate established under ORS 305.220 from the time the return was originally required to be filed to the time of payment.

(7) If a marijuana retailer fails to file a return or pay the tax as required by this section, the department shall:

(a) Impose a penalty in the manner provided in ORS 314.400; and

(b) If the department has issued to the marijuana retailer a distraint warrant or notice of determination and assessment under ORS 475B.715, provide written notification to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** of the issuance of the distraint warrant or notice of determination and assessment.

(8) Except as provided in subsections (9) and (10) of this section, the period prescribed for the department to allow or make a refund of any overpayment of tax paid under ORS 475B.700 to 475B.760 is as provided in ORS 314.415.

(9)(a) The department shall first apply any overpayment of tax by a marijuana retailer to any marijuana tax that is owed by the marijuana retailer.

(b) If after any offset against any delinquent amount the overpayment of tax remains greater than $1,000, the remaining refund shall be applied as a credit against the next subsequent calendar quarter as an estimated payment.

(10) The department may not make a refund of, or credit, any overpayment of tax under ORS 475B.700 to 475B.760 that was credited to the account of a marijuana retailer under subsection (9)(b) of this section if the return for that tax period is not filed within three years after the due date of that return.

SECTION 269. ORS 475B.712 is amended to read:

475B.712. (1) Not later than 30 days before the beginning of each calendar quarter, the Oregon Department of Administrative Services shall forecast and prepare an estimate of the revenue that will be received during the remainder of the current biennium and subsequent three biennia pursuant to the tax imposed under ORS 475B.705. The estimate may be made on the basis of all pertinent information available to the Oregon Department of Administrative Services. Upon making the estimate, the Oregon Department of Administrative Services shall report the estimate to the Legislative Revenue Officer, the Legislative Fiscal Officer and the Department of Revenue.

(2) The Department of Revenue and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall provide the Oregon Department of Administrative Services with any information necessary for the Oregon Department of Administrative Services to perform its duties under this section.

SECTION 270. ORS 475B.730 is amended to read:

475B.730. (1) Notwithstanding the confidentiality provisions of ORS 475B.755, the Department of Revenue may disclose information received under ORS 317.363 and 475B.700 to 475B.760 to:

(a) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to carry out the provisions of ORS 475B.010 to 475B.545 and 475B.700 to 475B.760; and

(b) The Oregon Health Authority to carry out the provisions of ORS 475B.707.

(2) The commission may disclose information obtained pursuant to ORS 475B.010 to 475B.545 and 475B.700 to 475B.760 to the department for the purpose of carrying out the provisions of ORS 475B.010 to 475B.545 and 475B.700 to 475B.760.

(3) The authority may disclose information obtained pursuant to ORS 475B.797 or 475B.804 to the department for the purpose of carrying out the provisions of ORS 475B.707, provided that the authority does not disclose personally identifiable information.

SECTION 271. ORS 475B.750 is amended to read:

475B.750. (1) The Department of Revenue shall administer and enforce ORS 475B.700 to 475B.760. The department is authorized to establish rules and procedures for the implementation and enforcement of ORS 475B.700 to 475B.760 that are consistent with ORS 475B.700 to 475B.760 and that the department considers necessary and appropriate to administer and enforce ORS 475B.700 to 475B.760.

(2) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall enter into an agreement with the department for the purpose of administering and enforcing those provisions of ORS 475B.700 to 475B.760, and rules or procedures established for the purpose of implementing and enforcing ORS 475B.700 to 475B.760, that the commission and the department determine are necessary for the effective and efficient administration, implementation and enforcement of ORS 475B.700 to 475B.760.

(3) The Oregon Health Authority shall enter into an agreement with the department for the purpose of administering and enforcing the provisions of ORS 475B.707, and rules or procedures established for the purpose of implementing and enforcing ORS 475B.707, that the authority and the department determine are necessary for the effective and efficient administration, implementation and enforcement of ORS 475B.707.

SECTION 272. ORS 475B.769 is amended to read:

475B.769. (1) Notwithstanding any law relating to the exemption of information from public disclosure under ORS 475B.010 to 475B.545 or 475B.550 to 475B.590, upon the request of a financial

institution, the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall provide to the financial institution the following information:

(a) Whether a person with whom the financial institution is doing business holds a license under ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 or a permit under ORS 475B.266;

(b) The name of any other business or individual affiliated with the person;

(c) A copy of the application, and any supporting documentation submitted with the application, for a license or a permit submitted by the person;

(d) If applicable, data relating to sales and the volume of product sold by the person;

(e) Whether the person is currently compliant with the provisions of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655;

(f) Any past or pending violation by the person of a provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655; and

(g) Any penalty imposed upon the person for violating a provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or a rule adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655.

(2) Upon receiving a request under subsection (1) of this section, the commission shall provide the requesting financial institution with the requested information.

(3) The commission may charge a financial institution a reasonable fee to cover the administrative costs of providing information under this section.

SECTION 273. ORS 475B.791 is amended to read:

475B.791. As used in ORS 475B.785 to 475B.949:

(1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

(2) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(3) "Cannabinoid concentrate" means a substance obtained by separating cannabinoids from marijuana by:

(a) A mechanical extraction process;

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

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

(d) Any other process identified by the Oregon Health Authority, in consultation with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, by rule.

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

(5) "Cannabinoid extract" means a substance obtained by separating cannabinoids from marijuana by:

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

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

(c) Any other process identified by the Oregon Health Authority, in consultation with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, by rule.

(6) "Debilitating medical condition" means:

(a) Cancer, glaucoma, a degenerative or pervasive neurological condition, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or a side effect related to the treatment of those medical conditions;

(b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(A) Cachexia;

(B) Severe pain;

(C) Severe nausea;

(D) Seizures, including seizures caused by epilepsy; or

(E) Persistent muscle spasms, including spasms caused by multiple sclerosis;

(c) Post-traumatic stress disorder; or

(d) Any other medical condition or side effect related to the treatment of a medical condition adopted by the Oregon Health Authority by rule or approved by the authority pursuant to a petition filed under ORS 475B.946.

(7)(a) "Delivery" has the meaning given that term in ORS 475.005.

(b) "Delivery" does not include transfer of marijuana by a registry identification cardholder to another registry identification cardholder if no consideration is paid for the transfer.

(8)(a) "Designated primary caregiver" means an individual:

(A) Who is 18 years of age or older;

(B) Who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition; and

(C) Who is designated as the person responsible for managing the well-being of a person who has been diagnosed with a debilitating medical condition on that person's application for a registry identification card or in other written notification submitted to the authority.

(b) "Designated primary caregiver" does not include a person's attending physician.

(9) "High heat" means a temperature exceeding 180 degrees.

(10) "Immature marijuana plant" means a marijuana plant that is not flowering.

(11)(a) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp, as defined in ORS 571.269; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

(12) "Marijuana grow site" means a location registered under ORS 475B.810 where marijuana is produced for use by a registry identification cardholder.

(13) "Marijuana processing site" means a marijuana processing site registered under ORS 475B.840 or a site for which an applicant has submitted an application for registration under ORS 475B.840.

(14) "Mature marijuana plant" means a marijuana plant that is not an immature marijuana plant.

(15)(a) "Medical cannabinoid product" means a cannabinoid edible and any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or dried leaves or flowers of marijuana.

(b) "Medical cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate by itself;

(C) A cannabinoid extract by itself; or

(D) Industrial hemp, as defined in ORS 571.269.

(16) "Medical marijuana dispensary" means a medical marijuana dispensary registered under ORS 475B.858 or a site for which an applicant has submitted an application for registration under ORS 475B.858.

(17) "Medical use of marijuana" means the production, processing, possession, delivery or administration of marijuana, or use of paraphernalia used to administer marijuana, to mitigate the symptoms or effects of a debilitating medical condition.

(18) "Person designated to produce marijuana by a registry identification cardholder" means a person designated to produce marijuana by a registry identification cardholder under ORS 475B.810

who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides or at an address where more than 12 mature marijuana plants are produced.

(19) "Process" means the compounding or conversion of marijuana into medical cannabinoid products, cannabinoid concentrates or cannabinoid extracts.

(20) "Production" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves or flowers.

(21) "Registry identification card" means a document issued by the Oregon Health Authority under ORS 475B.797 that identifies a person authorized to engage in the medical use of marijuana and, if the person has a designated primary caregiver under ORS 475B.804, the person's designated primary caregiver.

(22) "Registry identification cardholder" means a person to whom a registry identification card has been issued under ORS 475B.797.

(23)(a) "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

(B) Waste material that is a by-product of producing marijuana.

(24) "Written documentation" means a statement signed by the attending physician of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

SECTION 274. ORS 475B.825 is amended to read:

475B.825. (1) Subject to subsection (2) of this section, a marijuana grow site may transfer up to 20 pounds of usable marijuana per year to a person that holds a license issued under ORS 475B.090 or 475B.100, provided that:

(a) The transfer is tracked using the system developed and maintained under ORS 475B.177;

(b) More than 12 mature marijuana plants are produced at the marijuana grow site;

(c) The usable marijuana has been assigned to the person responsible for the marijuana grow site pursuant to ORS 475B.822;

(d) The usable marijuana has been tested in accordance with the provisions of ORS 475B.550 to 475B.590; and

(e) The marijuana grow site first registered with the Oregon Health Authority under ORS 475B.810 on or before August 2, 2017.

(2) If the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** determines that the supply of marijuana items offered for sale by marijuana retailers that hold a license issued under ORS 475B.105 is exceeding consumer demand for the marijuana items, and if the commission determines that the market for marijuana items in this state will not self-correct for the excess, the commission may issue an order that temporarily reduces the amount of usable marijuana that may be transferred pursuant to this section or that temporarily suspends the ability to transfer usable marijuana pursuant to this section.

SECTION 275. ORS 475B.828 is amended to read:

475B.828. ORS 475B.895 does not authorize the Oregon Health Authority or the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to require a marijuana grow site to use a security system or any component of a security system, such as video surveillance, an alarm system, sensors or physical barriers.

SECTION 276. ORS 475B.892 is amended to read:

475B.892. (1) Except as provided in subsection (5) of this section, the Oregon Health Authority shall establish, maintain and operate an electronic system for the keeping of information received by the authority under ORS 475B.797 and 475B.810 or information included on a registry identification card issued under ORS 475B.797 or on a marijuana grow site registration card issued under ORS 475B.810.

(2) The authority may contract with a state agency or private entity to ensure the effective establishment, maintenance or operation of the electronic system.

(3) Except as provided in subsection (4) of this section, information kept in the electronic system is confidential and not subject to public disclosure under ORS 192.311 to 192.478. Except as provided in subsection (4) of this section, the authority may not disclose the information for any reason.

(4) Except as provided in subsection (5) of this section, the authority shall establish the electronic system in a manner that allows the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** and the Department of Revenue to remotely access the electronic system. Information disclosed to the commission and the department under this subsection remains confidential and not subject to public disclosure under ORS 192.311 to 192.478. The commission and the department may not disclose the information for any reason.

(5) The authority is not required to keep in the database, and the commission and the department may not access, the following types of information:

(a) Information related to the debilitating condition of a registry identification cardholder; or

(b) The contact information or address of a registry identification cardholder or a designated primary caregiver, unless the contact information or address are the same as the contact information or address of a marijuana grow site.

(6) The electronic system must be immediately accessible by the commission and the department at all times.

SECTION 277. ORS 475B.895 is amended to read:

475B.895. (1) The Oregon Health Authority shall enter into an agreement with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under which the commission shall use the system developed and maintained under ORS 475B.177 to track:

(a) The propagation of immature marijuana plants and the production of marijuana by marijuana grow sites;

(b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts that are transferred to a medical marijuana dispensary;

(c) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts by a marijuana grow site or a medical marijuana dispensary to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder; and

(d) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts between marijuana grow sites, marijuana processing sites and medical marijuana dispensaries.

(2) Marijuana grow sites, marijuana processing sites and medical marijuana dispensaries are subject to tracking under this section.

(3) On and after the date on which a marijuana grow site becomes subject to tracking under this section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS 475B.810 that relate to ORS 475B.816.

(4) On and after the date on which a marijuana processing site becomes subject to tracking under this section, the marijuana processing site is exempt from the requirements of ORS 475B.846 and the provisions of ORS 475B.840 that relate to ORS 475B.846.

(5) On and after the date on which a medical marijuana dispensary becomes subject to tracking under this section, the medical marijuana dispensary is exempt from the requirements of ORS 475B.867 and the provisions of ORS 475B.858 that relate to ORS 475B.867.

(6) The commission may conduct inspections and investigations of alleged violations of ORS 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing the commission's duties under this section. Notwithstanding ORS 475B.299, the commission may use regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, including inspections and investigations of marijuana grow sites located at a primary residence.

(7) When imposing a fee on a person responsible for a marijuana grow site, marijuana processing site or medical marijuana dispensary under ORS 475B.810, 475B.840 or 475B.858, the authority shall impose a fee that is reasonably calculated to pay costs incurred under this section. As part of the agreement entered into under subsection (1) of this section, the authority shall transfer fee moneys

collected pursuant to this subsection to the commission for deposit in the Marijuana Control and Regulation Fund established under ORS 475B.296. Moneys collected pursuant to this subsection and deposited in the Marijuana Control and Regulation Fund are continuously appropriated to the commission for purposes of this section.

(8) The authority and the commission may adopt rules as necessary to administer this section.

(9) This section does not apply to a marijuana grow site located at an address where:

(a) A registry identification cardholder produces marijuana and no more than 12 mature marijuana plants and 24 immature marijuana plants are produced; or

(b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and

(B) The address is used to produce marijuana for no more than two registry identification cardholders.

SECTION 278. ORS 475B.895, as amended by section 7a, chapter 103, Oregon Laws 2018, and section 38, chapter 456, Oregon Laws 2019, is amended to read:

475B.895. (1) The Oregon Health Authority shall enter into an agreement with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under which the commission shall use the system developed and maintained under ORS 475B.177 to track:

(a) The propagation of immature marijuana plants and the production of marijuana by marijuana grow sites;

(b) The processing of marijuana into medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts that are transferred to a medical marijuana dispensary;

(c) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts by a marijuana grow site or a medical marijuana dispensary to a registry identification cardholder or the designated primary caregiver of a registry identification cardholder; and

(d) The transfer of usable marijuana, immature marijuana plants, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts between marijuana grow sites, marijuana processing sites and medical marijuana dispensaries.

(2) Marijuana grow sites, marijuana processing sites and medical marijuana dispensaries are subject to tracking under this section.

(3) On and after the date on which a marijuana grow site becomes subject to tracking under this section, the person is exempt from the requirements of ORS 475B.816 and the provisions of ORS 475B.810 that relate to ORS 475B.816.

(4) On and after the date on which a marijuana processing site becomes subject to tracking under this section, the marijuana processing site is exempt from the requirements of ORS 475B.846 and the provisions of ORS 475B.840 that relate to ORS 475B.846.

(5) On and after the date on which a medical marijuana dispensary becomes subject to tracking under this section, the medical marijuana dispensary is exempt from the requirements of ORS 475B.867 and the provisions of ORS 475B.858 that relate to ORS 475B.867.

(6) The commission may conduct inspections and investigations of alleged violations of ORS 475B.785 to 475B.949 about which the commission obtains knowledge as a result of performing the commission's duties under this section. Notwithstanding ORS 475B.299, the commission may use regulatory specialists, as defined in ORS 471.001, to conduct the inspections and investigations, including inspections and investigations of marijuana grow sites located at a primary residence.

(7) Notwithstanding ORS 475B.759, before making any other distribution from the Oregon Marijuana Account established under ORS 475B.759, the Department of Revenue shall first distribute moneys quarterly from the account to the commission for deposit in the Marijuana Control and Regulation Fund established under ORS 475B.296 for purposes of paying administrative, inspection and investigatory costs incurred by the commission under this section, provided that the amount of distributed moneys does not exceed $1.25 million per quarter. For purposes of estimating the amount of moneys necessary to pay costs incurred under this section, the commission shall establish a formulary based on expected costs for each marijuana grow site, marijuana processing site or medical marijuana dispensary that is tracked under this section. The commission shall provide to the

Department of Revenue and the Legislative Fiscal Officer before each quarter the estimated amount of moneys necessary to pay costs expected to be incurred under this section and the formulary.

(8) When imposing a fee on a person responsible for a marijuana grow site, marijuana processing site or medical marijuana dispensary under ORS 475B.810, 475B.840 or 475B.858, the authority shall impose an additional fee that is reasonably calculated to pay costs incurred under this section other than costs paid pursuant to subsection (7) of this section. As part of the agreement entered into under subsection (1) of this section, the authority shall transfer fee moneys collected pursuant to this subsection to the commission for deposit in the Marijuana Control and Regulation Fund established under ORS 475B.296. Moneys collected pursuant to this subsection and deposited in the Marijuana Control and Regulation Fund are continuously appropriated to the commission for purposes of this section.

(9) The authority and the commission may adopt rules as necessary to administer this section.

(10) This section does not apply to a marijuana grow site located at an address where:

(a) A registry identification cardholder produces marijuana and no more than 12 mature marijuana plants and 24 immature marijuana plants are produced; or

(b)(A) No more than two persons are registered under ORS 475B.810 to produce marijuana; and

(B) The address is used to produce marijuana for no more than two registry identification cardholders.

SECTION 279. ORS 475B.931 is amended to read:

475B.931. Upon request the State Department of Agriculture and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, pursuant to an agreement or otherwise, shall assist the Oregon Health Authority in implementing and enforcing the provisions of ORS 475B.785 to 475B.949 and rules adopted under the provisions of ORS 475B.785 to 475B.949.

SECTION 280. ORS 475B.934 is amended to read:

475B.934. The Oregon Health Authority, the State Department of Agriculture and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, and the officers, employees and agents of the authority, department and commission, are immune from any cause of action for the performance of, or the failure to perform, duties required by ORS 475B.785 to 475B.949.

SECTION 281. ORS 475B.937 is amended to read:

475B.937. Subject to any applicable provision of ORS chapter 183, the Oregon Health Authority, the State Department of Agriculture and the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may possess, seize or dispose of marijuana, usable marijuana, medical cannabinoid products, cannabinoid concentrates and cannabinoid extracts as is necessary for the authority to ensure compliance with and enforce the provisions of ORS 475B.785 to 475B.949 and any rule adopted under ORS 475B.785 to 475B.949.

SECTION 282. ORS 475B.952 is amended to read:

475B.952. (1) The Oregon Cannabis Commission is established within the Oregon Health Authority. The commission consists of:

(a) The Public Health Officer or the Public Health Officer's designee; and

(b) Eight members appointed by the Governor as follows:

(A) A registry identification cardholder, as defined in ORS 475B.791;

(B) A person designated to produce marijuana by a registry identification cardholder, as defined in ORS 475B.791;

(C) An attending physician, as defined in ORS 475B.791;

(D) A person representing the Oregon Health Authority;

(E) A person representing the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**;

(F) A local health officer, as described in ORS 431.418;

(G) A law enforcement officer; and

(H) A person knowledgeable about research proposal grant protocols.

(2) The term of office of each member of the commission is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall

appoint a successor whose term begins on January 1 of the following year. A member is eligible for reappointment. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term.

(3) The appointment of each member of the commission is subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

(4) Members of the commission are not entitled to compensation, but may be reimbursed for actual and necessary travel and other expenses incurred by them in the performance of their official duties in the manner and amounts provided for in ORS 292.495.

SECTION 283. ORS 475B.961 is amended to read:

475B.961. In addition to any other duty prescribed by law, the Oregon Cannabis Commission shall:

(1) Provide advice to the Oregon Health Authority with respect to the administration of ORS 475B.785 to 475B.949;

(2) Provide advice to the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** with respect to the administration of ORS 475B.010 to 475B.545, insofar as those statutes pertain to registry identification cardholders and designated primary caregivers, as those terms are defined in ORS 475B.791;

(3) Develop a long-term strategic plan for ensuring that cannabis will remain a therapeutic option for persons with debilitating medical conditions as defined in ORS 475B.791;

(4) Develop a long-term strategic plan for ensuring that cannabis will remain affordable for persons with debilitating medical conditions as defined in ORS 475B.791; and

(5) Monitor and study federal laws, regulations and policies regarding marijuana.

SECTION 284. ORS 475B.968 is amended to read:

475B.968. (1) The governing body of a city or county may adopt ordinances to be referred to the electors of the city or county as described in subsection (2) of this section that prohibit or allow the establishment of any one or more of the following in the area subject to the jurisdiction of the city or in the unincorporated area subject to the jurisdiction of the county:

(a) Marijuana processing sites registered under ORS 475B.840;

(b) Medical marijuana dispensaries registered under ORS 475B.858;

(c) Marijuana producers that hold a license issued under ORS 475B.070;

(d) Marijuana processors that hold a license issued under ORS 475B.090;

(e) Marijuana wholesalers that hold a license issued under ORS 475B.100;

(f) Marijuana retailers that hold a license issued under ORS 475B.105;

(g) Marijuana producers that hold a license issued under ORS 475B.070 and that the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** has designated as an exclusively medical licensee under ORS 475B.122;

(h) Marijuana processors that hold a license issued under ORS 475B.090 and that the commission has designated as an exclusively medical licensee under ORS 475B.127;

(i) Marijuana wholesalers that hold a license issued under ORS 475B.100 and that the commission has designated as an exclusively medical licensee under ORS 475B.129;

(j) Marijuana retailers that hold a license issued under ORS 475B.105 and that the commission has designated as an exclusively medical licensee under ORS 475B.131; or

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

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

(3) If the governing body of a city or county adopts an ordinance under this section, the governing body must provide the text of the ordinance:

(a) To the Oregon Health Authority, in a form and manner prescribed by the authority, if the ordinance concerns a medical marijuana dispensary registered under ORS 475B.858 or a marijuana processing site registered under ORS 475B.840; or

(b) To the commission, if the ordinance concerns a premises for which a license has been issued under ORS 475B.010 to 475B.545.

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

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

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

(b) If an allowance is approved at the next statewide general election under subsection (2) of this section, and the allowance concerns an entity described in subsection (1)(c) to (j) of this section, the commission shall begin licensing the premises to which the allowance applies on the first business day of the January immediately following the date of the next statewide general election.

(6) If the electors of a city or county approve an ordinance prohibiting or allowing an entity described in subsection (1)(a), (b) or (g) to (j) of this section, the governing body of the city or county may amend the ordinance, without referring the amendment to the electors of the city or county, to prohibit or allow any other entity described in subsection (1)(a), (b) or (g) to (j) of this section.

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

(8) Notwithstanding subsection (1) of this section, a medical marijuana dispensary is not subject to an ordinance adopted under this section if the medical marijuana dispensary:

(a) Is registered under ORS 475B.858 on or before the date on which the governing body adopts the ordinance; and

(b) Has successfully completed a city or county land use application process.

(9) Notwithstanding subsection (1) of this section, a marijuana processing site is not subject to an ordinance adopted under this section if the marijuana processing site:

(a) Is registered under ORS 475B.840 on or before the date on which the governing body adopts the ordinance; and

(b) Has successfully completed a city or county land use application process.

SECTION 285. ORS 565.515 is amended to read:

565.515. The state fair director may authorize the conducting of any lawful business at fairground properties and facilities. A business operating on fairground properties or facilities under authorization from the state fair director is not required to obtain a local business license for the operation. However, nothing in this section shall interfere with the laws of this state requiring a license for the operation of a restaurant or requiring a license to be obtained from the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** for the sale or distribution of alcoholic liquors.

SECTION 286. ORS 571.275 is amended to read:

571.275. (1) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** may purchase, possess, seize or dispose of industrial hemp products or commodities located on a premises licensed under ORS 475B.070, 475B.090, 475B.100, 475B.105 or 475B.560 or other area under the control of the premises licensee as the commission deems necessary to enforce and ensure compliance with:

(a) ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 or rules adopted by the commission relating to ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655; or

(b) Any provision in ORS 571.260 to 571.348 or in rules adopted by the commission or State Department of Agriculture under ORS 571.260 to 571.348 that makes a requirement, restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to industrial hemp.

(2) If the commission purchases, possesses, seizes or disposes of industrial hemp products or commodities under this section to enforce or ensure compliance with a provision of ORS 571.260 to 571.348 or rule adopted by the department under ORS 571.260 to 571.348 that makes a requirement, restriction or other provision of ORS 475B.010 to 475B.545, 475B.550 to 475B.590 or 475B.600 to 475B.655 applicable to industrial hemp, the commission shall notify the department of the commission action as soon as practicable.

SECTION 287. ORS 571.330 is amended to read:

571.330. (1) For purposes of this section, "consumption" means to ingest, inhale or topically apply to the skin or hair.

(2)(a) A laboratory licensed by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** under ORS 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test industrial hemp and industrial hemp commodities and products produced or processed by a grower, handler or agricultural hemp seed producer registered under ORS 571.281.

(b) An accredited independent testing laboratory that has been approved by the authority or the State Department of Agriculture may test industrial hemp and industrial hemp commodities and products produced or processed by a grower, handler or agricultural hemp seed producer registered under ORS 571.281.

(3) A grower or handler may not sell or transfer an industrial hemp commodity or product that is intended for human consumption unless the commodity or product is tested by a laboratory described in subsection (2) of this section to ensure that the commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) and (2) for testing marijuana items.

(4) For purposes of this section, the department shall adopt rules:

(a) Establishing protocols for the testing of industrial hemp commodities and products; and

(b) Establishing procedures for determining batch sizes and for sampling industrial hemp commodities and products.

(5) This section does not apply to:

(a) Agricultural hemp seed;

(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable of germination;

(c) Products derived from seeds described in paragraph (b) of this subsection; or

(d) Other parts of industrial hemp that the department identifies by rule as exempt.

SECTION 288. ORS 571.336 is amended to read:

571.336. (1) As used in this section, "licensee," "marijuana," "marijuana item" and "marijuana processor" have the meanings given those terms in ORS 475B.015.

(2) A grower registered under ORS 571.281 may deliver industrial hemp, and a handler registered under ORS 571.281 may deliver industrial hemp concentrates and industrial hemp extracts, to a marijuana processor that holds a license issued under ORS 475B.090, if:

(a) The grower or handler and the marijuana processor are registered with the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**, in a form and manner prescribed by the commission, for the purpose of processing industrial hemp, industrial hemp concentrates and industrial hemp extracts;

(b) The marijuana processor is provided with the results of any test conducted on the industrial hemp, industrial hemp concentrate or industrial hemp extract pursuant to ORS 571.260 to 571.348 as a condition of the marijuana processor's receiving the industrial hemp, industrial hemp concentrate or industrial hemp extract;

(c) The marijuana processor keeps the results of any test that the marijuana processor receives pursuant to paragraph (b) of this subsection in a form and manner prescribed by the commission;

(d) The industrial hemp, industrial hemp concentrate or industrial hemp extract is tracked using the system developed and maintained under ORS 475B.177 when the industrial hemp, industrial hemp concentrate or industrial hemp extract is delivered to the premises of the marijuana processor; and

(e) The grower or handler and the marijuana processor meet any other requirement established by the commission by rule.

(3) Industrial hemp, industrial hemp concentrates and industrial hemp extracts may be processed by a marijuana processor registered under this section into any industrial hemp commodity or product or used by a marijuana processor registered under this section to supplement the processing of any marijuana item.

(4) An industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item processed pursuant to this section may be delivered by a marijuana processor registered under this section to a licensee as described in ORS 475B.206, provided that the industrial hemp concentrate, industrial hemp extract, industrial hemp commodity or product or marijuana item meets any applicable requirement for marijuana items set forth in ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655.

(5) The commission may impose an annual fee reasonably calculated to not exceed the cost of administering this section on growers registered under this section, handlers registered under this section and marijuana processors registered under this section. Fees collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296. Moneys deposited in the fund pursuant to this subsection are continuously appropriated to the commission for the purpose of administering this section.

SECTION 289. ORS 571.337 is amended to read:

571.337. (1) As used in this section:

(a) "Consumption" has the meaning given that term in ORS 571.330.

(b) "Processor" means a person licensed under ORS 475B.090.

(c) "Retailer" means a person licensed under ORS 475B.105.

(d) "Wholesaler" means a person licensed under ORS 475B.100.

(2) Except as provided in ORS 571.341, a processor, retailer or wholesaler may purchase, receive, transfer, sell or transport industrial hemp, or an industrial hemp commodity or product that contains cannabinoids and is intended for human consumption, only if:

(a) The processor, retailer or wholesaler received the hemp, commodity or product from a grower or handler registered under ORS 571.281 or a processor;

(b) The grower, handler or processor under paragraph (a) of this subsection is registered by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** as provided under ORS 571.336; and

(c) The hemp, commodity or product meets the requirements for marijuana items under ORS 475B.010 to 475B.545, 475B.550 to 475B.590 and 475B.600 to 475B.655 and rules adopted by the commission.

(3) A grower, handler or processor registered as described under ORS 571.336 (2)(a) shall enter hemp, commodity or product that contains cannabinoids, is intended for human consumption and is intended for transfer, sale or transport to a processor, retailer or wholesaler licensed under ORS 475B.010 to 475B.545 into the tracking system described in ORS 475B.177 before the hemp, commodity or product is transferred to a laboratory described in ORS 571.330 (2) for testing of a type described under ORS 475B.555. The commission shall continue to track the hemp, commodity or product entered into the system under this subsection when the hemp, commodity or product is transferred, sold or transported to a premises licensed under ORS 475B.010 to 475B.545, or to other areas under the control of the premises licensee.

(4) The State Department of Agriculture shall adopt rules regarding the activities of growers and handlers under this section.

(5) The commission shall adopt rules regarding the activities of processors, retailers, wholesalers and laboratories under this section.

SECTION 290. ORS 571.341 is amended to read:

571.341. (1) As used in this section:

(a) "Consumer" has the meaning given that term in ORS 475B.015.

(b) "Retailer" means a person licensed under ORS 475B.105.

(2) Industrial hemp products that contain more than 0.3 percent tetrahydrocannabinol may not be sold to a consumer by a person other than a retailer.

(3) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** shall adopt rules establishing measures the commission deems necessary for ensuring compliance with this section.

SECTION 291. ORS 576.871 is amended to read:

576.871. (1) The report submitted by the Oregon Wine Board under ORS 182.472 must include a description of the long term strategic plan created by the board and a description of the progress made in implementing the statewide strategic objectives of the board during the most recent biennium.

(2) Notwithstanding ORS 182.462:

(a) The board shall prepare and submit annual plans and a budget recommended by the board for promotion and for research during the next fiscal year.

(b) The board shall adopt rules specifying the procedures, criteria and timelines for the preparation and approval of the annual plans and budget for promotion and for research.

(c) The Director of the Oregon Business Development Department shall review the budget and plans submitted under this section. In reviewing the annual plans and budget, the director shall consider whether the information supplied by the board is factual and consistent with ORS 576.850 to 576.877 and the positive development of the Oregon wine grape growing and wine making industries. The director shall either approve the budget and plans prior to the commencement of the next fiscal year or disapprove and return the budget and plans to the board with conditions necessary for approval prior to the commencement of the next fiscal year. In reviewing the budget and plans, the director may consult with and receive coordinated support from:

(A) The State Department of Agriculture;

(B) The Oregon Tourism Commission;

(C) Oregon State University;

(D) The Office of Community Colleges and Workforce Development; and

(E) The [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**.

SECTION 292. ORS 576.874 is amended to read:

576.874. (1) If a person selling or providing grape product to a winery performs part of the processing function of a winery, the person shall report the sale or provision of the grape product and pay the tax imposed under ORS 473.045 (5).

(2) A person or winery required to pay a tax under ORS 473.045 (5) shall keep accurate records sufficient to enable the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** to determine by inspection and audit the accuracy of the taxes paid or due the Oregon Wine Board and of reports made or due to the commission.

(3) The commission or a designee of the commission may inspect and audit the records referred to in subsection (2) of this section for the purpose referred to in subsection (2) of this section.

(4) A person or winery may not refuse to permit an inspection and audit under subsection (3) of this section during business hours.

(5) In addition to the penalties prescribed in ORS 473.992, a person or winery that delays transmittal of tax payments under ORS 473.045 (5) beyond the due date specified in ORS 473.045 shall pay five percent of the overdue amount for the first full or partial month of delay and one percent of the overdue amount for each full or partial month of delay thereafter.

(6) If a winery willfully refuses to turn over tax moneys withheld under ORS 473.045 (5), the winery shall pay an additional amount equal to twice the amount of the tax moneys not turned over.

SECTION 293. ORS 659A.320 is amended to read:

659A.320. (1) Except as provided in subsection (2) of this section, it is an unlawful employment practice for an employer to obtain or use for employment purposes information contained in the credit history of an applicant for employment or an employee, or to refuse to hire, discharge, demote, suspend, retaliate or otherwise discriminate against an applicant or an employee with regard to promotion, compensation or the terms, conditions or privileges of employment based on information in the credit history of the applicant or employee.

(2) Subsection (1) of this section does not apply to:

(a) Employers that are federally insured banks or credit unions;

(b) Employers that are required by state or federal law to use individual credit history for employment purposes;

(c) The application for employment or the employment of a public safety officer who will be or who is:

(A) A member of a law enforcement unit;

(B) Employed as a peace officer commissioned by a city, port, school district, mass transit district, county, university under ORS 352.121 or 353.125, Indian reservation, the Superintendent of State Police under ORS 181A.340, the Criminal Justice Division of the Department of Justice, the Oregon State Lottery Commission or the Governor or employed as a regulatory specialist by the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission**; and

(C) Responsible for enforcing the criminal laws of this state or laws or ordinances related to airport security; or

(d) The obtainment or use by an employer of information in the credit history of an applicant or employee because the information is substantially job-related and the employer's reasons for the use of such information are disclosed to the employee or prospective employee in writing.

(3) An employee or an applicant for employment may file a complaint under ORS 659A.820 for violations of this section and may bring a civil action under ORS 659A.885 and recover the relief as provided by ORS 659A.885 (1) and (2).

(4) As used in this section, "credit history" means any written or other communication of any information by a consumer reporting agency that bears on a consumer's creditworthiness, credit standing or credit capacity.

SECTION 294. ORS 802.250 is amended to read:

802.250. (1) An eligible public employee may request that any driver or vehicle record kept by the Department of Transportation that contains or is required to contain the eligible employee's residence address contain instead the address of the public agency employing the eligible employee. A request under this section shall:

(a) Be in a form specified by the department that provides for verification of the eligible employee's employment.

(b) Contain verification by the employing public agency of the eligible employee's employment with the public agency.

(2) Upon receipt of a request and verification under subsection (1) of this section, the department shall remove the eligible employee's residence address from its records, if necessary, and substitute therefor the address of the public agency employing the eligible employee. The department shall indicate on the records that the address shown is an employment address. While the request is in effect, the eligible employee may enter the address of the public agency employing the eligible employee on any driver or vehicle form issued by the department that requires an address.

(3) A public agency that verifies an eligible employee's employment under subsection (1) of this section shall notify the department within 30 days if the eligible employee ceases to be employed by the public agency. The eligible employee shall notify the department of a change of address as provided in ORS 803.220 or 807.560.

(4) If an eligible employee is killed in the line of duty, a person who is a household member of the eligible employee may request that any driver or vehicle record kept by the department that contains or is required to contain the household member's residence address continue to contain the

address of the public agency that employed the eligible employee for up to four years after the date of the death of the eligible employee. On or before the date on which the four-year period ends, the household member shall notify the department of a change of address as provided in ORS 803.220 or 807.560. A request under this subsection shall be in a form specified by the department.

(5) As used in this section, "eligible employee" means:

(a) A member of the State Board of Parole and Post-Prison Supervision.

(b) The Director of the Department of Corrections and an employee of an institution defined in ORS 421.005 as Department of Corrections institutions, whose duties, as assigned by the superintendent, include the custody of persons committed to the custody of or transferred to the institution.

(c) A parole and probation officer employed by the Department of Corrections and an employee of the Department of Corrections Release Center whose duties, as assigned by the Chief of the Release Center, include the custody of persons committed to the custody of or transferred to the Release Center.

(d) A police officer appointed under ORS 276.021 or 276.023.

(e) An employee of the State Department of Agriculture who is classified as a brand inspector by the Director of Agriculture.

(f) An investigator of the Criminal Justice Division of the Department of Justice.

(g) A corrections officer as defined in ORS 181A.355.

(h) A federal officer. As used in this paragraph, "federal officer" means a special agent or law enforcement officer employed by:

(A) The Federal Bureau of Investigation;

(B) The United States Secret Service;

(C) The United States Citizenship and Immigration Services;

(D) The United States Marshals Service;

(E) The Drug Enforcement Administration;

(F) The United States Postal Service;

(G) The United States Customs and Border Protection;

(H) The United States General Services Administration;

(I) The United States Department of Agriculture;

(J) The Bureau of Alcohol, Tobacco, Firearms and Explosives;

(K) The Internal Revenue Service;

(L) The United States Department of the Interior; or

(M) Any federal agency if the person is empowered to effect an arrest with or without warrant for violations of the United States Code and is authorized to carry firearms in the performance of duty.

(i) An employee of the Department of Human Services or the Oregon Health Authority whose duties include personal contact with clients or patients of the department or the authority.

(j) Any judge of a court of this state.

(k) An employee of the Oregon Youth Authority or of a county juvenile department whose duties include personal contact with persons committed to the legal or physical custody of the authority or of the county juvenile department.

(L) A district attorney, as defined in ORS 131.005, or deputy district attorney.

(m) An employee who provides educational services to persons who are clients or patients of the Department of Human Services or the Oregon Health Authority, who are under the jurisdiction of the Psychiatric Security Review Board or who are under the custody or supervision of the Department of Corrections, the State Board of Parole and Post-Prison Supervision, a community corrections agency, the Oregon Youth Authority or a juvenile department. As used in this paragraph, "employee who provides educational services" means a person who provides instruction, or services related to the instruction, of a subject usually taught in an elementary school, a secondary school or a community college or who provides special education and related services in other than a school setting and who works for:

(A) An education service district or a community college district; or

(B) A state officer, board, commission, bureau, department or division in the executive branch of state government that provides educational services.

(n) An employee of the [*Oregon Liquor Control Commission*] **Oregon Liquor and Cannabis Commission** who is:

(A) A regulatory specialist; or

(B) A regulatory manager.

(o) A police officer as defined in ORS 801.395.

(p) An employee whose duties include personal contact with criminal offenders and who is employed by a law enforcement unit, as defined in ORS 181A.355.

(q) A civil code enforcement officer, as defined in ORS 192.345.

SECTION 295. (1)(a) The amendments to ORS 25.750, 25.756, 25.780, 165.117, 165.805, 167.780, 181A.010, 181A.265, 181A.275, 181A.355, 181A.550, 181A.840, 181A.845, 221.770, 221.785, 238.005, 244.045, 244.050, 279A.025, 297.210, 317A.100, 459.992, 459A.700, 459A.702, 459A.705, 459A.715, 459A.717, 459A.718, 459A.725, 459A.730, 459A.735, 459A.737, 459A.738, 459A.741, 459A.742, 459A.744, 461.217, 471.001, 471.038, 471.039, 471.040, 471.105, 471.115, 471.130, 471.155, 471.157, 471.159, 471.162, 471.166, 471.168, 471.175, 471.180, 471.182, 471.184, 471.186, 471.190, 471.200, 471.221, 471.223, 471.227, 471.230, 471.235, 471.242, 471.244, 471.251, 471.268, 471.274, 471.282, 471.292, 471.294, 471.297, 471.302, 471.305, 471.311, 471.313, 471.315, 471.316, 471.318, 471.322, 471.326, 471.327, 471.329, 471.331, 471.333, 471.341, 471.342, 471.344, 471.346, 471.351, 471.360, 471.370, 471.375, 471.380, 471.385, 471.396, 471.400, 471.403, 471.404, 471.405, 471.410, 471.412, 471.425, 471.430, 471.442, 471.446, 471.473, 471.475, 471.478, 471.480, 471.482, 471.495, 471.500, 471.510, 471.541, 471.542, 471.547, 471.549, 471.551, 471.553, 471.557, 471.559, 471.561, 471.565, 471.567, 471.605, 471.610, 471.615, 471.630, 471.645, 471.666, 471.695, 471.700, 471.703, 471.705, 471.710, 471.715, 471.720, 471.725, 471.730, 471.732, 471.735, 471.737, 471.740, 471.745, 471.747, 471.750, 471.752, 471.754, 471.757, 471.760, 471.765, 471.770, 471.775, 471.790, 471.795, 471.800, 471.802, 471.805, 471.810, 471.817, 473.020, 473.030, 473.045, 473.047, 473.050, 473.060, 473.065, 473.070, 473.080, 473.100, 473.110, 473.120, 473.130, 473.140, 473.150, 473.160, 473.170, 474.115, 475B.015, 475B.025, 475B.030, 475B.033, 475B.035, 475B.040, 475B.045, 475B.050, 475B.060, 475B.063, 475B.070, 475B.085, 475B.090, 475B.096, 475B.100, 475B.105, 475B.109, 475B.115, 475B.119, 475B.122, 475B.127, 475B.129, 475B.131, 475B.136, 475B.139, 475B.144, 475B.146, 475B.154, 475B.158, 475B.163, 475B.167, 475B.173, 475B.177, 475B.182, 475B.186, 475B.191, 475B.194, 475B.199, 475B.201, 475B.206, 475B.216, 475B.224, 475B.232, 475B.236, 475B.246, 475B.253, 475B.256, 475B.261, 475B.266, 475B.271, 475B.281, 475B.286, 475B.291, 475B.296, 475B.299, 475B.316, 475B.376, 475B.409, 475B.416, 475B.429, 475B.436, 475B.442, 475B.496, 475B.501, 475B.506, 475B.514, 475B.518, 475B.537, 475B.539, 475B.541, 475B.548, 475B.555, 475B.560, 475B.562, 475B.564, 475B.575, 475B.577, 475B.593, 475B.605, 475B.610, 475B.615, 475B.620, 475B.625, 475B.635, 475B.645, 475B.655, 475B.705, 475B.710, 475B.712, 475B.730, 475B.750, 475B.769, 475B.791, 475B.825, 475B.828, 475B.892, 475B.895, 475B.931, 475B.934, 475B.937, 475B.952, 475B.961, 475B.968, 565.515, 571.275, 571.330, 571.336, 571.337, 571.341, 576.871, 576.874, 659A.320 and 802.250 and section 3, chapter 464, Oregon Laws 2019, by sections 1 to 294 of this 2021 Act are intended to change the name of the "Oregon Liquor Control Commission" to the "Oregon Liquor and Cannabis Commission."

(b) The amendments to ORS 221.770, 471.326, 471.473, 471.805 and 471.810 by sections 14, 80, 106, 158 and 159 of this 2021 Act are intended to change the name of the "Oregon Liquor Control Commission Account" to the "Oregon Liquor and Cannabis Commission Account."

(2) For the purpose of harmonizing and clarifying statutory law, the Legislative Counsel may substitute for words designating the "Oregon Liquor Control Commission," wherever they occur in statutory law, other words designating the "Oregon Liquor and Cannabis Commission."

<u>SECTION 296.</u> This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect August 2, 2021.

Passed by House April 1, 2021

Repassed by House June 14, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate June 9, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

Enrolled
Senate Bill 96

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with presession filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Oregon Liquor Control Commission)

CHAPTER .....

AN ACT

Relating to cannabis; creating new provisions; amending ORS 475B.025, 475B.550, 475B.555, 475B.560, 475B.565, 475B.600, 475B.605, 475B.610 and 571.330; and prescribing an effective date.

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

SECTION 1. ORS 475B.025 is amended to read:

475B.025. (1) The Oregon Liquor Control Commission has the duties, functions and powers specified in ORS 475B.010 to 475B.545 and the powers necessary or proper to enable the commission to carry out the commission's duties, functions and powers under ORS 475B.010 to 475B.545. The jurisdiction, supervision, duties, functions and powers of the commission extend to any person that produces, processes, transports, delivers, sells or purchases a marijuana item in this state. The commission may sue and be sued.

(2) The duties, functions and powers of the commission specified in ORS 475B.010 to 475B.545 include the following:

(a) To regulate the production, processing, transportation, delivery, sale and purchase of marijuana items in accordance with the provisions of ORS 475B.010 to 475B.545.

(b) To issue, renew, suspend, revoke or refuse to issue or renew licenses for the production, processing or sale of marijuana items, or other licenses related to the consumption of marijuana items, and to permit, in the commission's discretion, the transfer of a license between persons.

(c) To adopt, amend or repeal rules as necessary to carry out the intent and provisions of ORS 475B.010 to 475B.545, including rules that the commission considers necessary to protect the public health and safety.

(d) To exercise all powers incidental, convenient or necessary to enable the commission to administer or carry out the provisions of ORS 475B.010 to 475B.545 or any other law of this state that charges the commission with a duty, function or power related to marijuana. Powers described in this paragraph include, but are not limited to:

(A) Issuing subpoenas;

(B) Compelling the attendance of witnesses;

(C) Administering oaths;

(D) Certifying official acts;

(E) Taking depositions as provided by law;

(F) Compelling the production of books, payrolls, accounts, papers, records, documents and testimony; and

(G) Establishing fees in addition to the application, licensing and renewal fees described in ORS 475B.070, 475B.090, 475B.100 and 475B.105, provided that any fee established by the commission is reasonably calculated not to exceed the cost of the activity for which the fee is charged.

(e) To adopt rules regulating and prohibiting advertising marijuana items in a manner:

(A) That is appealing to minors;

(B) That promotes excessive use;

(C) That promotes illegal activity; or

(D) That otherwise presents a significant risk to public health and safety.

(f) To regulate the use of marijuana items for other purposes as deemed necessary or appropriate by the commission.

(g) To establish pilot programs, of not more than three years in duration, to expand access to marijuana for medical use for registry identification cardholders and designated primary caregivers, as defined in ORS 475B.791.

(h) To regulate the testing and labeling of inhalant delivery systems, as defined in ORS 431A.175, that include industrial hemp-derived vapor items, as defined in ORS 475B.550, that are sold in this state by any person.

(3) Fees collected pursuant to subsection (2)(d)(G) of this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 2. ORS 475B.550 is amended to read:

475B.550. As used in ORS 475B.550 to 475B.590:

(1) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(2) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

(3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

(4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or

(C) Industrial hemp[*, as defined in ORS 571.269*].

(5) "Industrial hemp" has the meaning given that term in ORS 571.269.

(6) "Industrial hemp-derived vapor item" means an industrial hemp concentrate or industrial hemp extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances, that is intended for use in an inhalant delivery system.

(7) "Inhalant delivery system" has the meaning given that term in ORS 431A.175.

[*(5)(a)*] **(8)(a)** "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp[*, as defined in ORS 571.269*]; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

[*(6)*] **(9)** "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

[*(7)*] **(10)** "Processing" means**:**

(a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

(b) The compounding or conversion of industrial hemp into industrial hemp concentrates or industrial hemp extracts.

[*(8)*] **(11)** "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

[*(9)(a)*] **(12)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

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

SECTION 3. ORS 475B.555 is amended to read:

475B.555. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Liquor Control Commission and the State Department of Agriculture, the Oregon Health Authority shall adopt rules:

(a) Establishing standards for testing marijuana items **and industrial hemp-derived vapor items**.

(b) Identifying appropriate tests for marijuana items **and industrial hemp-derived vapor items**, depending on the type of marijuana item **or industrial hemp-derived vapor item** and the manner in which the marijuana item **or industrial hemp-derived vapor item** was produced or processed, that are necessary to protect the public health and safety, including, but not limited to, tests for:

(A) Microbiological contaminants;

(B) Pesticides;

(C) Other contaminants;

(D) Solvents or residual solvents; and

(E) Tetrahydrocannabinol and cannabidiol concentration.

(c) Establishing procedures for determining batch sizes and for sampling usable marijuana, cannabinoid products [*and*]**,** cannabinoid concentrates or extracts **and industrial hemp-derived vapor items**.

(d) Establishing different minimum standards for different varieties of usable marijuana and different types of cannabinoid products and cannabinoid concentrates and extracts **and, as appropriate, industrial hemp-derived vapor items**.

(2) In addition to the testing requirements established under subsection (1) of this section, the authority or the commission may require cannabinoid edibles to be tested in accordance with any applicable law of this state, or any applicable rule adopted under a law of this state, related to the production and processing of food products or commodities.

(3) In adopting rules under ORS 475B.785 to 475B.949, the authority may require:

(a) A person responsible for a marijuana grow site under ORS 475B.810 to test usable marijuana before transferring the usable marijuana to a registrant other than an individual who holds a registry identification card under ORS 475B.797; and

(b) A person processing marijuana to test cannabinoid products or cannabinoid concentrates or extracts before transferring the cannabinoid products or cannabinoid concentrates or extracts to a registrant other than an individual who holds a registry identification card under ORS 475B.797.

(4) In adopting rules under ORS 475B.010 to 475B.545, the commission may require:

(a) A marijuana producer that holds a license under ORS 475B.070 or a marijuana wholesaler that holds a license under ORS 475B.100 to test usable marijuana before selling or transferring the usable marijuana; and

(b) A marijuana processor that holds a license under ORS 475B.090 or a marijuana wholesaler that holds a license under ORS 475B.100 to test cannabinoid products or cannabinoid concentrates or extracts before selling or transferring the cannabinoid products or cannabinoid concentrates or extracts.

(5) The authority and the commission may conduct random testing of marijuana items **or industrial hemp-delivered vapor items** for the purpose of determining whether a person subject to testing under subsection (3) of this section or a licensee subject to testing under subsection (4) of this section is in compliance with this section.

(6) In adopting rules to implement this section, the authority and commission may not require a marijuana item **or industrial hemp-derived vapor item** to undergo the same test more than once unless the marijuana item **or industrial hemp-derived vapor item** is processed into a different type of marijuana item **or industrial hemp-derived vapor item** or the condition of the marijuana item **or industrial hemp-derived vapor item** has fundamentally changed.

(7) The testing of marijuana items **and industrial hemp-derived vapor items** as required by this section must be conducted by a laboratory licensed by the commission under ORS 475B.560 and accredited by the authority under ORS 475B.565.

(8) In adopting rules under subsection (1) of this section, the authority:

(a) Shall consider the cost of a potential testing procedure and how that cost will affect the cost to the ultimate consumer of the marijuana item **or industrial hemp-derived vapor item**; and

(b) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 4. ORS 475B.560 is amended to read:

475B.560. (1) A laboratory that conducts testing of marijuana items **or industrial hemp-derived vapor items** as required by ORS 475B.555 must have a license to operate at the premises at which the marijuana items **or industrial hemp-derived vapor items** are tested.

(2) For purposes of this section, the Oregon Liquor Control Commission shall adopt rules establishing:

(a) Qualifications to be licensed under this section, including that an applicant for licensure under this section must be accredited by the Oregon Health Authority as described in ORS 475B.565;

(b) Processes for applying for and renewing a license under this section;

(c) Fees for applying for, receiving and renewing a license under this section; and

(d) Procedures for:

(A) Tracking usable marijuana, cannabinoid products [*and*]**,** cannabinoid concentrates or extracts **or industrial hemp-derived vapor items** to be tested;

(B) Documenting and reporting test results; and

(C) Disposing of samples of usable marijuana, cannabinoid products [*and*]**,** cannabinoid concentrates or extracts **or industrial hemp-derived vapor items** that have been tested.

(3) A license issued under this section must be renewed annually.

(4) The commission may inspect premises licensed under this section to ensure compliance with ORS 475B.550 to 475B.590 and rules adopted under ORS 475B.550 to 475B.590.

(5) Subject to the applicable provisions of ORS chapter 183, the commission may refuse to issue or renew, or may suspend or revoke, a license issued under this section for violation of:

(a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS 475B.550 to 475B.590; or

(b) A provision of ORS 475B.010 to 475B.545 or a rule adopted under a provision of ORS 475B.010 to 475B.545.

(6) Fees adopted under subsection (2)(c) of this section must be reasonably calculated to pay the expenses incurred by the commission under ORS 475B.550 to 475B.590.

(7) Fee moneys collected under this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296 and are continuously appropriated to the commission for the purpose of carrying out the duties, functions and powers of the commission under ORS 475B.550 to 475B.590.

SECTION 5. ORS 475B.565 is amended to read:

475B.565. (1) A laboratory that conducts testing of marijuana items **or industrial hemp-derived vapor items** as required by ORS 475B.555 must be accredited under ORS 438.605 to 438.620 and meet other qualifications as established by the Oregon Health Authority under this section.

(2) In addition to other qualifications required pursuant to ORS 438.605 to 438.620, the authority shall require an applicant for accreditation under ORS 438.605 to 438.620 for purposes related to the testing of marijuana items **or industrial hemp-derived vapor items** to:

(a) Complete an application;

(b) Undergo an onsite inspection; and

(c) Meet other applicable requirements, specifications and guidelines for testing marijuana items **or industrial hemp-derived vapor items**, as determined to be appropriate by the authority by rule.

(3) The authority may inspect premises licensed under ORS 475B.560 to ensure compliance with ORS 475B.550 to 475B.590 and rules adopted under ORS 475B.550 to 475B.590.

(4) Subject to the applicable provisions of ORS chapter 183, the authority may refuse to issue or renew, or may suspend or revoke, a laboratory's accreditation granted under this section and ORS 438.605 to 438.620 for violation of:

(a) A provision of ORS 475B.550 to 475B.590 or a rule adopted under a provision of ORS 475B.550 to 475B.590; or

(b) A provision of ORS 475B.010 to 475B.545 or a rule adopted under a provision of ORS 475B.010 to 475B.545.

(5) In establishing fees under ORS 438.620 for laboratories that test marijuana items **or industrial hemp-derived vapor items**, the authority shall establish fees that are reasonably calculated to pay the expenses incurred by the authority under this section and ORS 438.605 to 438.620 in accrediting laboratories that test marijuana items **or industrial hemp-derived vapor items**.

SECTION 6. Section 7 of this 2021 Act is added to and made a part of ORS 475B.550 to 475B.590.

SECTION 7. (1) If a person violates a provision of ORS 475B.550 to 475B.590 or a rule adopted under ORS 475B.550 to 475B.590 with regard to an industrial hemp-derived vapor item:

(a) The State Department of Agriculture may impose disciplinary action described in ORS 571.285 and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under ORS 571.281.

(b) The Oregon Liquor Control Commission may impose a civil penalty under ORS 475B.655 if the person is not a grower or handler registered under ORS 571.281.

(2) The commission and the department may adopt rules to carry out this section.

SECTION 8. ORS 475B.600 is amended to read:

475B.600. As used in ORS 475B.600 to 475B.655:

(1) "Cannabinoid" means any of the chemical compounds that are the active constituents of marijuana.

(2) "Cannabinoid concentrate or extract" means a substance obtained by separating cannabinoids from marijuana by a mechanical, chemical or other process.

(3) "Cannabinoid edible" means food or potable liquid into which a cannabinoid concentrate or extract or the dried leaves or flowers of marijuana have been incorporated.

(4)(a) "Cannabinoid product" means a cannabinoid edible or any other product intended for human consumption or use, including a product intended to be applied to a person's skin or hair, that contains cannabinoids or the dried leaves or flowers of marijuana.

(b) "Cannabinoid product" does not include:

(A) Usable marijuana by itself;

(B) A cannabinoid concentrate or extract by itself; or

(C) Industrial hemp[*, as defined in ORS 571.269*].

(5) "Industrial hemp" has the meaning given that term in ORS 571.269.

(6) "Industrial hemp-derived vapor item" means an industrial hemp concentrate or industrial hemp extract, as those terms are defined in ORS 571.269, whether alone or combined with other substances, that is intended for use in an inhalant delivery system.

(7) "Inhalant delivery system" has the meaning given that term in ORS 431A.175.

[*(5)(a)*] **(8)(a)** "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(b) "Marijuana" does not include:

(A) Industrial hemp[*, as defined in ORS 571.269*]; or

(B) Prescription drugs, as that term is defined in ORS 689.005, including those containing one or more cannabinoids, that are approved by the United States Food and Drug Administration and dispensed by a pharmacy, as defined in ORS 689.005.

[*(6)*] **(9)** "Marijuana item" means marijuana, usable marijuana, a cannabinoid product or a cannabinoid concentrate or extract.

[*(7)*] **(10)** "Processing" means**:**

(a) The compounding or conversion of marijuana into cannabinoid products or cannabinoid concentrates or extracts.

(b) The compounding or conversion of industrial hemp into industrial hemp concentrates or industrial hemp extracts.

[*(8)*] **(11)** "Producing" means:

(a) Planting, cultivating, growing, trimming or harvesting marijuana; or

(b) Drying marijuana leaves and flowers.

[*(9)(a)*] **(12)(a)** "Usable marijuana" means the dried leaves and flowers of marijuana.

(b) "Usable marijuana" does not include:

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

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

SECTION 9. ORS 475B.605 is amended to read:

475B.605. (1) As is necessary to protect the public health and safety, and in consultation with the Oregon Health Authority and the State Department of Agriculture, the Oregon Liquor Control Commission shall adopt rules establishing standards for the labeling of marijuana items **and inhalant delivery systems that contain industrial hemp-derived vapor items**, including but not limited to:

(a) Ensuring that usable marijuana, cannabinoid concentrates and extracts, cannabinoid edibles [*and*]**,** other cannabinoid products **and inhalant delivery systems that contain industrial hemp-derived vapor items** have labeling that communicates:

(A) Health and safety warnings;

(B) If applicable, activation time;

(C) Potency;

(D) For cannabinoid products and cannabinoid concentrates and extracts, serving size and the number of servings included in a cannabinoid product or cannabinoid concentrate or extract package; and

(E) Content of the marijuana item **or inhalant delivery system that contains an industrial hemp-derived vapor item**; and

(b) Labeling that is in accordance with applicable state food labeling requirements for the same type of food product or potable liquid when the food product or potable liquid does not contain marijuana or cannabinoids.

(2) In adopting rules under ORS 475B.785 to 475B.949, the authority shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts transferred by a medical marijuana dispensary registered under ORS 475B.858 to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(3) In adopting rules under ORS 475B.010 to 475B.545, the commission shall require all usable marijuana, cannabinoid products and cannabinoid concentrates and extracts sold or transferred by a marijuana retailer that holds a license issued under ORS 475B.105 to be labeled in accordance with subsection (1) of this section and rules adopted under subsection (1) of this section.

(4) In adopting rules under subsection (1) of this section, the commission:

(a) May establish different labeling standards for different varieties of usable marijuana [*and*]**,** for different types of cannabinoid products and cannabinoid concentrates and extracts **and for inhalant delivery systems that contain industrial hemp-derived vapor items**;

(b) May establish different minimum labeling standards for persons registered under ORS 475B.785 to 475B.949 and persons licensed under ORS 475B.010 to 475B.545;

(c) Shall consider the cost of a potential requirement and how that cost will affect the cost to the ultimate consumer of the marijuana item **or inhalant delivery system that contains an industrial hemp-derived vapor item**; and

(d) May not adopt rules that are more restrictive than is reasonably necessary to protect the public health and safety.

SECTION 10. ORS 475B.610 is amended to read:

475B.610. (1) As used in this section:

(a) "Licensee" has the meaning given that term in ORS 475B.015.

(b) "Registrant" means a person registered under ORS 475B.785 to 475B.949.

(2) The Oregon Liquor Control 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 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 475B.605 and any rule adopted under ORS 475B.605.

(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.

SECTION 11. Section 12 of this 2021 Act is added to and made a part of ORS 475B.600 to 475B.655.

SECTION 12. (1) If a person violates a provision of ORS 475B.600 to 475B.655 or a rule adopted under ORS 475B.600 to 475B.655 with regard to an industrial hemp-derived vapor item:

(a) The State Department of Agriculture may impose disciplinary action described in ORS 571.285 and impose a civil penalty under ORS 571.348 if the person is a grower or handler registered under ORS 571.281.

(b) The Oregon Liquor Control Commission may impose a civil penalty under ORS 475B.655 if the person is not a grower or handler registered under ORS 571.281.

(2) The commission and the department may adopt rules to carry out this section.

SECTION 13. ORS 571.330 is amended to read:

571.330. (1) For purposes of this section, "consumption" means [*to ingest, inhale or topically apply*] **ingestion, inhalation or topical application** to the skin or hair.

(2)(a) A laboratory licensed by the Oregon Liquor Control Commission under ORS 475B.560 and accredited by the Oregon Health Authority pursuant to ORS 475B.565 may test industrial hemp and industrial hemp commodities and products produced or processed by a grower, handler or agricultural hemp seed producer registered under ORS 571.281.

(b) An accredited independent testing laboratory that has been approved by the authority or the State Department of Agriculture may test industrial hemp and industrial hemp commodities and products produced or processed by a grower, handler or agricultural hemp seed producer registered under ORS 571.281.

(3) A grower or handler may not sell or transfer an industrial hemp commodity or product that is intended for human consumption unless the commodity or product is tested by a laboratory described in subsection (2) of this section to ensure that the commodity or product meets the requirements adopted by the Oregon Health Authority under ORS 475B.555 (1)(a) and (b) [*and (2)*] for testing marijuana items **and industrial hemp-derived vapor items and ORS 475B.555 (2) for testing cannabinoid edibles**.

(4) Industrial hemp commodities or products that are intended for use in an inhalant delivery system, as defined in ORS 431A.175, must meet the requirements of ORS 475B.550 to 475B.590 and 475B.600 to 475B.655 that apply to industrial hemp-derived vapor items as defined in ORS 475B.550 and 475B.600.

[*(4)*] **(5)** For purposes of this section, the department shall adopt rules:

(a) Establishing protocols for the testing of industrial hemp commodities and products; and

(b) Establishing procedures for determining batch sizes and for sampling industrial hemp commodities and products.

[*(5)*] **(6)** This section does not apply to:

(a) Agricultural hemp seed;

(b) Seeds of the plant genus Cannabis within the plant family Cannabaceae that are incapable of germination;

(c) Products derived from seeds described in paragraph (b) of this subsection; or

(d) Other parts of industrial hemp that the department identifies by rule as exempt.

SECTION 14. Sections 7 and 12 of this 2021 Act and the amendments to ORS 475B.025, 475B.550, 475B.555, 475B.560, 475B.565, 475B.600, 475B.605, 475B.610 and 571.330 by sections 1 to 5, 8 to 10 and 13 of this 2021 Act apply to inhalant delivery systems sold or transferred on or after the operative date specified in section 15 of this 2021 Act and to industrial hemp-derived vapor items processed on or after the operative date specified in section 15 of this 2021 Act.

SECTION 15. (1) Sections 7 and 12 of this 2021 Act and the amendments to ORS 475B.025, 475B.550, 475B.555, 475B.560, 475B.565, 475B.600, 475B.605, 475B.610 and 571.330 by sections 1 to 5, 8 to 10 and 13 of this 2021 Act become operative on January 1, 2022.

(2) The Oregon Liquor Control Commission and the State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission and department 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 and department by sections 7 and 12 of this 2021 Act and the amendments to ORS 475B.025, 475B.550, 475B.555, 475B.560, 475B.565, 475B.600, 475B.605, 475B.610 and 571.330 by sections 1 to 5, 8 to 10 and 13 of this 2021 Act.

SECTION 16. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.

Passed by Senate June 21, 2021

.....
Lori L. Brocker, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House June 24, 2021

.....
Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State

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Volume 1 of 2
MEASURES

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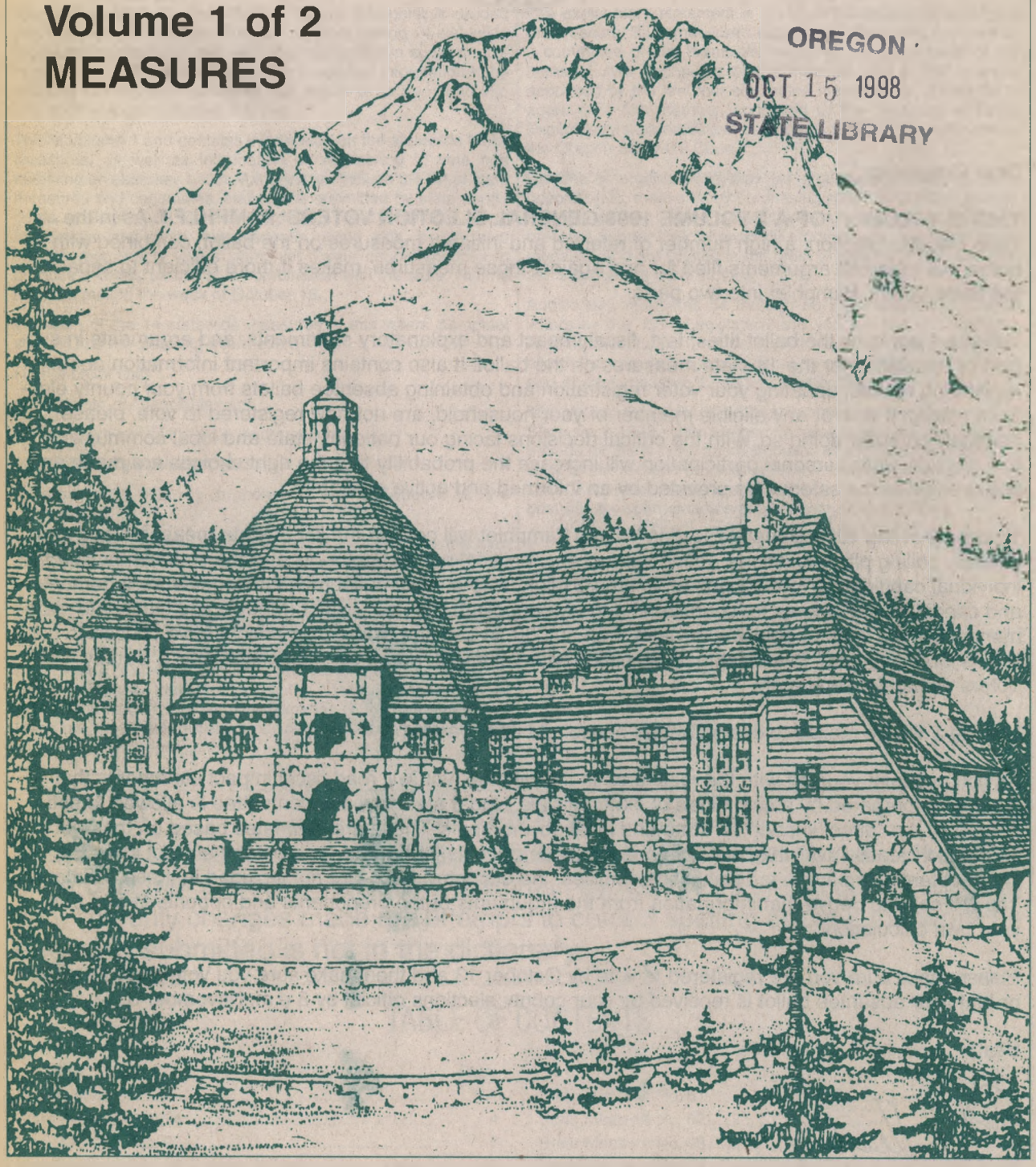

STATE OF OREGON GENERAL ELECTION NOVEMBER 3, 1998

Compiled and Distributed by

Phil Keisling
Secretary of State

This Voters' Pamphlet is the personal property of the recipient elector for assistance at the polls.

PHIL KEISLING
SECRETARY OF STATE
MICHAEL GREENFIELD
DEPUTY SECRETARY OF STATE

STATE OF OREGON
SECRETARY OF STATE
136 STATE CAPITOL
SALEM, OREGON 97310-0722
(503) 986-1500

Dear Oregonian:

THIS IS VOLUME 1 OF A 2 VOLUME 1998 GENERAL ELECTION VOTERS' PAMPHLET. As in the 1996 General Election, a high number of referred and initiated measures on the ballot, combined with numerous measure arguments filed for and against those measures, makes it more efficient to separate the State Voters' Pamphlet into two parts.

Volume 1 contains the ballot titles, text, fiscal impact and explanatory statements, and arguments in support or opposition for the 14 state measures on the ballot. It also contains important information about registering to vote, updating your voter registration and obtaining absentee ballots from your county elections official. If you, or any eligible member of your household, are not now registered to vote, please seriously consider doing so. With the critical decisions facing our national, state and local communities this election, your personal participation will increase the probability that the right choices are made and will strengthen the safeguards provided by an informed and active electorate.

Volume 2 of the 1998 General Election Voters' Pamphlet will contain the list of state measures and candidates, polling place locations, voting instructions, political party statements and the statements filed by individual candidates. Your version of Volume 2 might also contain ballot measures, measure arguments and candidate statements for counties and the Metropolitan Service District (Metro), and candidate statements for cities with a population greater than 50,000. In addition, your county might have chosen to publish its County Voters' Pamphlet in combination with Volume 2. Some counties might mail a County Voters' Pamphlet separately.

Volume 2 will be mailed to every Oregon household next week.

As you acquaint yourself with the measures in this volume, you will read fiscal impact statements that have been prepared by a committee of state officials. Under state law, the committee is allowed to estimate only the "direct impact" on state and local governments. These are estimates based on the best information readily available; indirect consequences or costs that are too conjectural are not included. Other potential impacts—to businesses, families, the economy, etc.—are not included in these estimates. You will need to derive that information from the arguments of the proponents and opponents and from your own calculations.

Please make sure you are registered to vote by October 13 and then make sure you vote on November 3 or that your absentee ballot is received by your county elections official by 8 p.m. November 3.

Best,

Phil Keisling
Secretary of State

On the Cover: *Timberline Lodge, constructed on Mount Hood in 1937 as a Works Progress Administration (WPA) project, is the crown jewel of lodge architecture in Oregon. The cover of this voters' pamphlet is a WPA drawing from the Friends of Timberline Archives, courtesy of Friends of Timberline, PO Box 40580, Portland OR 97240-0580.*

Information

GENERAL

Your official 1998 General Election Voters' Pamphlet is divided into two separate volumes. This is a result of having 14 statewide measures on the ballot and 248 arguments filed in support of or in opposition to these measures. The amount of information to be included in the voters' pamphlet was too large to be bound into one book in a cost-effective manner.

This is Volume 1 and contains information on the statewide ballot measures, as well as information on registering to vote and obtaining an absentee ballot. Volume 2 will include the list of state measures and candidates, statements submitted by state candidates, political party statements, polling place locations, voting instructions and other miscellaneous voting aids. It may also include your county voters' pamphlet if your county chooses to produce a voters' pamphlet in combination with the state. Volume 2 will be mailed the week of October 16.

For each of the 14 statewide measures in this voters' pamphlet you will find the following information:

(1) the ballot title;

(2) estimate of financial impact;

(3) complete text of the proposed measure;

(4) explanatory statement; and

(5) arguments filed by proponents and opponents of the measure.

The ballot title is drafted by the Attorney General's office. It is then distributed to a list of interested parties for public comment. After review of any comments submitted, the ballot title is certified by the Attorney General's office. The certified ballot title can be appealed and may be changed by the Oregon Supreme Court.

The estimate of financial impact for each measure is prepared by a committee of state officials including the Secretary of State, the State Treasurer, the Director of the Oregon Department of Administrative Services and the Director of the Department of Revenue. The committee estimates only the direct impact on state and local governments.

The explanatory statement is an impartial statement explaining the measure. Each measure's explanatory statement is written by a committee of five members, including two proponents of the measure, two opponents of the measure and a fifth member appointed by the first four committee members, or, if they fail to agree on a fifth member, appointed by the Secretary of State. Explanatory statements can be appealed and may be changed by the Oregon Supreme Court.

Citizens or organizations may file arguments in favor of, or in opposition to, measures by purchasing space for $300 or by submitting a petition signed by 1,000 voters. Arguments in favor of a measure appear first, followed by arguments in opposition to the measure, and are printed in the order in which they are filed with the Secretary of State's office.

Additionally, measures 54 through 56 were referred to Oregon voters by the 1997 Legislature and you will find a "Legislative Argument in Support" for each of these measures. Oregon law allows the Legislature to submit, at no cost, an argument in support of each measure it refers to the people.

The Voters' Pamphlet has been compiled by the Secretary of State since 1903, when Oregon became one of the first states to provide for the printing and distribution of such a publication. One copy of the Voters' Pamphlet is mailed to every household in the state. Additional copies are available at the State Capitol, local post offices, courthouses and all county election offices.

ATTENTION:

The State of Oregon prints measure arguments as submitted by the author. The state *does not correct* punctuation, grammar, syntax errors or inaccurate information. The only changes made are attempts to correct spelling errors if the word as originally submitted is not in the dictionary.

TABLE OF CONTENTS

	Page		Page
Absent Voter	161	State Measure No. 61	69
State Measure No. 54	4	State Measure No. 62	78
State Measure No. 55	7	State Measure No. 63	89
State Measure No. 56	12	State Measure No. 64	96
State Measure No. 57	20	State Measure No. 65	123
State Measure No. 58	34	State Measure No. 66	135
State Measure No. 59	42	State Measure No. 67	148
State Measure No. 60	61	Voter Registration	163

ELECTION DAY IS TUESDAY, NOVEMBER 3, 1998
Polls are open from 7 a.m. to 8 p.m.

CONTINUED

Measure No. 54

House Joint Resolution 71—Referred to the Electorate of Oregon by the 1997 Legislature to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

54 AMENDS CONSTITUTION: AUTHORIZES STATE TO GUARANTEE BONDED INDEBTEDNESS OF CERTAIN EDUCATION DISTRICTS

RESULT OF "YES" VOTE: "Yes" vote authorizes state to guarantee general obligation bonds issued by certain education districts.

RESULT OF "NO" VOTE: "No" vote retains prohibition against state guarantee of general obligation bonds issued by education districts.

SUMMARY: Constitution now generally prohibits state from creating debt over $50,000 or lending its credit. Measure amends constitution permitting state to guarantee general obligation bonded indebtedness of school districts, education service districts, community college districts. Limits amount state can guarantee to 1/2 of one percent of true cash value of taxable property in state. State may issue bonds, borrow from Common School Fund to satisfy obligation. Legislature must enact statutes authorizing state to recover from district payments made to satisfy state's guarantee of district debt.

ESTIMATE OF FINANCIAL IMPACT: Reduced interest and issuance costs on indebtedness by participating school districts, education service districts and community college districts are estimated to be $70 million over the next 20 years under this measure. This estimate is based on current levels of bond issuance. There is no financial effect on state government revenues or expenditures.

TEXT OF MEASURE

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-K and to read:

ARTICLE XI-K

SECTION 1. To secure lower interest costs on the general obligation bonds of school districts, education service districts and community college districts, the State of Oregon may guarantee the general obligation bonded indebtedness of those districts as provided in sections 2 to 6 of this Article and laws enacted pursuant to this Article.

SECTION 2. In the manner provided by law and notwithstanding the limitations contained in sections 7 and 8, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred, in an amount not to exceed, at any one time, one-half of one percent of the true cash value of all taxable property in the state, to provide funds as necessary to satisfy the state guaranty of the bonded general obligation indebtedness of school districts, education service districts and community college districts that qualify, under procedures that shall be established by law, to issue general obligation bonds that are guaranteed by the full faith and credit of this state. The state may guarantee the general obligation debt of qualified school districts, education service districts and community college districts and may guarantee general obligation bonded indebtedness incurred to refund the school district, education service district or community college district general obligation bonded indebtedness.

SECTION 3. The Legislative Assembly may provide that reimbursement to the state shall be obtained from, but shall not be limited to, moneys that otherwise would be used for the support of the educational programs of the school district, the education service district or the community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made.

SECTION 4. The State of Oregon may issue bonds if and as necessary to provide funding to satisfy the state's guaranty obligations undertaken pursuant to this Article. In addition, notwithstanding anything to the contrary in Article VIII of this Constitution, the state may borrow available moneys from the Common School Fund if such borrowing is reasonably necessary to satisfy the state's guaranty obligations undertaken pursuant to this Article. The State of Oregon also may issue bonds if and as necessary to provide funding to repay the borrowed moneys, and any interest thereon, to the Common School Fund. The bonds shall be payable from any moneys reimbursed to the state under section 3 of this Article, from any moneys recoverable from the school district, the education service district or the community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made, any other funds available for these purposes and, if necessary, from state ad valorem taxes.

SECTION 5. Bonds of the state issued pursuant to this Article shall be the direct obligations of the state and shall be in such form, run for such periods of time and bear such rates of interest as shall be provided by law. The bonds may be refunded with bonds of like obligation.

SECTION 6. The Legislative Assembly shall enact legislation to carry out the provisions of this Article, including provisions that authorize the state's recovery, from any school district, education service district or community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made, any amounts necessary to make the state whole. This Article shall supersede all conflicting constitutional provisions and shall supersede any conflicting provision of any law, ordinance or charter pertaining to any school district, education service district or community college district.

PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next regular general election held throughout this state.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

CONTINUED

Measure No. 54

EXPLANATORY STATEMENT

Measure 54 amends the Oregon Constitution by creating Article XI-K related to the state's guarantee of general obligation bonds issued by local education districts for the purpose of securing lower interest costs on the bonds.

Measure 54 allows the state to guarantee the payment of general obligation bonds issued by qualified school districts, community college districts and education service districts. The state's guarantee would not alter a district's responsibility to repay its own bonds. The measure would not change voter approval or other requirements districts currently have to meet to issue general obligation bonds.

The Oregon Constitution generally prohibits the state from lending its credit or creating debt or liabilities that exceed $50,000. The measure creates an exception to these prohibitions.

Measure 54 allows the state to pay the guaranteed indebtedness by using available state funds, borrowing from the Common School Fund or issuing state bonds. The measure further allows the state to issue bonds to reimburse moneys borrowed from the Common School Fund. The measure limits the amount of the state bonds that may be issued to one-half of one percent of state taxable property value.

Measure 54 allows for reimbursement to the state for any state or district bond payments from:

1. State funds allocated to the district education programs;
2. Recoverable district funds;
3. Any other funds available for these purposes; and
4. If necessary, a state property tax.

Measure 54 directs the Legislative Assembly to enact legislation to carry out the provisions of the Article.

Committee Members:	Appointed By:
Senator Verne Duncan	President of the Senate
Representative Randall Edwards	Speaker of the House
Bridget Barton	Secretary of State
Senator Lenn Hannon	Secretary of State
Kathleen Beaufait	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

NO ARGUMENTS IN OPPOSITION TO THIS BALLOT MEASURE WERE FILED WITH THE SECRETARY OF STATE.

LEGISLATIVE ARGUMENT IN SUPPORT

VOTE YES TO BENEFIT SCHOOLS AND TAXPAYERS

Measure 54 gives qualified districts the same bond rate as the state to:

- Lower bond costs for many school districts; and
- Save taxpayers money on bond·interest costs.

Measure 54 applies to new voter approved bonds issued by

- School Districts.
- Education Service Districts.
- Community College Districts.

Measure 54

- Allows the state to guarantee payment of bonds.
- Limits total bonds guaranteed by the state.
- Requires districts to qualify for the state guarantee.

MEASURE 54 LOWERS SCHOOL BOND INTEREST RATES

VOTE YES ON MEASURE 54

Committee Members:	Appointed By:
Senator Verne Duncan	President of the Senate
Representative Randall Edwards	Speaker of the House
Representative Ken Strobeck	Speaker of the House

(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)

Measure No. 54

ARGUMENT IN FAVOR

Ballot Measure 54 Saves Schools and Community Colleges Money

As Oregon school districts and community colleges attempt to deliver cost-effective services in an increasingly difficult revenue-raising environment, they are eagerly seeking savings and efficiencies. One example of increased efficiency is the Oregon School Bond Guaranty Act, which I introduced and was passed during the 1997 Legislative session.

In my capacity as State Treasurer I have the opportunity to interact with other states and glean the best of the best in ideas from other states. Measure 54 is one of those ideas. If Measure 54 is approved, Treasury estimates Oregon school districts and community colleges could save over $69 million in the next 20 years by allowing the state to pledge its full faith and credit to guarantee, voter approved, qualified general obligation bonds of participating school districts, education service districts and community colleges.

The Legislative Revenue office says: The Oregon School Bond Guaranty Act "Reduces property taxes due to savings on bond interest."

This Measure is before voters because the State Constitution must be amended to obtain the legal authority to allow the state to guarantee school districts', voter approved, general obligation bonds with the state's AA credit rating. The state's guarantee would not alter a district's responsibility to pay it's own bonds or would it change voter approval or other requirements districts currently need to issue general obligation bonds. Treasury has no record of any school district or community college in Oregon ever defaulting on a general obligation bond.

This program is purely optional on the part of the district. It is a sound and responsible program to use voter approved tax dollars more efficiently. I urge your support.

(This information furnished by Jim Hill, Oregon State Treasurer.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 55

House Joint Resolution 72—Referred to the Electorate of Oregon by the 1997 Legislature to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

55 AMENDS CONSTITUTION: PERMITS STATE TO GUARANTEE EARNINGS ON PREPAID TUITION TRUST FUND

RESULT OF "YES" VOTE: Vote "Yes" to authorize state to guarantee earnings under tuition trust fund program.

RESULT OF "NO" VOTE: Vote "No" to refuse authorization to guarantee earnings under tuition trust fund program.

SUMMARY: Amends Constitution. Measure approval makes effective the Post-secondary Education Expense Program adopted by 1997 Legislature. Program allows payment of undergraduate tuition before enrollment at lower than highest prevailing rate at time of enrollment; establishes trust fund. Measure permits state to exceed constitutional debt limit to authorize indebtedness at 1/2 of one percent of true cash value of all property in state to guarantee minimum benefits on contributions to prepaid tuition trust fund. State may issue bonds; may borrow from Common School Fund, if necessary.

ESTIMATE OF FINANCIAL IMPACT: It is estimated that this measure will require approximately $1,200,000 in total start up costs, in state funds, over the first four years of its operation.

TEXT OF MEASURE

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-K and to read:

ARTICLE XI-K

SECTION 1. In the manner provided by law and notwithstanding the limitations contained in sections 7 and 8, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred in an amount not to exceed, at any one time, one-half of one percent of the true cash value of all taxable property in this state to provide funds as necessary to satisfy state guarantees of minimum benefits or earnings derived from the contributions made to a prepaid tuition trust fund, which shall be created by law. The interests, as defined by law, regulation or contract, of contributors to, or beneficiaries designated by contributors to, the prepaid tuition trust fund shall be guaranteed by the full faith and credit of this state.

SECTION 2. The State of Oregon may issue bonds as necessary to provide funding to satisfy this state's guaranty obligations undertaken pursuant to this Article. In addition, notwithstanding anything to the contrary in Article VIII of this Constitution, this state may borrow available moneys of the Common School Fund if such borrowing is reasonably necessary to satisfy this state's guaranty obligations undertaken pursuant to this Article. The State of Oregon also may issue bonds as necessary to provide funding to repay the borrowed moneys, and any interest thereon, to the Common School Fund. The bonds shall be payable from any funds available for these purposes and, if necessary, from state ad valorem taxes.

SECTION 3. Bonds of this state issued pursuant to this Article shall be the direct obligations of this state and shall be in such form, run for such periods of time and bear such rates of interest as shall be provided by law. The bonds may be refunded with bonds of like obligation.

SECTION 4. The Legislative Assembly shall enact legislation to carry out the provisions of this Article. This Article shall supersede all conflicting constitutional provisions.

PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at the next regular general election held throughout this state.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure amends the Oregon Constitution by creating Article XI-K related to higher education prepaid tuition plans. A higher education prepaid tuition plan allows a contributor to pay for a beneficiary the cost of enrollment in a community college or higher education institution in advance at a rate that is lower than the projected highest prevailing cost at an Oregon public community college or university at the time of enrollment. If the contributor pays the contracted amount, the state guarantees payment of the tuition of the beneficiary at the time of enrollment.

The contract between the contributor and the state creates liabilities and debt for the state. The Oregon Constitution generally prohibits the state from creating debt or liabilities that exceed $50,000. The measure creates an exception to this prohibition. The measure allows the state to lend credit and incur debt to satisfy guarantees made in connection with higher education prepaid tuition trust funds.

The measure allows the state to satisfy the state's obligations to contributors and beneficiaries under prepaid tuition plans by issuing bonds and borrowing from the Common School Fund. The measure allows the state to issue bonds to repay borrowed moneys and interest to the Common School Fund. The measure limits the state bonds to one-half of one percent of the true cash value of all taxable property in the state.

The measure allows the Legislative Assembly to provide for repayment of any state bonds issued from any funds available and, if necessary, from a potential state property tax. The state, in its history, has never defaulted on a general obligation bond nor exercised its authority to collect a statewide property tax to pay off bonds.

The measure directs the Legislative Assembly to enact legislation to carry out provisions of the Article.

Committee Members:	Appointed By:
Senator Tom Hartung	President of the Senate
Representative Peter Courtney	Speaker of the House
Tom Dennehy*	Secretary of State
Senator Lenn Hannon	Secretary of State
Craig Gabriel	Members of the Committee

*Member dissents (does not concur with explanatory statement)

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 55

LEGISLATIVE ARGUMENT IN SUPPORT

A "Yes" vote on Ballot Measure 55 will:

Provide Oregonians and their children with a safe, simple savings plan for education guaranteed by the State of Oregon to protect against the rising cost of tuition

Tuition at Oregon's public universities has risen more than 80% since 1990 while personal incomes have risen only 49% and grant and scholarship spending has decreased. The Legislative Assembly has created a prepaid tuition plan program that is effective upon approval of BM 55. No matter how fast tuition costs rise, the State of Oregon guarantees that the plan, which you purchase based on today's tuition rates, will pay the full tuition costs of any Oregon public community college or university when your student enrolls.

The program works because the prepaid tuition plans are guaranteed by the full faith and credit of the State of Oregon and because the plan's earnings receive favorable tax treatment. All earnings of the plan are state tax exempt and federal tax deferred, with federal taxes assessed at the student's tax rate.

The program is safe. If a purchaser cancels the plan or the student uses only a portion of the benefits, the original investment for any remaining unused benefits can be reclaimed. In some circumstances, the original investment with interest may be reclaimed.

Create a prepaid tuition plan purchased with monthly or lump sum contributions for use at any public or private community college or university in Oregon or out-of-state

The program offers flexible contribution options that work for a purchaser who wants to invest a lump sum or make small payments each month, even through payroll deduction.

The program is designed to cover the full tuition costs of an Oregon public community college or university. The tuition benefits can be applied to enrollment at any accredited public or private educational institution in Oregon or out-of-state.

Committee Members:	Appointed By:
Senator Tom Hartung	President of the Senate
Representative Peter Courtney	Speaker of the House
Representative Mark Simmons	Speaker of the House

(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)

ARGUMENT IN FAVOR

Oregon Needs More than Hope, Dreams and Good Intentions

As an instrumental partner in crafting the prepaid college tuition program for Oregon, I urge your support of Measure 55. Sending a child to college takes more than hopes, dreams and good intentions. **It takes planning.**

Measure 55 will allow Oregon residents – parents, students, relatives and other individuals – to pay in advance for tuition at any accredited community college or not-for-profit institution of higher learning. **Under the program, individuals can purchase a future college education at today's prices.**

Tuition at Oregon's public universities has increased by 80% since 1990. Income has risen only 49%. In the last six years, students have borrowed as much money as they did in the past three decades combined. The average Oregon student graduates $24,000 in debt. The actual cost of $24,000 borrowed at 8% is $36,000. The actual cost of $24,000 saved at 7% is $16,000. This example demonstrates the power of saving versus borrowing, which is the premise of a prepaid tuition plan. Under the prepaid plan, payment options will vary. You can purchase tuition in one lump sum, based on today's tuition rates, or purchase it over a specified period of time, possibly as a monthly payroll deduction.

Measure 55 was crafted so the full-faith-and-credit backing of the state will provide parents the peace of mind that escalating tuition costs or a bad investment will not jeopardize their child's education. This is similar to the guarantee provided to the state's general obligation bonds, which finance critical state projects such as schools and road construction. The state has never defaulted on a general obligation bond nor has it had to collect statewide property taxes to pay off bonds. The state's guarantee is solid.

The earnings from the prepaid tuition plans are state tax-exempt and federally tax deferred and payable at the students' rate.

As we move closer to the 21st century, there is no greater asset to Oregon than that of our children. That's why I am supporting Measure 55. It will give our children a head start on achieving their dreams.

(This information furnished by Jim Hill, Oregon State Treasurer.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 55

ARGUMENT IN FAVOR

VOTE YES ON BALLOT MEASURE 55

Measure 55 Helps Make College More Affordable

Skyrocketing tuition costs are making it more and more difficult for Oregonians to send their children to college. Since 1990, tuition at Oregon's public universities has nearly doubled. Oregon families must find new ways to save for college costs.

Ballot Measure 55 will help make college more affordable by allowing families to safely invest in a new college savings plan.

Under the pre-paid tuition plan set up by Measure 55, Oregonians will be able to buy college tuition at today's prices. The plan allows families to invest their money in a college fund that guarantees future tuition payments to any state university or community college. The money saved can also be used to pay private college tuition.

Ballot Measure 55 ensures Oregonians can lock-in college tuition at today's rates and avoid staggering increases in tuition costs.

Measure 55 Reduces Your Taxes

Under the new college savings program established by Measure 55, Oregonians will be able to defer state and federal taxes owed on income earned in the program. And, when the tuition is paid, the income is taxed at the student's rate.

Measure 55 Guarantees a Safe Investment

Ballot Measure 55 protects any individual's investment in the pre-paid tuition program by guaranteeing it fully by the State. Families will not have to worry about losing their money when investing to save for college.

Dear Voter:

Ballot Measure 55 is a chance to help many Oregon parents fulfill their dream of having their children go to college. Passing Measure 55 is a critical part of a new college savings program that passed overwhelmingly during the 1997 legislative session.

As a father of three young children, I know how important it is to start saving early for a college education. Please join me in supporting Measure 55.

Sincerely,

Randall Edwards
State Representative

(This information furnished by Randall Edwards.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

PARENTS SAY YES TO TUITION SAVINGS PLAN

All parents want a better life for their children--a good job, a nice home, a safe community. These are the things at the heart of the American Dream, and a college education is what makes that dream come true for most people today.

But as parents, we are worried about what will happen when our children are ready to go to college. The average student loan debt for Oregon public university students is more than $17,000 at graduation. What will it be tomorrow?

That is why we urge every parent and every person to vote "Yes" on Measure 55. The children and grandchildren of this state deserve their chance at success, and this measure provides a way for Oregon families to see that they do.

Measure 55, the Pre-Paid Tuition Plan, lets Oregon families put small amounts of money in an account for their children for use when they go to a community college, public university, or independent college. The money grows on a tax-deferred basis, and is there when the students are ready for college.

The most important feature of the Pre-Paid Tuition Plan is that Oregon families can pay for tuition at the rates changed today, for use years later. Small amounts of money that grows over the years, with today's tuition rates "locked in"--that's a graduation gift every Oregon family can start saving for right away, if we just vote "Yes" on Measure 55.

Connie Rush Liz Becker

(This information furnished by Grattan Kerans, Committee to Make College Affordable.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 55

ARGUMENT IN FAVOR

Ballot Measure 55 creates Oregon's Pre-Paid Tuition Program

Measure 55 will create a safe, simple college savings plan for Oregon's families. Oregon' pre-paid tuition program allows Oregon residents to pay in advance for college tuition at any accredited community college or not-for-profit institution of higher learning. Oregon families will be able to purchase a future college education at today's prices.

In 1997 the Oregon Legislative Assembly created Oregon's Pre-Paid tuition program. Ballot measure 55 will guarantee the plan with the "full faith and credit" of the state of Oregon. By offering the full faith and credit of the State, Oregon's Pre-Paid Tuition Program will be able to unequivocally guarantee that anyone who participates in the program will receive the benefit they paid for.

A College Savings Plan for ALL Oregonians!!!

Oregon's Pre-Paid Tuition Program provides students and their parents protection against the rising cost of tuition by locking in today's tuition rates. Oregon's plan will let families buy up to four years' worth of tuition at today's prices, either in monthly installments or as a lump sum. Oregon's plan guarantees that your investment will cover tuition, no matter how much it has risen!

Oregon's Pre-Paid Tuition Program is State Tax Exempt!

All earnings on Oregon's Pre-Paid Tuition Program are tax exempt from the State of Oregon. Federal taxes on the earnings are deferred until the year of use and the tax rate is at the student's level of income.

To keep Oregon's economy growing and to prepare all our children for the next century, there is nothing more important than education. Ballot Measure 55 will make college more affordable for Oregon's working families!

VOTE YES on Ballot Measure 55

State Representative
Peter Courtney

(This information furnished by State Representative Peter Courtney.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

MAKE COLLEGE AFFORDABLE AGAIN FOR THE NEXT GENERATION OF OREGON STUDENTS

When college students went off to campus 20 years ago, they could work all summer at the minimum wage and have enough to pay for tuition with some left over. Today, Oregon students have to work seven or eight months full time at the minimum wage to save enough to pay tuition, with none left over.

So most students work part-time---and borrow the difference. Students like us are caught in this trap--take years longer to get your degree and delay you career, or graduate on time with big student loans to repay. Neither choice is a good one.

There's a better way to have the next generation of Oregon students graduate from one of Oregon's community colleges, public universities, or private colleges, and Measure 55 makes it possible. If it had been available when we were growing up, we could have pre-paid tuition at a much lower rate, and it would have been there when we arrived as freshman.

By voting yes on Measure 55, we will give Oregonians that opportunity in the future: buy tuition at today's price, for use years later when their children are ready to go to college. It's a simple process: Buy all or part of one year's tuition in a calendar year at the price charged today, and it pre-pays all or part of the tuition 15 or 18 years from now.

Today's children can avoid delayed graduation or big student loan payments. Your vote can make a difference--vote yes on measure 55!

MAKE COLLEGE AFFORDABLE AGAIN--VOTE YES ON MEASURE 55

Kelly Koski, OSU*

Eric Van Haggen, Student Body President
Willamette University*

Mike Caudle

Ed Dennis

*Titles used for identification purposes only, and do not constitute an endorsement of the measure by the institutions

(This information furnished by Grattan Kerans, Committee to Make College Affordable.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 55

ARGUMENT IN FAVOR

OREGON HIGHER EDUCATION LEADERS URGE A "YES" VOTE ON MEASURE 55

Dear Fellow Oregonians:

The future of Oregon depends upon a well-educated society, with workers able to succeed in the knowledge-based industries that will dominate our economy in the next century, or applying the latest research in our natural resource businesses.

But Oregonians have to prepare financially for the cost of acquiring higher education for their children and grandchildren. That is why we are urging your yes vote for Measure 55, the Pre-Paid Tuition Program. This simple but valuable tuition pre-payment plan will allow Oregonians to set aside some or all of the cost of tuition at the rate charged now, a substantial savings over what the price may be 15 years or more in the future.

Every Oregon student can gain from this tuition pre-payment plan:

-Community college students
-Public university students
-Independent college and university students

Oregon will gain by approving this forward-looking plan. The future is coming at us at an accelerated rate, and we're banking on our children to be prepared to succeed in that complex world. So let's help Oregon families bank the funds needed to pay tuition when their children are ready to go to college, by voting yes on Measure 55.

David Frohnmayer
President, University of Oregon*

Paul Risser
President, Oregon State University*

Joseph Cox, Chancellor
Oregon University System*

*Titles used for identification purposes only, and do not constitute an endorsement of the measure by the institutions.

(This information furnished by Grattan Kerans, Committee to Make College Affordable.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

If you're in the habit of co-signing notes for strangers, guaranteeing payment on the notes by putting up your property as collateral, then you'd probably have no problem voting for Ballot Measure 55.

On the other hand, if you think only suckers would guarantee the payments for a product someone else purchases, no matter what the product costs, then you'll certainly vote against Ballot Measure 55.

Don't be a sucker. Measure 55 creates more than a billion dollars in new potential property tax liability.

Read Measure 55 carefully, then you'll vote No.

(This information furnished by Don McIntire.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 56

House Bill 2515—Referred to the Electorate of Oregon by the 1997 Legislature to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

56 EXPANDS NOTICE TO LANDOWNERS REGARDING CHANGES TO LAND USE LAWS

RESULT OF "YES" VOTE: "Yes" vote requires governments to mail notice to landowners regarding changes to land use laws.

RESULT OF "NO" VOTE: "No" vote retains current notice requirements, which do not require mailed notice to landowners.

SUMMARY: Requires counties and cities to mail notices to landowners regarding changes to state, local, or metropolitan service district land use laws and regulations that limit or prohibit uses currently allowed on the landowners' property. Requires state government to reimburse counties and cities for costs of mailing notice resulting from changes to state statutes or administrative rules. Requires metropolitan service districts to reimburse counties and cities for costs of mailing notice resulting from changes in district land use regulations. Prescribes form of each notice.

ESTIMATE OF FINANCIAL IMPACT: State government expenditures are estimated to be $2,040,000 annually in notice costs. Local government expenditures, including those of the Metropolitan Service District, are estimated to be $1,547,000 a year.

This estimate is based on 7,000 land use actions per year, of which 3,900 would require some notice under this measure. Actual expenditures may vary based on such variables as the total number of land use actions, the number of actions included in each notice and the costs per notice.

TEXT OF MEASURE

AN ACT

Relating to notice of proposed land use action by local government; creating new provisions; amending ORS 215.503; repealing ORS 215.508; and providing that this Act shall be referred to the people for their approval or rejection.

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

SECTION 1. ORS 215.503 is amended to read:

215.503. (1) As used in this section, "owner" means the owner of the title to real property or the contract purchaser of real property, of record as shown on the last available complete tax assessment roll.

(2) [*Except as otherwise provided by county charter:*]

[*(a)*] All legislative acts relating to comprehensive plans, land use planning or zoning adopted by the governing body of a county shall be by ordinance.

[*(b)*] **(3) Except as provided in subsection (6) of this section and** in addition to the notice required by ORS 215.060, at least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to amend an existing comprehensive plan or any element thereof or to adopt a new comprehensive plan, the governing body of a county shall cause a written individual notice of land use change to be mailed to each owner whose property would have to be rezoned in order to comply with the amended or new comprehensive plan if the ordinance becomes effective.

[*(c)*] **(4)** In addition to the notice required by ORS 215.223 (1), at least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to rezone property, the governing body of a county shall cause a written individual notice of land use change to be mailed to the owner of each lot or parcel of property that the ordinance proposes to rezone.

[*(3)*] **(5)** An additional individual notice of land use change required by subsection [*(2)(b) or (c)*] **(3) or (4)** of this section shall be approved by the governing body of the county and shall describe in detail how the proposed ordinance would affect the use of the property. [*The notice shall be mailed by first class mail to the affected owner at the address shown on the last available complete tax assessment roll.*] **The notice shall:**

(a) Contain substantially the following language in boldfaced type extending from the left-hand margin to the right-hand margin across the top of the face page of the notice:

This is to notify you that (governing body of the county) has proposed a land use regulation that will affect the permissible uses of your land.

(b) Contain substantially the following language in the body of the notice:

On (date of public hearing), (governing body) will hold a public hearing regarding the adoption of Ordinance Number _____. The (governing body) has determined that adoption of this ordinance will affect the permissible uses of your property and may reduce the value of your property.

Ordinance Number _____ is available for inspection at the _____ County Courthouse located at _____. A copy of Ordinance Number _____ also is available for purchase at a cost of _____.

For additional information concerning Ordinance Number _____, you may call the (governing body) Planning Department at ___-_____.

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(6) At least 30 days prior to the adoption or amendment of a comprehensive plan or land use regulation by the governing body of a county pursuant to a requirement of periodic review of the comprehensive plan under ORS 197.628 to 197.636, the governing body of the county shall cause a written individual notice of the land use change to be mailed to the owner of each lot or parcel that will be rezoned as a result of the adoption or enactment. The notice shall describe in detail how the ordinance or plan amendment will affect the use of the property. The notice also shall:

(a) Contain substantially the following language in boldfaced type extending from the left-hand margin to the right-hand margin across the top of the face page of the notice:

This is to notify you that (governing body of the county) has proposed a land use that will affect the permissible uses of your land.

(b) Contain substantially the following language in the body of the notice:

As a result of an order of the Land Conservation and Development Commission, (governing body) has proposed Ordinance Number _____. (Governing Body) has determined that the adoption of this ordinance will affect the permissible uses of your property and may reduce the value of your property.

Ordinance Number _____ will become effective on (date).

Ordinance Number _____ is available for inspection at the _____ County Courthouse located at _____. A copy of Ordinance Number _____ also is available for purchase at a cost of _____.

For additional information concerning Ordinance Number _____, you may call the (governing body) Planning Department at ___-_____.

CONTINUED

Measure No. 56

(7) Notice provided under this section may be included with the tax statement required under ORS 311.250.

(8) Notwithstanding subsection (7) of this section, the governing body of a county may provide notice of a hearing at any time provided notice is mailed by first class mail or bulk mail to all persons for whom notice is required under subsections (3) and (4) of this section.

(9) For purposes of this section, property is rezoned when the governing body of the county:

(a) Changes the base zoning classification of the property; or

(b) Adopts or amends an ordinance in a manner that limits or prohibits land uses previously allowed in the affected zone.

(10) The provisions of this section do not apply to legislative acts of the governing body of the county resulting from action of the Legislative Assembly or the Land Conservation and Development Commission for which notice is provided under section 5 of this 1997 Act, or resulting from a decision of a court of competent jurisdiction.

(11) The governing body of the county is not required to provide more than one notice under this section to a person who owns more than one lot or parcel affected by a change to the local comprehensive plan or land use regulation.

(12) The Department of Land Conservation and Development shall reimburse the governing body of a county for all usual and reasonable costs incurred to provide notice required under subsection (6) of this section.

SECTION 2. Section 3 of this Act is added to and made a part of ORS 227.160 to 227.185.

SECTION 3. (1) As used in this section, "owner" means the owner of the title to real property or the contract purchaser of real property, of record as shown on the last available complete tax assessment roll.

(2) All legislative acts relating to comprehensive plans, land use planning or zoning adopted by a city shall be by ordinance.

(3) Except as provided in subsection (6) of this section, at least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to amend an existing comprehensive plan or any element thereof, or to adopt a new comprehensive plan, a city shall cause a written individual notice of a land use change to be mailed to each owner whose property would have to be rezoned in order to comply with the amended or new comprehensive plan if the ordinance becomes effective.

(4) At least 20 days but not more than 40 days before the date of the first hearing on an ordinance that proposes to rezone property, a city shall cause a written individual notice of a land use change to be mailed to the owner of each lot or parcel of property that the ordinance proposes to rezone.

(5) An additional individual notice of land use change required by subsection (3) or (4) of this section shall be approved by the city and shall describe in detail how the proposed ordinance would affect the use of the property. The notice shall:

(a) Contain substantially the following language in boldfaced type extending from the left-hand margin to the right-hand margin across the top of the face page of the notice:

This is to notify you that (city) has proposed a land use regulation that will affect the permissible uses of your land.

(b) Contain substantially the following language in the body of the notice:

On (date of public hearing), (city) will hold a public hearing regarding the adoption of Ordinance Number _____. The (city) has determined that adoption of this ordinance will affect the permissible uses of your property and may reduce the value of your property.

Ordinance Number _____ is available for inspection at the _____ City Hall located at _____. A copy of Ordinance Number _____ also is available for purchase at a cost of _____.

For additional information concerning Ordinance Number _____, you may call the (city) Planning Department at ___-_____.

---

(6) At least 30 days prior to the adoption or amendment of a comprehensive plan or land use regulation by a city pursuant to a requirement of periodic review of the comprehensive plan under ORS 197.628 to 197.636, the city shall cause a written individual notice of the land use change to be mailed to the owner of each lot or parcel that will be rezoned as a result of the adoption or enactment. The notice shall describe in detail how the ordinance or plan amendment will affect the use of the property. The notice also shall:

(a) Contain substantially the following language in boldfaced type extending from the left-hand margin to the right-hand margin across the top of the face page of the notice:

This is to notify you that (city) has proposed a land use that will affect the permissible uses of your land.

(b) Contain substantially the following language in the body of the notice:

As a result of an order of the Land Conservation and Development Commission, (city) has proposed Ordinance Number _____. (City) has determined that the adoption of this ordinance will affect the permissible uses of your property and may reduce the value of your property.

Ordinance Number _____ will become effective on (date).

Ordinance Number _____ is available for inspection at the _____ City Hall located at _____. A copy of Ordinance Number _____ also is available for purchase at a cost of _____.

For additional information concerning Ordinance Number _____, you may call the (city) Planning Department at ___-_____.

---

(7) Notice provided under this section may be included with the tax statement required under ORS 311.250.

(8) Notwithstanding subsection (7) of this section, a city may provide notice of a hearing at any time provided notice is mailed by first class mail or bulk mail to all persons for whom notice is required under subsections (3) and (4) of this section.

(9) For purposes of this section, property is rezoned when the city:

(a) Changes the base zoning classification of the property; or

(b) Adopts or amends an ordinance in a manner that limits or prohibits land uses previously allowed in the affected zone.

(10) The provisions of this section do not apply to legislative acts of the governing body of the city resulting from action of the Legislative Assembly or the Land Conservation and Development Commission for which notice is provided under section 5 of this 1997 Act, or resulting from a court of competent jurisdiction.

(11) The governing body of the city is not required to provide more than one notice under this section to a person who owns more than one lot or parcel affected by a change to the local comprehensive plan or land use regulation.

(12) The Department of Land Conservation and Development shall reimburse a city for all usual and reasonable costs incurred to provide notice required under subsection (6) of this section,

SECTION 4. Section 5 of this Act is added to and made a part of ORS chapter 197.

CONTINUED

Measure No. 56

SECTION 5. (1) At least 50 days prior to the effective date of a new or amended administrative rule of the Land Conservation and Development Commission or a new or amended land use planning statute enacted by the Legislative Assembly, as described in subsection (3) of this section, the Department of Land Conservation and Development shall cause a written notice of land use change, in substantially the form described in subsection (2) of this section, to be mailed to every local government that exercises land use planning authority under ORS 197.175.

(2) The notice shall contain substantially the following language in the body of the notice:

(a) On (date of rule adoption), the Land Conservation and Development Commission adopted administrative rule (number). The commission has determined that this rule will affect the permissible uses of property in your jurisdiction and may reduce the value of subject property.

Rule (number) is available for inspection at the Department of Land Conservation and Development located at (address). A copy of the rule (number) also is available for purchase at a cost of _____.

For additional information, contact the Department of Land Conservation and Development at (telephone number); or

(b) On (date of enactment) the Legislative Assembly adopted (House/Senate bill number). The Department of Land Conservation and Development has determined that enactment of (House/Senate bill number) will affect the permissible uses of property in your jurisdiction and may reduce the value of subject property.

A copy of (House/Senate bill number) is available for inspection at the Department of Land Conservation and Development located at (address). A copy of (House/Senate bill number) also is available for purchase at a cost of _____.

For additional information, contact the Department of Land Conservation and Development at (telephone number).

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(3) The provisions of this section apply to all statutes and administrative rules of the Land Conservation and Development Commission that limit or prohibit otherwise permissible land uses.

(4) A local government that receives notice under this section shall cause a copy of the notice to be mailed to every owner of real property that will be rezoned as a result of the adoption or enactment of the rule or statute. Notice to a landowner under this subsection shall be mailed at least 30 days prior to the effective date of the subject rule or statute.

(5) The department shall reimburse the local government for all usual and reasonable costs of providing notice required under subsection (4) of this section.

SECTION 6. Section 7 of this Act is added to and made a part of ORS chapter 268.

SECTION 7. (1) At least 50 days prior to the effective date of a new or amended land use planning ordinance of a metropolitan service district, the district shall cause written notice of the new or amended ordinance to be mailed to every government located within the district that exercises land use planning authority under ORS 197.175.

(2) The notice described in this section shall contain substantially the following language in the body of the notice:

On (date of ordinance adoption), the Metropolitan Service District adopted ordinance (number). The district has determined that this ordinance will affect the permissible uses of property in your jurisdiction and may reduce the value of subject property.

Ordinance (number) is available for inspection at the Metropolitan Service District offices located at (address). A copy of the ordinance (number) also is available for purchase at a cost of _____.

For additional information, contact the Metropolitan Service District at (telephone number).

---

(3) A local government that receives notice under this section shall cause a copy of the notice to be mailed to every owner of real property that will be rezoned as a result of the adoption of the ordinance. Notice to a landowner under this subsection shall be mailed at least 30 days prior to the effective date of the subject ordinance.

(4) The district shall reimburse the local government for all usual and reasonable costs of providing notice required under subsection (3) of this section.

SECTION 8. ORS 215.508 is repealed.

SECTION 9. This Act shall be submitted to the people for their approval or rejection at the next regular general election held throughout this state.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure requires cities and counties to provide individual written notice to every landowner when the city or county proposes a new or amended zoning ordinance if the proposed ordinance will limit or prohibit the uses of the landowner's property. This notice must be mailed to the landowner between 20 and 40 days prior to a local hearing on the proposed zoning ordinance. The measure requires individual notice for proposed changes to a city or county comprehensive land use plan that will require changes to existing zoning designations.

The measure also requires the Department of Land Conservation and Development to notify cities and counties when the legislature enacts a new law or the department adopts a new administrative rule that limits or prohibits permissible land uses. Cities and counties that receive notice from the department are required to forward a copy of the notice to each landowner affected by the new rule or statute.

The measure also requires that individual written notice be provided to every landowner affected by a new or amended land use planning ordinance adopted by a metropolitan service district (Metro) if the new or amended ordinance will require changes to local zoning designations in a manner that limits or restricts land uses in the affected area.

The Department of Land Conservation and Development is required to reimburse cities and counties for all costs of providing notice of changes in state land use statutes or state agency rules regulating land use.

Committee Members:	**Appointed By:**
Senator Veral Tarno	President of the Senate
Representative Leslie Lewis	Speaker of the House
Representative Chris Beck	Secretary of State
Arthur J. Schlack	Secretary of State
Roy Burns	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

NO ARGUMENTS IN OPPOSITION TO THIS BALLOT MEASURE WERE FILED WITH THE SECRETARY OF STATE.

CONTINUED

Measure No. 56

LEGISLATIVE ARGUMENT IN SUPPORT

A "Yes" vote on Ballot Measure 56 will:

Ensure that property owners have a "right to know" and receive notice when adverse zoning changes the allowable use of your property

For many Oregonians, home and land are the most valuable property owned. Currently, local governments are not required to provide notice to individual landowners when comprehensive plan or land use and zoning changes affect allowable uses of their land. Restrictions on allowable uses often have tremendous financial effects on landowners. BM 56 requires written notice to affected landowners prior to the effective date of state, local or metropolitan service district changes in land use and zoning regulations.

Save taxpayer money and needless lawsuits

Each year, lawsuits are filed by taxpayers against state and local governments as a result of comprehensive plan or land use and zoning changes. These lawsuits costs individual citizens and local governments thousands of dollars. BM 56 will reduce these lawsuits by providing people with information about proposed land use changes and an opportunity to react to those changes before they take effect.

Increase citizen involvement in and governmental accountability for land use planning

Currently, counties are required to publish notice of planned changes in a local newspaper, and affected landowners may learn of land use changes only after the decision has been made. Individual notice prior to the proposed change means landowners can participate in the decision-making process. Government benefits from greater citizen involvement.

Provide funding to local governments for the costs of mandated notice

When proposed changes in the comprehensive plan or land use and zoning ordinances are mandated by the state or a metropolitan service district, the state or district must reimburse affected cities and counties for the costs of notice incurred.

Provide cost effective options for individual notice

BM 56 authorizes local governments to reduce costs associated with individual written notice to landowners by using bulk mail or including notice in property tax statements.

Committee Members:	Appointed By:
Senator Veral Tarno	President of the Senate
Representative Mike Fahey	Speaker of the House
Representative Leslie Lewis	Speaker of the House

(This Joint Legislative Committee was appointed to provide the legislative argument in support of the ballot measure pursuant to ORS 251.245.)

ARGUMENT IN FAVOR

VOTE YES ON MEASURE 56

Ask yourself this question:

If your state or local government was considering changing the zoning laws on your land...
Changes that would affect the value of your land...
Changes that would restrict what you could do on your own property...
Wouldn't you want to know about it?

That's all Measure 56 requires...
A postcard to inform you in writing that the rules on your land are changing.
Nothing more, nothing less.

It's fair...It's good government...It's long overdue

Please Vote Yes on Measure 56.

If you would like more information on Ballot Measure 56, please call Citizens For an Informed Public at (503) 620-0258.

(This information furnished by David Hunnicutt, Citizens for An Informed Public.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 56

ARGUMENT IN FAVOR

SUPPORT LOCAL PLANNING AND CITIZEN INVOLVEMENT

The Oregon Association of Realtors® asks you to Vote Yes on Ballot Measure 56.

We believe that local citizens should be allowed to participate in designing their own communities. Too often, important zoning changes are made in communities and neighborhoods, without citizen involvement.

But how can citizens be involved if they don't know that changes are being proposed? Ballot Measure 56 will help fix this problem.

Ballot Measure 56 will ensure that you receive a notice of proposed changes to the zoning laws before the uses on your property are restricted or eliminated.

In most instances, notices could be included in the yearly tax statement, eliminating the cost of a separate mailing.

Too often Oregonians purchase property unaware of zoning changes made by local government. Proper notification will help reduce expensive litigation.

That's why we support Ballot Measure 56, and urge you to Vote Yes on this important measure.

(This information furnished by John F. Scott, President, Oregon Association of Realtors.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

I lost my land and life savings.
And I didn't even know it was happening.

It started in 1986, when I bought 40 acres of land in Central Oregon
Filled with stone, sage and juniper, the land was divided into three buildable lots.
I planned to build my retirement home there one day.

But my life changed on a dime one day when I was injured on the job and was unable to work as a heavy equipment operator.

A year later, I put one of the parcels up for sale,
hoping to use the proceeds to pay for job re-training and living expenses while I continued to look for work.

Within days, I had an offer of $150,000 for just one of the parcels.
But I soon learned that the year before, the rules governing my land had changed, and I could no longer build on my property
My land is now worthless.

I was never notified the rules governing my property had changed.
I was never notified that I could no longer build on my land.
I never had the chance to register my concerns or complaints.
I never had the chance to be involved in the process that stripped my land of all its value.

That's why I support Measure 56.

All Measure 56 does is make sure state and local governments notify landowners in writing that changes to their land are being considered, that the use of their property may be restricted.
It's that simple.

All I wanted was a chance to state my case.
If Measure 56 had been law back then, I would have had the chance to speak my piece.

Please ... Vote Yes on Measure 56
Protect Your Land.
Protect Your Future.

Jim Watts

(This information furnished by Jim Watts.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 56

ARGUMENT IN FAVOR

The Oregon State Grange Asks You to Vote Yes on Measure 56

The Oregon State Grange is the largest grassroots, rural-based fraternal organization in Oregon.

Grange members throughout Oregon support Ballot Measure 56. Ballot Measure 56 will increase citizen involvement and participation with state and local government, and will cut down on needless litigation and taxpayer spending.

An Ounce Of Prevention Is Worth A Pound Of Cure!

Every year, average Oregon landowners spend thousands of dollars in legal fees to fix zoning mistakes made by state and local governments. At this same time, state and local governments spend thousands of tax dollars in these cases.

In many instances, these mistakes could have been avoided for the cost of a postcard. A postcard which informed the landowner that the zoning laws on his property were being changed, and giving the landowner a telephone number to call for additional information.

The cost to mail these postcards is less than twenty-five cents, but the savings to the landowner and to state and local governments can be tremendous.

Is a simple postcard too much to ask for?

We don't think so, and neither should you.

Do we as taxpayers have a right to know when government is changing the zoning of our property?

Yes, of course we do, and by voting yes we can reclaim that right!

Ballot Measure 56 is about fairness and good government. Vote "Yes" on Measure 56.

(This information furnished by Edward L. Luttrell, Oregon State Grange.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

The Oregon AFL-CIO urges you to vote yes on Ballot Measure 56.

IT'S ALL ABOUT FAIRNESS

We support Measure 56 because it's fair and simple.

Like all other Oregonians, our members deserve to know that laws are being changed that will affect their homes and property. They deserve the opportunity to participate with their elected officials in creating the new rules and regulations. They deserve the right to be involved in the decision making process.

Ballot Measure 56 will help guarantee these rights. Written notification of pending changes to your property gives everyone the right to be a part of the process.

We appreciate the hard work and efforts of our state and local governments.
But our system won't work unless all Oregonians are entitled to be heard.

That is why Ballot Measure 56 is important.

Please Vote Yes on Ballot Measure 56.

Sincerely,

Irv Fletcher
President, Oregon AFL-CIO

(This information furnished by Irv Fletcher, President, Oregon AFL-CIO.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 56

ARGUMENT IN FAVOR

From the Desk of State Senator Veral Tarno

Dear Voter:

I ask you to join me in voting "Yes" on Ballot Measure 56.

Ballot Measure 56 is a simple measure. It requires state and local governments to notify landowners in writing that changes to zoning laws affecting their land are being considered.

I believe very strongly in Ballot Measure 56. As a member of the Oregon legislature, I believe that we have an obligation to every Oregonian to keep you informed of changes we make that will affect your home and property. The same goes for state agencies and local governments.

As the Chairman of the Senate Water and Land Use Committee, I heard all of the arguments concerning Ballot Measure 56. During this time, not one person argued that it was a bad idea to notify landowners of changes that affect their property. Not one.

If we are going to change the law, the least we can do is let you know about it.

Please join me in voting "Yes" on Measure 56.

Very Truly Yours,

Veral Tarno
State Senator, District 24

(This information furnished by Senator Veral E. Tarno.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

Oregonians In Action is an organization representing individual home and landowners. Oregonians In Action asks that you Vote Yes on Ballot Measure 56, a measure designed to encourage citizen participation and opens lines of communication between landowners and state and local government.

PROTECT YOUR HOME AND LAND

If you are like most Oregonians, your home and your land are the most valuable asset you own. Ballot Measure 56 will protect the value of your home and land by requiring that you receive a postcard before the state or local government restricts the uses that you can make on you property.

DOESN'T GOVERNMENT ALREADY DO THAT?

Under our current laws, state and local governments are not required to notify you before they make changes to their zoning laws that affect your property. This is unfair. All of us have the right to know that changes are being proposed that will affect what we can do with our property.

BALLOT MEASURE 56 REQUIRES MAILED NOTICE

Ballot Measure 56 does not change any zoning laws.

It doesn't make it easier or more difficult to use your property.

What it does, however, is tremendously important. Ballot Measure 56 ensures that you are informed of changes to zoning laws that affect your property, before the changes take effect. If you are notified, you can participate in any meetings on the proposed zoning changes, and you can join together with friends and neighbors who share your concerns.

Ballot Measure 56 is about fairness.
It's about citizen involvement.
It's about good government.

If you would like more information about Ballot Measure 56, please contact Oregonians In Action at (503) 620-0258.

Vote Yes on Ballot Measure 56.

(This information furnished by Larry George, Oregonians In Action.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 56

ARGUMENT IN FAVOR

Goal #1 of Oregon's Land Use Planning System is Citizen Involvement.

The founders of our land use planning system believed in the preservation of our resource lands. In order to achieve success, they granted the government power to influence the way in which people use their land. Their intention was to have those who owned the land work in partnership with the government for the benefit of all.

Oftentimes it is argued that involving the public is too cumbersome and takes too much time. **Measure 56 will help put an end to the rush decisions made by government officials behind closed doors**. Measure 56 was designed precisely to involve those citizens in our land use process who will be most affected by the decisions of our government.

Measure 56 merely states that if our government wishes to alter the way in which we currently are able to use our property, they must inform us. Period. **Simple, logical, reasonable**. That is what Measure 56 really is. A plain and simple, common sense adjustment to help citizens become involved and knowledgeable partners in our land use planning system.

Please join me in helping pass Measure 56, the cornerstone necessary to make Goal #1 of our planning system something more than mere words on a piece of paper. Citizen involvement is something for which we should strive in all areas of government. Make it part of our land use system.

Vote Yes on Measure 56

Senator Thomas Wilde
Portland

(This information furnished by Senator Thomas Wilde.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

Twenty years ago, I spent $60,000 on a 2 acre parcel of land in Multnomah County. Today, that land is worthless.

That is the reason I support Measure 56 - the landowner notification measure.

Back then, $60,000 was a lot of money for anyone to spend, especially for a recently retired Army Major.

I did everything I could to be careful before I bought the property. I checked with the county and made sure that they would let me build a home there. I was assured that I could.

Three years ago, I decided to sell my land.
It was then I discovered that the county had changed the zoning on my property without my knowledge
It was then that I learned for the first time I could no longer build a home on the land I had owned for almost two decades.

Worst of all, I was never notified the rules on my land had changed.
It would have been a simple matter to send me a postcard telling me the county was considering changing the rules.

- **I deserved the right to know the county was changing the zoning on my property.**
- **I deserved the right to participate in the hearings when the county rezoned my property.**
- **But I didn't get that right...and now my land is worthless.**

Vote YES on 56

Measure 56 will guarantee that every landowner receives written notice if the rules governing their land are about to change. It will guarantee your right to be involved when government is making decisions about your property.

I'm not a politician...and I don't represent any special interest groups. I'm just an average Oregon who fell victim to an unfair practice.

Ballot Measure 56 is about fairness.
That's why I support it.
I hope you will too.

Sincerely,

Bill Hackett

(This information furnished by Bill Hackett.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 57

Proposed by referendum petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

57 MAKES POSSESSION OF LIMITED AMOUNT OF MARIJUANA CLASS C MISDEMEANOR

RESULT OF "YES" VOTE: "Yes" vote makes possession of less than one ounce of marijuana a Class C misdemeanor.

RESULT OF "NO" VOTE: "No" vote retains statute making possession of less than one ounce of marijuana a violation.

SUMMARY: Under current Oregon law, possession of less than one ounce of marijuana is a violation, punishable by 500 to 1000 dollar fine; charges against first-time offenders may be dismissed upon completion of marijuana diversion agreement. Measure makes possession of less than one ounce of marijuana a Class C misdemeanor, punishable by up to 30 days imprisonment, plus 500 to 1000 dollar fine. Measure also makes failure to complete diversion agreement ground for six-month suspension of offender's driving privileges. Allocates $600,000 for enforcement.

ESTIMATE OF FINANCIAL IMPACT: Direct state expenditures for law enforcement, indigent defense, court operation, and jury payments are estimated at $586,000 annually. A one-time cost of $50,000 would be required for Driver and Motor Vehicle Services computer programming. State expenditures could increase or decrease depending on the number of cases prosecuted, the number of individuals entering diversion agreements, and the number of defendants eligible for court-appointed counsel.

Direct county expenditures for local jail beds are estimated at $229,000 annually. Local expenditures could increase or decrease depending on the length of sentences imposed by the courts, population management decisions of jail commanders, and management of offenders on probation or post-release supervision.

State fine revenues are estimated to be reduced by $638,000 annually.

Major assumptions for these estimates include:

- 6,000 arrests per year.
- 50 percent of arrests will be prosecuted as misdemeanors, 40 percent will be prosecuted as violations, and 10 percent will result in a diversion agreement.
- 50 percent of all arrests will result in an average of one day of county jail time.
- 54 percent of arrests prosecuted as violations and 40 percent of arrests prosecuted as misdemeanors will result in convictions.
- The minimum fine of $500 will be assessed for all misdemeanor convictions and maximum fine of $250 will be assessed for all violations convictions.
- 40 percent of fines assessed for misdemeanor convictions and 78 percent of fines assessed for violation convictions will be collected.

TEXT OF MEASURE

AN ACT

Relating to controlled substances; amending ORS 135.907, 135.919, 419C.443, 475.992 and 809.410; and appropriating money.

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

SECTION 1. ORS 475.992 is amended to read:

475.992. (1) Except as authorized by ORS 475.005 to 475.285 and 475.940 to 475.995, 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.

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

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

(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) Notwithstanding the placement of marijuana in a schedule of controlled substances under ORS 475.005 to 475.285 and 475.940 to 475.995:

(a) Any person who delivers marijuana for consideration is guilty of a Class B felony.

(b) Any person who delivers, for no consideration, less than one avoirdupois ounce of the dried leaves, stems and flowers of the plant Cannabis family Moraceae is guilty of a Class A misdemeanor, except that any person who delivers, for no consideration, less than five grams of the dried leaves, stems and flowers of the plant Cannabis family Moraceae is guilty of a violation, punishable by a fine of not less than $500 and not more than $1,000. Fines collected under this paragraph shall be forwarded to the Department of Revenue for deposit in the Criminal Fine and Assessment Account established in ORS 137.300.

(3) Except as authorized in ORS 475.005 to 475.285 and 475.940 to 475.995, 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.

(4) It is unlawful for any person knowingly or intentionally to possess a controlled substance 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 475.940 to 475.995. Any person who violates this subsection with respect to:

(a) A controlled substance in Schedule I, is guilty of a Class B felony.

(b) A controlled substance in Schedule II, is guilty of a Class C felony.

(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.

(f) Notwithstanding the placement of marijuana in a schedule of controlled substances under ORS 475.005 to 475.285 and 475.940 to 475.995, any person who knowingly or intentionally is in unlawful possession of less than one avoirdupois ounce of the

CONTINUED

Measure No. 57

dried leaves, stems and flowers of the plant Cannabis family Moraceae is guilty of a [*violation, punishable by a*] **Class C misdemeanor. In addition to any other sentence it may impose for a conviction under this paragraph, the court shall include in the sentence an order to pay a** fine of not less than $500 and not more than $1,000. Fines collected under this paragraph shall be forwarded to the Department of Revenue for deposit in the Criminal Fine and Assessment Account established under ORS 137.300.

(5) 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.

(6) The affirmative defense created in subsection (5) 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.

SECTION 2. ORS 135.919 is amended to read:

135.919. (1) At any time before the court dismisses with prejudice the charge of possession of less than one ounce of marijuana, the court on its own motion or on the motion of the district attorney may issue an order requiring the defendant to appear and show cause why the court should not terminate the diversion agreement. The order to show cause shall state the reasons for the proposed termination and shall set an appearance date.

(2) The order to show cause shall be served on the defendant and on the defendant's attorney, if any. Service may be made by first class mail, postage paid, addressed to the defendant at the mailing address shown on the diversion petition and agreement or at any other address that the defendant provides in writing to the court.

(3) The court shall terminate the diversion agreement and continue the offense proceeding if:

(a) At the hearing on the order to show cause, the court finds by a preponderance of the evidence that any of the reasons for termination described in this section exist; or

(b) The defendant fails to appear at the hearing on the order to show cause.

(4) If the court terminates the diversion agreement and continues the offense proceeding, the court:

(a) On the defendant's motion and for good cause shown, may reinstate the diversion agreement at any time before conviction, acquittal or dismissal with prejudice.

(b) If the defendant is convicted, may take into account at time of sentencing any partial fulfillment by the defendant of the terms of the diversion agreement.

(c) Shall send a notice of the failure to complete diversion to the Department of Transportation.

(5) The court shall terminate a diversion agreement under this subsection for any of the following reasons:

(a) If the defendant has failed to fulfill the terms of the diversion agreement.

(b) If the defendant did not qualify for the diversion agreement.

SECTION 3. ORS 419C.443 is amended to read:

419C.443. (1) Except when otherwise provided in subsection (3) of this section, when a youth is found to be within the jurisdiction of the court under ORS 419C.005 for a first violation of the provisions under ORS 475.992 prohibiting delivery for no consideration of less than five grams of marijuana or prohibiting possession of less than one ounce of marijuana, the court shall order an evaluation and designate agencies or organizations to perform diagnostic assessment and provide programs of information and treatment. The designated agencies or organizations must meet the standards set by the Assistant Director for Alcohol and Drug Abuse Programs. Whenever possible, the court shall designate agencies or organizations to perform the diagnostic assessment that are separate from those that may be designated to carry out a program of information or treatment. The parent of the youth shall pay the cost of the youth's participation in the program based upon the ability of the parent to pay. The petition shall be dismissed by the court upon written certification of the youth's successful completion of the program from the designated agency or organization providing the information and treatment.

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

(3) The court is not required to make the disposition required by subsection (1) of this section if the court determines that the disposition is inappropriate in the case or if the court finds that the youth has previously entered into a formal accountability agreement under ORS 419C.239 (1)(i).

(4) If the youth fails to complete the program specified by the diagnostic assessment, the court shall send notice to the Department of Transportation of the youth's failure to complete the program.

SECTION 4. ORS 809.410 is amended to read:

809.410. This section, ORS 813.400 and 813.403 establish grounds for the suspension and revocation of driving privileges and commercial driver licenses by the Department of Transportation, whether the suspension or revocation is mandatory or permissive, the length of time the suspensions will be effective and special provisions relating to certain suspensions and revocations. Hearing and administrative review procedures for this section, ORS 813.400 and 813.403 are established under ORS 809.440. The following apply as described:

(1) Any degree of murder, manslaughter, criminally negligent homicide or assault resulting from the operation of a motor vehicle constitutes grounds for revocation of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall revoke the driving privileges or right to apply for driving privileges.

(b) The revocation shall be for a period described in this paragraph except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings. The period of revocation shall be:

(A) Except as provided in subparagraph (B) of this paragraph, eight years from the date the person is released from incarceration, if the sentence includes incarceration. If the sentence does not include incarceration, the period of revocation shall begin on the date the department receives the record of conviction.

(B) One year if the revocation is for an assault that is not punishable as a felony. The period of revocation shall begin on the date the person is released from incarceration, if the sentence includes incarceration. If the sentence does not include incarceration, the period of revocation shall begin on the date the department receives the record of conviction.

(c) A person is entitled to administrative review of a revocation under this subsection.

(d) The provisions of this subsection do not apply to a person whose driving privileges are ordered revoked under ORS 809.235.

(2) Any degree of recklessly endangering another person, menacing or criminal mischief resulting from the operation of a motor vehicle constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall suspend the driving privileges or right to apply for driving privileges.

(b) A person is entitled to administrative review of a suspension under this subsection.

(c) A suspension under this subsection shall be for a period described under Schedule I of ORS 809.420, except that the department shall not reinstate any driving privileges to the person until the person has complied with future responsibility filings.

(3) Perjury or the making of a false affidavit to the department

CONTINUED

Measure No. 57

under any law of this state requiring the registration of vehicles or regulating their operation on the highways constitutes grounds for revocation of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall revoke the driving privileges or right to apply for driving privileges.

(b) The revocation shall be for a period of one year from the date of revocation except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) A person is entitled to administrative review of a revocation under this subsection.

(4) Any felony conviction with proof of a material element involving the operation of a motor vehicle constitutes grounds for revocation of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall revoke the driving privileges or right to apply for driving privileges.

(b) The revocation shall be for a period of one year from the date of revocation except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) A person is entitled to administrative review of a revocation under this subsection.

(5) Failure to perform the duties of a driver to injured persons under ORS 811.705 constitutes grounds for revocation of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall revoke the driving privileges or right to apply for driving privileges.

(b) Except as provided in paragraph (c) of this subsection, the revocation shall be for a period of one year from the date of revocation except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) If the court indicates on the record of conviction that a person was killed as a result of the accident, the revocation shall be for a period of five years. The period of revocation shall begin on the date the person is released from incarceration, if the sentence includes incarceration. If the sentence does not include incarceration, the period of revocation shall begin on the date the department receives the record of conviction.

(d) A person is entitled to administrative review of a revocation under this subsection.

(6) Reckless driving constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall suspend the driving privileges or right to apply for driving privileges.

(b) The suspension shall be for the periods of time described under Schedule I of ORS 809.420 except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) A person is entitled to administrative review of a suspension under this subsection.

(7) Failure to perform duties of a driver when property is damaged under ORS 811.700 constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) Upon receipt of a record of conviction of an offense described in this subsection, the department shall suspend the driving privileges or right to apply for driving privileges.

(b) The suspension shall be for the periods of time described under Schedule I of ORS 809.420 except the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) A person is entitled to administrative review of a suspension under this subsection.

(8) Fleeing or attempting to elude a police officer under ORS 811.540 constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) Upon receipt of a conviction for an offense described in this subsection, the department shall suspend the driving privileges or right to apply for driving privileges.

(b) The suspension shall be for a period described under Schedule I of ORS 809.420 except the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings.

(c) A person is entitled to administrative review of a suspension under this subsection.

(9) Failure to file accident reports required under ORS 811.725 or 811.730 constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges or right to apply for driving privileges if the person fails to make the required accident reports.

(b) The suspension shall continue until the person makes the required reports and complies with future responsibility filings or for five years from the date of suspension, whichever is sooner.

(10) Failure to make future responsibility filing described in this subsection constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges or right to apply for driving privileges of a person who fails to comply with future responsibility filings whenever required under the vehicle code or to provide new proof for future responsibility filings when requested by the department.

(b) The suspension shall continue until the person complies with future responsibility filings.

(c) A person whose initial obligation to make future responsibility filings is not based upon a conviction or other action by a court is entitled to a contested case hearing prior to a suspension under this subsection. A person whose obligation to make future responsibility filings is based upon a conviction or other action by a court is entitled to administrative review of a suspension under this subsection. A person whose suspension under this subsection is based on lapses in filing after the initial filing has been made is entitled to administrative review.

(11) Failure to settle judgments as described in this subsection constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges or right to apply for driving privileges if a person has a judgment of the type described under ORS 806.040 rendered against the person and the person does not settle the judgment in the manner described under ORS 809.470 within 60 days after its entry.

(b) A suspension under this subsection shall continue until the person complies with future responsibility filings and does one of the following:

(A) Settles the judgment in the manner described in ORS 809.470.

(B) Has an insurer which has been found by the department to be obligated to pay the judgment provided that there has been no final adjudication by a court that such insurer has no such obligation.

(C) Gives evidence to the department that a period of seven years has elapsed since the entry of the judgment.

(D) Receives from the court that rendered the judgment an order permitting the payment thereof in installments.

(c) A person is entitled to administrative review of a suspension under this subsection.

(12) False certification of financial responsibility requirements constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges or right to apply for driving privileges if a person falsely certifies the existence of a motor vehicle liability insurance policy or the existence of some other means of satisfying financial responsibility requirements or if a person, after certifying the existence of a motor vehicle liability insurance policy or other means of satisfying the requirements, allows the policy to lapse or be canceled or otherwise fails to remain in compliance with financial responsibility requirements.

(b) The department shall only suspend under this subsection if proof of compliance with financial responsibility requirements as of the date of the letter of verification from the department under

CONTINUED

Measure No. 57

ORS 806.150 is not submitted within 30 days after the date of the mailing of the department's demand therefor under ORS 806.160.

(c) The suspension shall continue until the person complies with future responsibillty filings.

(13) Failure to take examination upon request of the department under ORS 807.340 constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges or right to apply for driving privileges of a person if the department requests the person to submit to examination under ORS 807.340 and the person fails to appear within a reasonable length of time after being notified to do so or fails to satisfactorily complete the required examination.

(b) The suspension shall continue until the examination required by the department is successfully completed.

(c) Upon suspension under this subsection, the department may issue an identification card to the person for identification purposes as described under ORS 807.400.

(14) Failure to obtain required medical clearance under ORS 807.070 or 807.090 upon request by the department constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department shall suspend the driving privileges of the person if the department requests the person to obtain medical clearance described by this subsection and the person fails to do so.

(b) The suspension under this subsection shall continue until the required medical clearance is received by the department.

(15) Causing or contributing to an accident resulting in death or injury to any other person or serious property damage through incompetence, recklessness, criminal negligence or unlawful operation of a motor vehicle constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department immediately may suspend the driving privileges of any person without hearing and without receiving a record of the conviction of such person of crime if the department has reason to believe that the person may endanger people or property if not immediately suspended. Any suspension under this paragraph shall be subject to a post-imposition hearing under ORS 809.440.

(b) A suspension under this subsection shall continue for a period determined by the department and be subject to any conditions the department determines necessary.

(16) Incompetence to drive a motor vehicle because of a mental or physical condition rendering it unsafe for a person to drive a motor vehicle upon the highways constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department immediately may suspend the driving privileges of any person without hearing and without receiving a record of the conviction of such person of crime if the department has reason to believe that the person may endanger people or property if not immediately suspended. A suspension under this paragraph shall be subject to a post-imposition hearing under ORS 809.440 except that a person who has submitted a certificate of eligibility under ORS 807.090 is entitled only to administrative review of a suspension.

(b) A suspension under this subsection shall continue for a period determined by the department and be subject to any conditions the department determines necessary.

(17) Habitual incompetence, recklessness or criminal negligence of a driver of a motor vehicle or committing a serious violation of the motor vehicle laws of this state constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department immediately may suspend the driving privileges of any person without hearing and without receiving a record of the conviction of such person of crime if the department has reason to believe that the person may endanger people or property if not immediately suspended. Any suspension under this paragraph shall be subject to a post-imposition hearing under ORS 809.440.

(b) A suspension under this subsection shall continue for a period determined by the department and be subject to any conditions the department determines necessary.

(18) A conviction under ORS 811.700 or 811.705 for failure to perform the duties of a driver while operating a commercial motor vehicle or any conviction of a crime punishable as a felony involving the operation of a commercial motor vehicle constitutes grounds for commercial driver license suspension. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall suspend the commercial driver license or right to apply for a commercial driver license of the person convicted.

(b) The suspension shall be for a period of time according to the following:

(A) If the person's commercial driver license has not previously been suspended under this subsection, ORS 813.403 or 813.410 (2) and the person was not driving a commercial motor vehicle containing a hazardous material at the time the offense was committed, the suspension shall be for a period of one year.

(B) If the person's commercial driver license has not previously been suspended under this subsection, ORS 813.403 or 813.410 (2) and the person was driving a commercial motor vehicle containing a hazardous material at the time the offense was committed, the suspension shall be for a period of three years.

(C) If the person's commercial driver license has previously been suspended under this subsection, ORS 813.403 or 813.410 (2), the suspension shall be for the lifetime of the person.

(c) A person is entitled to administrative review of a suspension under this subsection.

(19) Use of a commercial motor vehicle in the commission of a crime punishable as a felony involving the manufacturing, distributing or dispensing of a controlled substance constitutes grounds for commercial driver license suspension. The following apply to this subsection:

(a) Upon receipt of a record of conviction for an offense described in this subsection, the department shall suspend the commercial driver license or right to apply for a commercial driver license of the person convicted.

(b) The suspension shall be for the lifetime of the person.

(c) A person is entitled to administrative review of a suspension under this subsection.

(d) "Controlled substance" has the meaning given that term in ORS 475.005 (6).

(20) Incompetence to operate a motorcycle constitutes grounds for revocation of a motorcycle indorsement. The following apply to this subsection:

(a) Whenever the department has reason to believe an individual with a motorcycle indorsement under ORS 807.170 comes within the grounds described in this subsection, the department may revoke the indorsement.

(b) Upon revocation under this subsection, the license shall be surrendered to the department.

(c) Upon surrender of the indorsed license, the department may issue a license without indorsement for the unexpired period of the license.

(21) The department forthwith shall suspend the driving privileges of any person for a period of time required by this subsection if the person is involved in a motor vehicle accident at any time when the department determines the person has been operating a vehicle in violation of ORS 806.010. A suspension under this subsection shall be for a period of one year except that the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filing requirements.

(22) Upon notification by the superintendent of a hospital under ORS 807.700 that a person should not drive, the department shall immediately suspend the driving privileges of the released person. A suspension under this subsection is subject to administrative review and shall continue until such time as the person produces a judicial decree of competency or a certificate from the superintendent of the hospital that the person is competent or establishes eligibility under ORS 807.090.

(23) Upon notification by a court under ORS 153.625 that a person charged with a traffic offense has been found guilty except

CONTINUED

Measure No. 57

for insanity and committed to the jurisdiction of the Psychiatric Security Review Board, the department shall immediately suspend the driving privileges of the person. A suspension under this subsection is subject to administrative review and shall continue until such time as the person establishes eligibility under ORS 807.090.

(24) The department shall suspend driving privileges when provided under ORS 809.290. The suspension shall continue until the earlier of the following:

(a) The person establishes to the satisfaction of the department that the person has performed all acts necessary under ORS 809.290 to make the person not subject to suspension.

(b) Five years from the date the suspension is imposed.

(c) A person is entitled to administrative review of a suspension under this subsection.

(25) Criminal trespass under ORS 164.245 that involves the operation of a motor vehicle constitutes grounds for suspension of driving privileges. The following apply to suspension on grounds described in this subsection:

(a) Upon receipt of a conviction for an offense described in this subsection, the department shall suspend the driving privileges or right to apply for driving privileges of the person convicted for a period of six months from the date of suspension.

(b) A person is entitled to administrative review of a suspension under this subsection.

(26) Agreements entered under ORS 802.530 may establish grounds and procedures for the suspension of driving privileges.

(27) Violation of restrictions placed on driving privileges under ORS 807.120 or 809.310 constitutes grounds for suspension of driving privileges. The following apply to this subsection:

(a) The department immediately may suspend the driving privileges of any person without hearing and without receiving a record of the conviction of such person of crime if the department receives satisfactory evidence that the person has violated restrictions placed on the person's driving privileges. Any suspension under this paragraph shall be subject to a post-imposition hearing under ORS 809.440.

(b) A suspension under this subsection shall continue for a period determined by the department, but in no event for longer than one year, and shall be subject to any conditions the department determines necessary.

(28)(a) The department shall suspend driving privileges as provided under ORS 809.405.

(b) The suspension shall continue until the person reaches 18 years of age or until the suspension is terminated as provided in ORS 809.405.

(c) A person is entitled to administrative review of a suspension under this subsection.

(29) Upon receipt of a record of a person's second conviction of a serious traffic violation within a three-year period, the department shall suspend the person's commercial driver license or right to apply for a commercial driver license if the convictions arose out of separate incidents. A suspension under this subsection shall be for a period of 60 days. A person is entitled to administrative review of a suspension under this subsection.

(30) Upon receipt of a record of a person's third or subsequent conviction of a serious traffic violation within a three-year period, the department shall suspend the person's commercial driver license or right to apply for a commercial driver license if the convictions arose out of separate incidents. A suspension under this subsection shall be for a period of 120 days. A person is entitled to administrative review of a suspension under this subsection.

(31)(a) Upon receipt of a record of conviction of an offense described in ORS 809.310, the department shall, or upon determination by the department that the person has committed an act that constitutes such an offense, the department may suspend any driving privileges, any right to apply for privileges or any identification card of the person convicted or determined to have committed the act.

(b) A suspension under this subsection shall continue for a period of one year.

(c) A person is entitled to administrative review of a suspension under this subsection if the suspension is based upon a conviction. If the suspension is based upon a determination by the department, the person is entitled to a hearing as described in ORS 809.440.

(32) Upon receipt of a first notice indicating that a person has violated an out-of-service order issued under ORS 813.050 or has knowingly violated any other out-of-service order or notice, the department shall suspend the person's commercial driver license or right to apply for a commercial driver license for a period of 90 days. For purposes of this subsection, "notice" includes, but is not necessarily limited to, a record of conviction and a record of a determination by a state or federal agency with jurisdiction to make such determinations that the person has violated an out-of-service order or notice. A person is entitled to administrative review of a suspension under this subsection.

(33) Upon receipt of a second or subsequent notice indicating that a person has violated an out-of-service order issued under ORS 813.050 or has knowingly violated any other out-of-service order or notice, the department shall suspend the person's commercial driver license or right to apply for a commercial driver license for a period of not more than five years. The department by rule may establish a suspension period of less than five years if the department determines that it would be in the public interest to do so and relevant laws or rules of the United States authorize such a lesser suspension period. For purposes of this subsection, "notice" includes, but is not necessarily limited to, a record of conviction and a record of a determination by a state or federal agency with jurisdiction to make such determinations that the person has violated an out-of-service order or notice. A person is entitled to administrative review of a suspension under this subsection.

(34) Upon receipt of a record of a person's conviction of reckless endangerment of highway workers under ORS 811.231 (1), the department shall suspend the person's driving privileges or right to apply for driving privileges. The suspension shall be for periods of time described under Schedule I of ORS 809.420 except the department shall not reinstate any driving privileges to the person until the person complies with future responsibility filings. A person is entitled to administrative review of a suspension under this subsection.

(35) Upon notification by a school superintendent or a school district board under ORS 339.254, the department shall suspend the driving privileges of a person or the right to apply for driving privileges. The suspension shall be for the amount of time stated in the notice. A person is entitled to administrative review of a suspension under this subsection.

(36) Failure to satisfactorily complete a possession of marijuana diversion agreement under ORS 135.907 and failure to complete a program under ORS 419C.443 constitute grounds for suspension of driving privileges. The following apply to this subsection:

(a) Upon receipt from a court of a notice that a person has failed to complete a diversion agreement or a program described in this subsection, the department shall suspend the person's driving privileges or right to apply for driving privileges.

(b) The suspension shall be for six months.

(c) A person is entitled to administrative review of a suspension under this subsection. Notwithstanding ORS 809.440 (2)(b), it is not a defense in an administrative review under this paragraph that the offense on which the suspension was based did not involve a motor vehicle.

SECTION 5. ORS 135.907 is amended to read:

135.907. (1) The court shall inform at arraignment a defendant charged with the offense of possession of less than one ounce of marijuana, that a diversion agreement may be available if the offense for which the defendant is before the court is the defendant's first offense of possession of less than one ounce of marijuana and files with the court a petition for a possession of marijuana diversion agreement.

(2) The petition form for a possession of marijuana diversion agreement shall be available to a defendant at the court.

(3) The form of the petition for a possession of marijuana diversion agreement and the information and blanks contained therein

CONTINUED

Measure No. 57

shall be determined by the Supreme Court under ORS 1.525. The petition form made available to a defendant by any state court shall conform to the requirements adopted by the Supreme Court.

(4) In addition to any other information required by the Supreme Court to be contained in a petition for a possession of marijuana diversion agreement, the petition shall include:

(a) A waiver by the defendant of the right to speedy trial or sentencing in any subsequent action upon the charge;

(b) An agreement by the defendant to complete at an agency or organization designated by the state court a diagnostic assessment to determine the possible existence and degree of a drug abuse problem;

(c) An agreement by the defendant to complete, at defendant's own expense based on defendant's ability to pay, the program of treatment indicated as necessary by the diagnostic assessment;

(d) An agreement by the defendant to comply fully with the laws of this state regarding controlled substances;

(e) A notice to the defendant that the diversion agreement will be considered to be violated if the court receives notice that the defendant at any time during the diversion period committed a violation of the controlled substances laws of this state;

(f) An agreement by the defendant to keep the court advised of the defendant's current mailing address at all times during the diversion period; [*and*]

(g) A waiver by the defendant of any former jeopardy rights under the federal and state constitutions and ORS 131.505 to 131.525 in any subsequent action upon the charge or any other offenses based upon the same criminal episode; **and**

(h) A stipulation by the defendant that the controlled substance the defendant possessed was marijuana.

SECTION 6. In addition to and not in lieu of any other appropriation, there is appropriated to the Emergency Board, out of the General Fund, for the biennium beginning July 1, 1997, the sum of $600,000 for allocation only to the Judicial Department and the Department of State Police to address costs expected to be incurred in carrying out the purposes of this Act. Any such moneys that remain unallocated and unobligated by the Emergency Board on November 1, 1998, become available for any lawful purpose for which the Emergency Board may lawfully allocate funds.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

Ballot Measure 57 makes possession of less than one ounce of marijuana a Class C misdemeanor crime, punishable by up to 30 days in jail and a fine of $500 to $1,000. Under current law, possession of less than one ounce of marijuana is a non-criminal violation, punishable upon conviction by a fine of at least $500 but not more than $1,000.

Current law allows an adult charged with possession of less than one ounce of marijuana to have the charge dismissed by completion of a diversion program if it is the person's first offense. This measure also allows diversion, but requires, as a condition of diversion, that the person charged stipulate that the person was in possession of marijuana. Current law also requires a juvenile who is found to have committed the same act to enter a program for information or treatment. This measure provides that if a person enters one of these programs and fails to complete the program, the person's driving privileges will be suspended for six months.

The measure appropriates $600,000 for the biennium out of the General Fund to the Emergency Board, for allocation to the Judicial Department and the Department of State Police for purposes of carrying out the provisions of the measure.

The text of Ballot Measure 57 was enacted by the Legislative Assembly in 1997 as House Bill 3643 and was referred to the voters in accordance with the referendum power reserved to the people by section 1, Article IV of the Oregon Constitution.

Committee Members:	**Appointed by:**
Representative Jo Ann Bowman	Chief Petitioners
Representative Floyd Prozanski	Chief Petitioners
Senator Eileen Qutub	Secretary of State
Representative Ben Westlund	Secretary of State
Representative Lane Shetterly	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 57

ARGUMENT IN FAVOR

YES ON 57

http://www.focc.org

When marijuana was decriminalized in 1977, it actually attracted criminals to the state. Decriminalization, sent a mixed message to our children and though marijuana is especially damaging to children, Oregon students, soon led the nation in the use of marijuana. Today, marijuana is 5 to 30 times more potent, and far more dangerous than it was in the 70's. Recriminalizing will impose meaningful penalties, act as a deterrent for use and possession, and end attracting drug users to Oregon.

- Marijuana is a gateway drug! Those who use marijuana 100 times or more, are 85 times more likely to use cocaine!

  "It's our children who are a the greatest risk of substance abuse, and tragically, this substance abuse occurs while their central nervous systems are still developing. In a very real sense, the onset of substance abuse occurs when it is the most detrimental to their psycho-social development."

  David Smith, M.D., Founder, Haight Ashbury Free Clinics
  The Commonwealth", Vol. 90, #5, January 29, 1996

- Marijuana is addictive; when a substance is legal, like alcohol and tobacco, use, particularly by children, escalates!

  "Applying the same measures to alcohol, it turns out that marijuana is just as addictive as alcohol for adults and even more so for teenagers. Kids may be unusually "sensitive" to marijuana for biological as well as social reasons; the reason we have so many alcoholics is simply that there are so many people drinking."

  Denise Kandel Columbia University,
  From: "*New Scientist*", 2/21/98

- When a woman smokes marijuana during pregnancy, THC passes through the placenta into the fetus. Her babies have: lower birth weight, trouble focusing on an object, increased tremors, increased sleep disturbances, and more startle responses.

  By school age, these same children exhibited: highly inferior verbal skills, lower intelligence, and memory problems

  Their mothers rated them as: more impulsive, more hyperactive, and more problematic (behavior).

  Fried, P.A., Published in "*Clinical Obstetrics and Gynecology*" 36:319-337, 1993

(This information furnished by John E. English, Director, For Our Children's Children.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

OREGON MARIJUANA LAW NEEDS FAIR CONSEQUENCES TO PROTECT OREGON TEENAGERS.

- Marijuana use by Oregon eighth graders has tripled since 1990 and is 36% above the national average. Oregon's extremely permissive marijuana law contributes to this problem.
- Teenagers who use marijuana are:
  - 6 times more likely to bring guns to school.
  - 4 times more likely to attack another person to hurt them.
  - 3 times more likely to engage in sex (and far more likely to do so with no protection against disease and pregnancy).
  - 2 times more likely to attempt suicide.
  - 85 times more likely to use cocaine.
- Marijuana is addictive and affects the brain in ways similar to heroin, cocaine, tobacco, or alcohol. Teenagers are twice as likely as adults to become addicted to marijuana. In Oregon, marijuana is now the # 1 problem drug for teenagers entering drug addiction treatment programs.
- Using marijuana damages health, coordination, thinking, memory, learning, judgment, and self management abilities.
- Measure 57 would require teenagers who use marijuana to have a professional evaluation of their drug problems and to complete a drug education or treatment program. This would provide early intervention for youths with drug problems before it is too late to help. Parents of these youths would pay for the programs according to their ability to pay. Youths who fail to complete these programs would lose their driving privileges for six months.
- Permissive marijuana laws encourage more drug use and create more drug problems for all Oregonians. Measure 57 would create fair and helpful consequences for Oregon teenagers who may have a serious drug problem.

PROTECT OREGON TEENAGERS FROM THE HARM OF MARIJUANA AND OTHER ADDICTIVE DRUGS.

VOTE YES ON MEASURE 57.

(This information furnished by Roger Burt, MS.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 57

ARGUMENT IN FAVOR

OREGON POLICE CHIEFS FOR SAFER COMMUNITIES URGES YOU TO VOTE YES ON MEASURE 57

SEND A CLEAR MESSAGE TO OREGON'S CHILDREN

It's time we send a clear message to the children of Oregon that the use of marijuana is not acceptable. We cannot expect young people in Oregon to believe our message about the danger of drugs, if we continue to treat possession of marijuana as a minor offense worth no more than a violation.

For the past several years, Oregon's children have been receiving conflicting messages about the acceptability of drugs. These mixed messages leave children more vulnerable to drug use than ever before. Increased marijuana usage by our children results in significant social impacts which deeply impact our schools and our communities. More children in Oregon are using marijuana than ever. Here are the facts:

- **The Oregon Biennial Student Drug Use Survey, reported marijuana use by eight-graders more than tripled since 1990, rising 4.5% to 15.3%.**
- **The Partnership Attitude Tracking Study found from 1995 to 1996 trial use of marijuana doubled among elementary school children aged 9 to 12. An increase from approximately 230,000 children experimenting with the drug in 1995 to 460,000 children in 1996.**
- **The 1996 Oregon Public School Drug Survey found that marijuana, alcohol, tobacco, and other drug use not only affects a student's scholastic performance but is often related to their willingness to remain in school as well.**

WE CANNOT STAND BY AND WATCH THIS HAPPEN. OREGONIANS HAVE A RESPONSIBILITY TO PROTECT OUR CHILDREN. MEASURE 57 WILL SEND A CLEAR MESSAGE TO OUR YOUTH THAT MARIJUANA IS NOT ACCEPTABLE. YES ON MEASURE 57.

(This information furnished by Mike Cahill, Oregon Police Chiefs For Safer Communities.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Argument Against Ballot Measure #57

NO PRIVACY, NO HOME

This bill erodes everybody's privacy. By placing marijuana in the same category as cocaine, heroin, and prostitution, the State can require forfeiture of cars, assets and home. Professional licenses could be revoked. Loss of children to CSD is also a possibility. If marijuana is suspected to be present, the police may also presume guns to be present, thereby allowing swat team entry. A **NO** vote protects the Fourth Amendment from dilution and predatory interests!

The Fourth Amendment provides: The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures shall not be violated, and no Warrants, shall (be) issued(d), but upon probable cause, supported by Oath of affirmation, and particularly describing the place to be searched and the person or things to be seized.

Since 1986, over forty million dollars worth of property has been seized in Oregon. Ballot Measure #57 allows the police to search the suspected marijuana criminal's car, house, computer files, and personal effects. Imagine if a friend who was a tobacco, coffee, or alcohol user was subjected to such inquisition by a similar bill! The proposed punishments for using small amounts of marijuana are extreme, especially in comparison with the penalties for alcohol abuse. Ballot measure #57 is an expensive assault on all **privacy** issues and one's **home.**

CHERISH PRIVACY RIGHTS! THEY ARE THE REAL BASIS UPON WHICH ALL OF OUR OTHER FREEDOMS REST. KEEP EVERYONE'S HOME A LEGAL CASTLE.
Vote **NO** on Ballot Measure #57!

Written by Toby Grant Occupation - Landlord
Registered as Republican

(This information furnished by Toby Grant.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 57

ARGUMENT IN OPPOSITION

Five Good Reasons To Vote No on Measure 57:

Measure 57 costs too much:

At least **$1.5 million** each year.
That's what the Legislative Fiscal Impact Committee estimates Measure 57 will cost taxpayers.
But the true cost could go much higher.
The cost of taxpayer-funded, court-appointed lawyers could exceed **$1 million** a year alone..
Measure 57 would increase costs to state and local governments for jail time and court costs.
And it would reduce state revenues by at least **$638,000** per year.
The Legislature only appropriated **$300,000** annually to pay for the increased costs.
Where will that additional **$1.2 million** come from?

Measure 57 sends the wrong message to our kids:

By re-criminalizing possession of small amounts of marijuana we tell our kids one thing: We'll pay for your lawyers and jail cells, but we won't pay for your education.

Measure 57 will increase the release of criminals from our jails:

In an *Oregon State Bar Bulletin* editorial in June, 1997, the Honorable Judge Frank Bearden had this to say about the Legislature's efforts to re-criminalize possession of small amounts of marijuana:

"With our Sheriff releasing around 500 criminals per month on matrix...our revolving door will soon spin like a top."

Measure 57 Won't Reduce Drug use among juveniles or adults:

Experts agree treatment programs are far more effective in reducing casual use of marijuana, yet the Legislature has underfunded treatment programs for years.

Now Measure 57 will send people who use small amounts of marijuana to jail. At a cost of $1.5 million or more per year. There are better ways to spend our tax dollars.

Police Should Worry About Violent Criminals. Not People Who Use Marijuana.

Why waste law enforcement's time and money on these non-violent individuals when property and violent crimes continue to rise and people continue to be scared in our streets.

Keep law enforcement working where they belong.

VOTE NO ON MEASURE 57

(This information furnished by David Smigelski, No on 57.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Former Governor Tom McCall
signed the legislation that decriminalized possession of small amounts of marijuana 25 years ago.

Here's what Governor McCall said:

"The Legislature determined that the existing penalties for mere possession or use of small amounts of the substance were disproportionately severe.

"All of us recognize the widespread use among our young people, and most of us disapprove of the custom.

"There is recognition however, that if we are correct in assuming marijuana to be a socially undesirable substance, the solution is not to toss youthful offenders in jail.

"We long ago recognized alcoholism as a disease and abandoned efforts to treat alcoholics by simply locking them up."

Former Governor Tom McCall
7/22/73
Salem *Statesman Journal*

Vote No on Measure 57.
There are better ways to spend our tax dollars.
Tom McCall knew that back in 1973.
It is more true today.

(This information furnished by State Rep. Floyd Prozanski.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 57

ARGUMENT IN OPPOSITION

Index of Facts on Measure 57:
Sources listed in parenthesis

State estimate of cost of Measure 57: (Ballot Measure Fiscal Impact Committee)	$1.42 million
Potential cost of Measure 57 to taxpayers annually:	$18 million
Amount Legislature appropriated annually in current budget: (Legislative record)	$300,000
Amount Legislature left unfunded that will have to come from other programs like schools:	$1.2 to $17 million
State Sen. Eileen Qutub's response to cost of M57: (Eugene *Register Guard*, August 6, 1998)	"Startled"
Number of prisoners released EARLY EACH MONTH in Multnomah County: (*Oregon State Bar Bulletin*, June 1997)	500
Estimated number of people charged with marijuana possession in 1999: (Legislative Fiscal Impact Committee)	6,000
Potential cost per person for taxpayer-funded defense lawyers: (*Oregon State Bar Bulletin*, June 1997)	$280
Total cost if each person arrested receives taxpayer-funded defense lawyer:	$1.68 million
Minimum cost per day to jail people arrested for using marijuana: (Ballot Measure Fiscal Impact Committee)	$76.20
Annual cost if every possession case resulted in maximum jail stay:	$13.7 million
Governor who signed law decriminalizing marijuana possession in 1973: (1973 Legislative Record)	Tom McCall

(This information furnished by Geoff Sugerman, No on 57 Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

DON'T TURN BACK THE CLOCK!
VOTE NO ON MEASURE 57!

The American Civil Liberties Union (ACLU) of Oregon urges you to consider why Oregon was the first state to decriminalize possession of less than an ounce of marijuana in 1973. It **wasn't** because most Oregonians thought using marijuana was a good idea. We didn't then—and we don't now. It **was** because we thought police had more important things to do with their time and our tax dollars.

IT MADE SENSE THEN;
IT MAKES EVEN MORE SENSE NOW

Thirty years ago, police, prosecutors and the courts were spending too much time arresting and prosecuting young people whose only offense was the possession of small amounts of marijuana. Then, as now, marijuana was the most frequently used illicit drug.

Police, prosecutors and the courts shouldn't waste their time and our tax dollars arresting and prosecuting minor drug offenses. Their first priority should be catching and convicting murderers, rapists, sex offenders, armed robbers, burglars, drunk drivers and **dangerous** drug dealers.

MEASURE 57 GOES TOO FAR!

Before 1973, someone caught with less than an ounce of marijuana could end up in jail and saddled with a criminal record for the rest of his or her life. If Measure 57 is approved, that could happen again—but there's more.

In recent years, lawmakers have given police and prosecutors powerful new tools that weren't available in 1973. Among those is the right to seize property from people suspected of committing drug crimes. Under these "forfeiture" laws, it's up to property owners to prove their innocence if they want their property back.

One of the effects of Measure 57 will be to allow police to seize cars, cash and even the homes of people suspected of possessing less than an ounce of marijuana. Do we really want to give police and prosecutors this kind of power in minor marijuana cases?

LET'S KEEP OUR PRIORITIES STRAIGHT!
VOTE NO ON MEASURE 57!

(This information furnished by Jann Carson, American Civil Liberties Union (ACLU) of Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 57

ARGUMENT IN OPPOSITION

A Respected Judge Argues
The Legislature's Effort to Re-Criminalize Marijuana Use
Will Result in More Prisoners Being Released
From Our Jails.

Excerpts from an editorial by the Honorable
Judge Frank Bearden:
Oregon State Bar Bulletin, June 1997

"Like pouring gasoline on an out-of-control fire, the Legislature passes more laws in the name of public safety without coming close to funding the product through to completion.

"One small example is the proposed bill to re-criminalize marijuana to a Class A misdemeanor, with a conservative estimate of an additional 1,000 misdemeanor cases in Multnomah County (to go with our 20,000 plus).

"This would mean approximately $250,000 or more in indigent defense costs (in Multnomah County alone) and no additional prosecutors or judges or courts to handle those cases...

"With our Sheriff releasing around 500 people a month on matrix because of overcrowding, our revolving door will soon spin like a top."

NOTE: Judge Frank Bearden is the chief criminal judge for Multnomah County Circuit Court. This statement is excerpted from an article written by Judge Bearden which appeared in the June 1997 edition of the *Oregon State Bar Bulletin.*

(This information furnished by Leland R. Berger, No on 57 Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

Even Top Brass in the War on Drugs Agree:
Treatment Works Better than Jail Time....

"It is time to make education, prevention and drug treatment a priority for funding if we hope to make a lasting impact on alcohol and drug abuse."

"....Studies show that prevention and treatment work and save money. A recent study by the Oregon State office of Alcohol and Drug Abuse Programs clearly shows that each dollar spent on alcohol and drug abuse treatment results in a savings of $5.60."

"...I am convinced that expanding prevention and drug treatment programs will help us make greater gains in eliminating alcohol and drug abuse."

–Portland Police Chief Charles Moose
Source: July 12, 1996 cover letter as Chair of the Regional Drug Initiative Task Force

"We are not going to arrest our way out of the drug problem....The drug issue is going to get solved in the home and in the home room of a school, not on the streets of America."

U.S. Drug Czar, General Barry McCaffrey
Source: Speech before the National Sheriffs' Association, Portland, Oregon-- June 4, 1996

The Salem *Statesman Journal* Agrees...

"...We don't have the police, prosecutors, prison space and probation resources to combat major crime now. By burdening them with more small time offenders, we will be diverting law enforcement from effectively targeting drug suppliers, violent criminals and other high-priority offenders."

Source: "Tougher Marijuana Penalties Won't Curb Substance Abuse."
Salem *Statesman Journal* editorial, April 26, 1997

Vote NO on Measure 57–Let's not waste our tax dollars.

(This information furnished by Amy K. Klare, No on 57 Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 57

ARGUMENT IN OPPOSITION

Vote No on Measure 57
There are better ways to spend our tax dollars.

For 25 years, since Tom McCall was Governor, Oregon has used treatment and prevention programs to fight the problems of casual marijuana use. Compared to other states, especially those with costly incarceration programs, our rate of marijuana usage is similar. We do better than many states with the most severe penalties.

Measure 57 won't cut use... But it will cost taxpayers millions of dollars each year...And it will force us to release more criminals onto our streets.

Under current law, we require those caught with small amounts of marijuana to pay a hefty fine – a minimum of $500 up to $1000 – when they are caught. Under Measure 57, fines would actually be reduced in 40% of cases.

Now the politicians want to spend millions each year to send a political message.
But it's the wrong message, especially for young people Because what our young people hear is that we are willing to pay for their lawyers and jail cells, but not willing to pay for their education, prevention or treatment programs. In fact, Measure 57 makes it more difficult for people arrested for first time to enter diversion programs.

Measure 57 also requires us to release more prisoners from our over-crowded jails.
Prisoners who commit property crimes and theft are often released when jails become full. In Multnomah County, up to 500 prisoners are released each month..

Do we really want to release more criminals just to send a costly and ineffective message to our children?

Measure 57 is a political tool that will:

- Cost taxpayers millions.
- Cause more prisoners to be released early.
- Do nothing to prevent or treat casual drug use.

Vote No on Measure 57.
It's a bad law that will cost us millions and make our streets less safe.

(This information furnished by Charles E. Grossman, MD.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Vote NO on Measure 57

There are better ways to spend our tax dollars.

For 25 years Oregon has used treatment and prevention programs to fight the problems caused by the casual use of marijuana. Our rate of marijuana usage is similar to states that impose even more costly incarceration penalties. Oregon does better than many states in treating severe offenders.

Measure 57 won't cut usage, but it will cost taxpayers millions of dollars each year to punish those who use small quantities.

Under our present law, we require those caught with small quantities of marijuana to pay a hefty fine - a minimum of $500 up to $1000. Under measure 57, fines will actually be reduced in 40% of the cases.

Under Measure 57 certain politicians want to spend millions of your tax dollars each year to send their political message.

But, it is the wrong message; especially for young people. The message our youth will hear is that we are willing to pay for more jail cells and expensive lawyers, but we are not willing to pay for their education or marijuana prevention and treatment programs. In fact, Measure 57 will make it more difficult for those arrested for first time offenses to enter diversion programs.

Measure 57 will also require the release of more prisoners from our over-crowded jails.

Criminals in jail for theft or property offenses are often released early to make room for other offenders. In Multnomah County for example, up to 500 prisoners are released each month.

Do we really want to release more criminals just to send an expensive and ineffective message to our youth?

Measure 57 is a political tool that will:

- Cost taxpayers millions each year.
- Cause more prisoners to be released early.
- Do little to prevent or treat the casual use of drugs.

Vote NO on Measure 57.

It's a bad law, will cost us millions, and make our streets less safe.

(This information furnished by George Eighmey, State Representative, No on 57 Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 57

ARGUMENT IN OPPOSITION

M.A.M.A. Says Measure 57 Sends the Wrong Message to Kids

My name is Sandee Burbank. I have lived in Oregon for 24 years. I have a deep love for this state, not only because of its natural beauty, but also for the wonderfully diverse and progressive people who live here.

For the last 17 years, I have served as the executive director **Mothers Against Misuse and Abuse**, a nationally recognized parents' organization concerned about preventing the misuse and abuse of all drugs. MAMA believes we must seek a more inclusive approach to our current drug policies beginning by judging all drugs by the same standard. Drug policy should be based on sound science and reason–not political posturing.

Measure 57 sends a misguided message to our children – telling them that our state would rather pay for more jail cells than for parks or school books.

- Wouldn't you rather fund education and training programs that give people the help and social skills they need to find happiness in life, without resorting to substance abuse?
- Wouldn't you prefer our tax dollars be spent on programs that treat and prevent all drug misuse and abuse?
- Wouldn't you rather see our police and courts spend their time stopping violent crime and property crime?

Think Smart for Our Kids--Vote NO on 57.

Sandee Burbank
Mosier, OR

(This information furnished by Sandee L. Burbank.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

MARIJUANA AND REASON Do we not see that it is senseless to throw a man in jail for drinking a beer, or to declare a woman a criminal for lighting a cigarette? Yet this is just what Measure 57 proposes for the one who holds a marijuana cigarette. This would be a step entirely in the wrong direction. No doubt it is difficult to put aside the fearful emotions that have been attached to the questions of marijuana, but let us calm ourselves and examine the facts from a rational perspective.

IS MARIJUANA DANGEROUS? The thoughtful answer can only be "Compared to what?" Nothing is entirely safe; dangers are to be found in everything under the sun. Two comparisons are particularly useful: marijuana versus alcohol and tobacco, the legal adult "recreational" (mood-altering) drugs; and regulated marijuana versus prohibited marijuana.

ALCOHOL is mind- and mood-altering; it causes birth defects and many other physical ailments; it impairs judgment, learning, memory, and physical control; it induces violent behavior. It is physically addictive and psychologically habit-forming. (Alcohol is addictive to 10-20 percent of its users, roughly the same proportion as cocaine and heroin; each of these is much less addictive than tobacco.) TOBACCO is, without question, the most addictive and lethal drug around.

MARIJUANA use, by contrast, simply is not a major public health or safety issue. No one dies from a marijuana overdose, nor from marijuana poisoning; while marijuana affects driving abilities, it is demonstrably safer than alcohol; it does not induce violent behavior; it is no more addictive nor more habit-forming than coffee.

When compared objectively, alcohol and tobacco are each much more dangerous than marijuana. And yet we do not prohibit their use and sale by adults to adults, because we know the effects of prohibiting alcohol or tobacco are more dangerous than the effects of the drugs themselves. Instead, we regulate. The same should be true for marijuana.

PROHIBITION may or may not reduce absolute consumption, but it guarantees that all production, distribution, and use will be illegal and away from effective social control. Here is the true 'gateway' effect, due to prohibition itself: prohibiting marijuana brings the user into contact and collusion with our dark side, the criminal world. Prohibition breeds crime and corruption by creating the sky-high profits of the black market, where illegal marijuana sells for one hundred times the price of legal, regulated tobacco.

PROHIBITION LOSES CONTROL While no form of regulation can be perfect, marijuana prohibition is wildly imperfect, a delusional fantasy: what prohibition pretends and what it actually delivers are two very different things. Prohibition pretends to offer control and safety, but instead gives us "unintended consequences"; it pretends to keep marijuana away from children, but actually makes it more available and completely uncontrolled. (Studies consistently show that school children can get marijuana more easily than alcohol.) Prohibition pretends to prevent crime while actually creating more.

Only by regulating adult marijuana commerce can we eliminate the black-market profits that are the real cause of crime and corruption. Then we can directly address the comparatively small social, medical, and public safety concerns about marijuana, and more effectively keep marijuana away from children, and children away from crime.

(This information furnished by Barry Smith.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 57

ARGUMENT IN OPPOSITION

VOTE NO ON MEASURE 57

Ballot Measure 57 will dramatically increase government intrusion and loss of privacy. It will give the police even more legal power to invade our homes at will. It is totally at odds with the Fourth Amendment to the Constitution.

This bill is NOT about possession of marijuana (a nonviolent and victimless act). It IS about increasing police search and seizure, the forfeiture of property, vehicles and cash, the loss of commercial and professional licenses, and CSD taking our children. Oregon's whole climate of freedom and pursuit of happiness will be compromised, if not destroyed. The police are very supportive of this draconian bill (its original sponsor in the Oregon legislature was a policeman/representative). The police will benefit greatly, on numerous levels, from the latitude it will allow them.

This so-called War on Drugs (really a war on our personal freedoms) is an unmitigated disaster, and Measure 57 will only make things worse. When marijuana prohibition was initiated with the Marijuana Tax Act of 1937, there were supposedly 55,000 users. Now in the U.S., after 60 years of prohibition and several trillion dollars, there are seventy million users. Our prison population has grown tenfold over the last 20 years. It is the highest in the world. On the average we have ten times the number of prisoners per capita than do most European countries.

If Measure 57 passes, there will instantly be a quarter of a million new "criminals" in the state of Oregon. What will we do with them?

Bill Conde

(This information furnished by Bill Conde.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

58 REQUIRES ISSUING COPY OF ORIGINAL OREGON BIRTH CERTIFICATE TO ADOPTEES

RESULT OF "YES" VOTE: "Yes" vote requires issuing copy of original Oregon birth certificate to adult adoptees upon request.

RESULT OF "NO" VOTE: "No" vote retains confidentiality of original Oregon birth certificate of adoptees unless court orders disclosure.

SUMMARY: Current Oregon law provides that upon decree of adoption, a new birth certificate generally will be substituted for the original birth certificate, and the original certificate showing birth parent information will not be subject to inspection, unless a court orders disclosure. Measure would require state registrar to issue certified copy of original birth certificate to any Oregon born adopted person 21 years old or older. Establishes same procedures, filing fees and waiting periods for obtaining birth certificate copies for adopted persons as for non-adopted persons.

ESTIMATE OF FINANCIAL IMPACT: No financial effect on state or local government expenditures or revenues.

TEXT OF MEASURE

Upon receipt of a written application to the state registrar, any adopted person 21 years of age and older born in the state of Oregon shall be issued a certified copy of his/her unaltered, original and unamended certificate of birth in the custody of the state registrar, with procedures, filing fees, and waiting periods identical to those imposed upon non-adopted citizens of the State of Oregon pursuant to ORS 432.120 and 432.146. Contains no exceptions.

EXPLANATORY STATEMENT

This measure changes existing law to allow an adopted person 21 years of age or older to obtain a copy of the person's original birth certificate. Current Oregon law prohibits the release of an original birth certificate to such an adopted person without a court order. The law currently requires that upon receipt of a decree of adoption or a report of adoption from a court, the state registrar shall issue a new birth certificate unless the court, the adoptive parents or the adopted person requests otherwise.

This measure requires that upon receipt of a written application the state registrar shall provide a copy of the original birth certificate to an Oregon born adopted person 21 years of age or older. This measure requires that the procedures, filing fees and waiting periods for certified copies of original birth certificates be the same for requests by adopted persons as for non-adopted persons.

This measure applies to persons adopted in the past or in the future. There are no exceptions to this measure.

Committee Members:	Appointed by:
Helen Hill	Chief Petitioners
Shea Grimm	Chief Petitioners
Catherine Dexter	Secretary of State
Jim Wheeler	Secretary of State
Michael Schrunk	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215. The statement written by the committee was modified and certified by the Supreme Court of the State of Oregon pursuant to ORS 251.235.)

CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

Passage of measure 58 would grant adult adoptees the same right as the rest of the population enjoys, namely access to a document that truthfully states the names of the biological parents. As the original birth certificate would only be available to the adult adoptee, the issue of "privacy and confidentiality" should not be an issue.

Although the adoption process severs the responsibilities of the birthparents, it should not relieve them of the moral obligation of providing accurate family history and medical information to an adult adoptee. The sealing of birth records was created and justified for the purpose of protecting the adoptee from the stigma of illegitimacy, to allow the birth mother get on with her life, and enable the adoptive parents the freedom to raise the child without interference from the birthparents. This is reasonable as it pertains to a minor, but should not restrict the rights and needs of the adult adoptee to access their biological information.

I applaud the birthmother's decision to give the child up for adoption, but I think that if she would put herself in the child's place, she would understand the importance of providing this information.

Adult adoptees had access to their original birth certificates prior to 1957, when the records were sealed, even for prior adoptions. Sealed birth certificates do not serve the interests of birth parents or adult adoptees. Statistics have not shown a higher rate of abortion in those states and countries with open records.

The passage of this measure would restore the rights of adult adoptees that were taken away in 1957.

(This information furnished by Berry T. Price.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Supporters of Measure 58 have heard concern over the possible loss of privacy to birthparents. There are complex issues in adoption that require compassionate consideration but are beyond the scope of the simple civil rights issue this measure addresses.

The sealing of the original birth certificate provides irrevocable legitimacy and a legal bond with the adoptive family that cannot be challenged on grounds of kinship or inheritance. The confidentiality of birthparents is a secondary effect. The surrender form signed by birthparents deals with the transfer of custody and rights from the birthparents to the adoptive parents. Nowhere is birthparent identity concealment alluded to in the forms signed by the birthparents. The fact that the birthmother gave birth on a specific date remains on state documents and hospital records even after the amendment of a birth certificate to replace the birthparent names with the adoptive parent names. Searches are routinely conducted through such archival evidence. There is no ultimate legal protection of privacy. Many birthparents have waived confidentiality and signed up with registries. Members of our group believe in statistical and powerful anecdotal evidence that over 90% of birthmothers do not object to an adoptee's knowledge of birthfamily identification.

Some adoptees grow up with such knowledge. Others have to jump through hoops to obtain even a scrap of vital medical information. Measure 58 would provide consistency and equality. We understand the concern of the few who want to conceal knowledge, but privacy does not equate with secrecy. As a group including birthmothers, we seek to remove obstacles from access to original birth certificates by adult adoptees. We support the measure on behalf of adoptees and their birth and adoptive families.

(This information furnished by Carey Mercer and Other Members of The Circle, A support and information group for all involved or interested in the relations of the adoption circle.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

Citizens deserve to know the Facts

All Adults have the right to know the true facts regarding their birth, except Adoptees.
Are you adopted? Are you sure?

Vote for the right of All Adults to receive upon request a copy of their original birth certificate.

Vote to restore a constitutional right denied by the state in 1957.

EQUAL RIGHTS FOR ALL ADULTS.

Vote YES for Measure 58.

(This information furnished by Donna Martz.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Hidden Roots Support Group of Bend, Oregon believes it is unconstitutional for the State of Oregon to regulate who gets a true birth certificate and who gets a falsified one. Give Adult Adoptees the right to choose whether they would like to have access to their original birth certificate by voting Yes on Measure 58. Thank you.

(This information furnished by JoAnne Wildman, Birthmother; Victoria Seaton, Adult Adoptee; Hidden Roots Support Group of Bend, Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

The year was 1957 - the peak year of the baby boom and a time with the most teen pregnancies per capita in history. It was the year Senator Joe McCarthy died, the Russians launched Sputnik and Oregon closed adoption records to adult adoptees, the people to whom they had always been open previously. Those who oppose Measure 58 will argue that the 1957 sealed records law was meant to protect birthparents. Untrue. It was a move designed to protect the adoptee and the adoptive parents from the alleged shame of an adoptee's often "illegitimate" birth. Secrecy in the adoption process was something forced on birthparents, not something they asked for or were promised.

Opponents will attempt to scare you by claiming that pregnant women in Oregon will choose abortion if records are open to adult adoptees. This is false. In states and countries where records are open to adult adoptees, the abortion rate is no higher than in states like Oregon, which seal such records.

Opponents will argue that people who relinquish a child have a right to privacy that opening records will violate. We ALL have a right to privacy. However, privacy does not equal anonymity. The U.S. Supreme Court upheld an appellate court decision just last year that reiterated this fact. (Doe v. Sundquist 1997 FED App. 0051P (6th Cir)).

The opponents of Measure 58 shamelessly use the specter of birthparents allegedly promised anonymity, or young women choosing abortion, to further their own agendas, which in many cases is simply to cover up and hide their own illegal and unethical activities with regard to these very same birthparents they now claim to care about. The not-so-honorable past of some adoption agencies and attorneys may come back to haunt them if discrepancies are revealed once records are unsealed. On November 3rd vote YES on Measure 58. Vote for Truth.

(This information furnished by Shea Grimm, Ian Hagemann, Mary Hunt, Arletta Gustafson, Judy Kennett, Julie Dennis, Terri Leber, Rhonda Bradeen; Washington state Open '98.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Imagine two Oregon neighbors, Bill Jones and Sam Smith. They are the same age; as a matter of fact, they were born the same day at the same hospital in Corvallis. They both became grandfathers the same year and fought in World War II. Bill can go down to the county registrar and pay twelve dollars for a certified copy of his original birth certificate. Sam, on the other hand, cannot. His birth certificate is sealed. The only difference between Bill and Sam? Sam was adopted in Oregon.

It's time to get the State of Oregon off the backs of its adult adopted citizens. Measure 58 will finally put to rest the failed social experiment of hiding and obscuring the most fundamental information any of us possess: the facts of our birth. The present sealed records law, a remnant of the McCarthy Era philosophy of "Government Knows Best", has been judged a failure by the very people it was designed to "protect": the adopted adult citizens of Oregon.

Governments make poor referees in the affairs of law-abiding people. Measure 58 would allow all of Oregon's citizens the ability to access the documentation concerning their birth without the interference of disinterested bureaucrats and expensive, cumbersome procedures.

When you mark your ballot, consider whether you would like the state to decide whether you could know the facts of your birth or not. Consider that is not a large leap from sealing birth certificates to withholding other personal, vital information from the citizens to whom such information belongs. Consider that something of YOURS could be next. Then Vote Yes on Measure 58.

(This information furnished by Shea Grimm, Marley Greiner, CK Bertrand Holub, Ron Morgan, Damsel Plum; Bastard Nation.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

Oregon born adult adoptees should have the same civil right as non-adopted Oregonians - the right to access the true historical document that records their own birth.

The Oregon Bill of Rights states: "No law shall be passed granting to any citizen or class of citizens privileges or immunities, which upon the same terms, shall not equally belong to all citizens". The State of Oregon currently violates it's own Bill of Rights by denying adoptees the right to access their own original birth certificate (OBC) while allowing anyone not adopted to do so.

Many countries allow adoptees easy, unrestricted access to their own records of birth. Every human being deserves the right to access these records which help them to define their genetic, ethnic and cultural heritage. The Oregon State government should not regulate who can and who cannot access their own OBC.

Medical science stresses the importance of knowing one's ancestors' medical histories. It is impossible for adoptees to obtain this vital medical information without allowing them access to their OBC.

Adoptees are forbidden access to their OBC due to archaic laws which mandate that adoptee birth certificates be falsified by the State and the original sealed by the courts at the time of adoption. These laws were enacted allegedly to protect adoptees from the shame of their "illegitimate" heritage, not to protect the birthmother's privacy. Birth parents do not sign a contract upon relinquishing a child for adoption guaranteeing them anonymity.

Studies show that the overwhelming majority of birth mothers welcome reunion with their children. Many birth parents support Measure 58.

The creation of a falsified birth certificate implies there is something shameful about adoption and must therefore be kept secret. Adherence to the fundamental principles of truth and honesty advances the interests and goals of a free, open and democratic society. A birth certificate falsified by the State is incompatible with these principles.

The State should set an example for it's citizens - freedom to know the truth.

(This information furnished by Dale Bender, Birthfather, Karen Thomas.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Please, I need your help to find my sister and two brothers.
Vote Yes on Measure 58

The voters of Oregon are my only hope, and the only hope for thousands of others like me. My name is Jonathan Wexler, I was born here in Portland on April 12th of 1958 at Wilcox Memorial, now Good Samaritan Hospital.

When I was born, I may have had another name, but unlike you, I have no legal right to know what it was. I have no legal right to see my own unaltered birth certificate, to know what diseases may run in my family and most painfully, no right to know what happened to my two older brothers and sister.

Unlike them, I was lucky. Through a private adoption, I ended up with Simon and Joy Wexler. I had the most wonderful, loving parents anyone could ever wish for. My adopted sister, Marci, and I were truly blessed.

My sister and I are now alone. My dad died when I was twelve, and my mom died on my birthday last year. I applied to the state for what most Oregonians consider their most basic human right; to know who they are and where they come from. I can only say that what I found broke my heart.

The State, which is so desperate to "protect" us from ourselves, had adopted out my two brothers and my sister into different homes, but only after leaving them in foster care for seven years. They were two, three and four when I was born. I never knew they existed. They still have no idea I exist, and the State will not tell me their names. I don't have the same right in Oregon that any other citizen has. I can't call and ask, "are you alright?"

Ever since I was a boy, when I go to the doctors, apply for a loan, apply for health or life insurance or for a job, I have to leave the page on my family medical history blank. Not because there is no one to ask, unlike you, the State of Oregon has decided I have no right to ask.

Please don't buy into the nonsense that those who are not adopted tell you about the "rights" to privacy that birth and adoptive parents have. It is not their birth certificate that was been taken away. I never agreed to have my rights taken from me, and it is not the States business to assume that my birth mother wouldn't like to hear from me, that she made the right decision and that I'm happy and healthy. It's our decision.

I am a human being. I have a right to know the same details of my birth as any other citizen of Oregon. I have a right to care about and meet my own brothers and sister, and they should have the same right to know I exist.

You are my only hope. I beg you, please, vote "yes" on measure 58.

(This information furnished by Jonathan I. Wexler.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

Through the course of this past year, since the day I filed the paperwork to begin the process of certifying Measure 58 to the statewide ballot, I've been contacted by thousands of people throughout Oregon and the country. These people came from all walks of life, they were young, old, rich, poor, Democrat, Republican and unaffiliated. They were a diverse group of artists, teachers, retired construction workers, college students, lawyers, prison inmates and homemakers. Together they comprised a seemingly complete cross section of America with one unifying element: they had been touched in some way by adoption.

I was contacted by adoptive parents who expressed such unconditional love and concern for the deepest needs of their children that I was uplifted by their spirit for many days afterward. I was contacted by birth mothers whose lasting concern and love for a child relinquished twenty, thirty or forty years ago led them to work passionately for this measure. And of course, there were the adoptees. As an adoptee myself, I knew well the complex emotions in their hearts. Some were angry and frustrated at the road blocks to the unanswered questions of their lives, while others supported this effort in quiet solidarity. Still others were bed ridden or dying from an undiagnosed illness; that was a shock to me. We don't see those people, we don't realize they're there.

Perhaps this isn't an argument in favor of Ballot Measure 58 so much as it is a tremendous and heartfelt thank you to the initiative process and to the State of Oregon, and to all those who contacted and helped with this campaign, thank you for the most incredible year of my life.

Helen Hill
Chief Petitioner: Ballot Measure 58

(This information furnished by Helen Hill, Open 98.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Adults should have the right to the truth about themselves. The state shouldn't be deciding what truths some adult citizens can be allowed to see, and what others cannot. This is the wrong job for the state. Keeping true facts of birth away from an adult citizen is not within the mandated purpose of a state government.

The State of Oregon expects us to be honest and report our income exactly the way it is, insurance companies expect us to be honest and report accidents exactly the way they happened, the courts demand that we account for our actions truthfully. So much in our society hinges on each and every citizen remaining truthful and responsible to each other. Why then does the state, in this instance, hold that it is legally appropriate to seal an original, historical document and deny an adult the true facts about when, where, and to whom they were born?

The CHOICE to know the true facts about ourselves should belong to all of us as adult citizens. Vote Yes on Measure 58.

(This information furnished by Patricia Champ.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 58

ARGUMENT IN FAVOR

Before 1957, an adult adoptee was guaranteed the right to see his or her original birth certificate by an act passed in 1941 by the State of Oregon. For over HALF of all adult adoptees alive today, Measure 58 represents A RETURN TO THE STATUE IN PLACE AT THE TIME OF THEIR BIRTH! Vote Yes! A wrongful law is a wrongful law no matter how long it has been in effect. This measure is about truth and accountability. The right to the truth, for an adoptee, it is a right that has been abrogated. We all have a right to the truth, and the wisdom of countless religions and philosophers through the ages holds that in the presence of truth, there is the greatest potential for healing. Let's move into the year 2000 with this very human right and just step towards the light. Vote YES on Ballot Measure 58.

(This information furnished by Donna Harris.)

(This space purchased for with a petition containing the signatures of 1,000 voters eligible to vote on the measure in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

We, the undersigned adoption professionals, urge all Oregonians to vote no on Ballot Measure #58.

Until the 1960's, women faced with an unplanned pregnancy were shunned by their friends and families. The deep shame associated with the prospect of bearing an "illegitimate" child and the disgrace heaped upon "unwed mothers" made it nearly impossible for these women to consider parenting their children. Those who made the wrenching decision to plan an adoption for their babies did so with the clearly expressed expectation that their identities would always be kept confidential.

By keeping the secret, they hoped to "start over," begin a new life without the risk of being discovered. These women were encouraged to "forget this ever happened." Many birthparents took, or intended to take, this secret to their graves.

Adoption agencies, seeking to honor their relationships with birthparents and adoptive families as well as respect their wishes for privacy, assured each party confidential services.

Over the years, adoption practice has changed and evolved. There are now many options that address the freedom of relationships among adoptees, birthparents, and adoptive parents:

- A wide range of opportunities for openness between birth and adoptive families
- A process for the release of non-identifying information by any party
- A process for assisted search for both birthparents and adoptees with the support of a trained social worker
- The freedom and power for all parties to decide whether and when they might choose to disclose their identities.

We oppose Ballot Measure #58 because there are no provisions in this measure allowing birthparents to veto either the disclosure of their identities or potential contact from the adult adoptee. There is also no way for birthparents to access current identifying information about the children for whom they planned adoptions.

We believe that birthfamilies, adoptive families, and adoptees deserve equal respect and courtesy. Services offered to one of these parties should also be offered to the others.

VOTE NO ON MEASURE 58

Nancy P. Simpson, MA; Lauren Greenbaum, MSW; Claudia Hutchison, MA; Gayle Dukart-Hardy, LCSW; Kathleen Moore, LCSW; Kathy Astle; Susann B. Finnegan; Lori Mason Namba; Paula Reents; Lynne Schroeder; Sherry Steele

(This information furnished by Nancy P. Simpson, MA, Concerned Adoption Professionals.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

Measure No. 58

ARGUMENT IN OPPOSITION

Measure 58 would destroy a critical part of Oregon's adoption laws. Oregon and almost all other states know from long experience that in some adoptions confidentiality — tempered with flexibility — is necessary.

A pregnant woman wanting to surrender a child for adoption may choose one of two systems. If she chooses open adoption, she will maintain contact with the adoptive family. If she chooses a confidential adoption, the adoptive family will receive essential medical information, but the biological and adoptive families have no contact.

In extreme cases parental rights are terminated by courts. The biological parents may be child abusers or have other serious problems. When that happens there will ordinarily be no contact between the biological and adoptive families, but State officials will still provide medical information to the adoptive family.

To allow confidential adoptions, Oregon law seals adoption records — original birth certificates, court records, and adoption agency records. Measure 58 would destroy that system of confidentiality, breaking promises made to women over many years that an adoption would help permanently put behind them acts ranging from rape to a moment's indiscretion.

The initial decision to make an adoption confidential can be changed. Oregon law (ORS 109.425-109.507) requires the creation of voluntary adoption registries in which biological parents and adult adoptees can register their wish to meet. If both register, they are introduced with the help of trained social workers. The law gives voluntary adoption registries access to sealed adoption records. They will track down necessary medical information and contact biological parents for an adult adoptee to see if the biological parents wish to meet the adoptee.

Confidentiality gives some pregnant women considering adoption a choice they need. It protects them and adoptees from public disclosure of information on the unfortunate circumstances that sometimes lead to adoption. Oregon should preserve that choice.

VOTE NO ON MEASURE 58.

Warren Deras, J.D.

(This information furnished by Warren Deras.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

The initiative to identify birthparents simply by request of adoptees is seriously flawed. This initiative seeks to create a new "right" by destroying established rights of privacy and personal choice.

Contrary to the claim by sponsors of this initiative that the Oregon State Legislature has not been responsive to their requests to essentially open confidential adoption records automatically when adoptees reach a certain age, the Legislature has, in fact, given a great deal of consideration to all sides of the adoption records question in recent years. Legislation has been passed and implemented to make information available to adoptees, and to aid those adults who are interested in finding birth families to do so.

While some who support this initiative state their goal is not search and identification of biological relations, many others say that is their intent. In Oregon, this initiative is unnecessary for purposes of search and reunification of biological relations. Under current Oregon law, adoptees have access to medical, social, and genetic information in their adoption files. Identifying information about birthparents may be obtained when all parties are adults and consent to exchange such information. The State even administers an "assisted search" program through Services to Children and Families to help those parties to adoption wishing to reunite. By requiring that all parties consent before identifying information is revealed, the Legislature recognized that the individuals who will be most affected by release of such information are the ones to determine if, or when it should be released.

The flaw in this initiative is that control of private information is removed from the parties involved. It is wrong to assume that any one individual has a greater right to information in adoption than another. The current carefully crafted law puts all parties in an adoption on equal footing and requires that all be contacted and give consent prior to personal information being released. This initiative removes protection of personal choice and right to privacy.

(This information furnished by Steven Dahl, Friends of Adoption.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 59

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

59 AMENDS CONSTITUTION: PROHIBITS USING PUBLIC RESOURCES TO COLLECT MONEY FOR POLITICAL PURPOSES

RESULT OF "YES" VOTE: "Yes" vote prohibits using public resources to collect or help collect political funds.

RESULT OF "NO" VOTE: "No" vote rejects prohibition on using public resources to collect or help collect political funds.

SUMMARY: Amends constitution. Prohibits using "public funds" to collect or assist in collecting "political funds." "Public funds" defined to include public employee time, public property or equipment and supplies. "Political funds" defined to include any expenditure supporting or opposing a candidate, ballot measure or initiative petition. Prohibition applies even if public entities are reimbursed for use of public funds for collection. Measure would prohibit public employee payroll deduction for any entity that uses any funds deducted for political purposes or that commingles political and non-political funds.

ESTIMATE OF FINANCIAL IMPACT: This measure is estimated to reduce state expenditures for voters' pamphlet publication by $1,800,000 in the year 2000 and in subsequent even-numbered years. State revenues from filing fees are estimated to decrease by $400,000 in the year 2000 and in subsequent even-numbered years.

These reductions result from eliminating candidates' statements and measure arguments in the State Voters' Pamphlet.

The measure will have no financial effect on local government expenditures or revenues.

TEXT OF MEASURE

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OREGON:

The Constitution of the State of Oregon is amended by adding the following section to Article XV, which section shall be appropriately numbered and shall read:

Section 10 (1) No public funds shall be spent to collect or assist in the collection of political funds.

(2) For purposes of this section, money shall be deemed to be "political funds" if any portion of the money, including in-kind contributions, is contributed to a candidate or political committee, or spent, including independent expenditures, supporting or opposing a candidate for public office or a ballot measure, including efforts to collect signatures to place a measure on the ballot, and any efforts, including but not limited to direct mail and media campaigns, to solicit signatures for initiative petitions or to discourage electors from signing initiative petitions.

(3) For purposes of this section, public funds shall include public employee time, public property, and public equipment and supplies.

(4) Public entities are prohibited from providing a service prohibited by this section even if reimbursed for the cost of doing so.

(5) No public entity shall collect or assist in the collection of funds for any purpose for a person or organization, if, after the effective date of this Amendment, the person or organization has: (i) used for political purposes any of the funds collected for it by a public entity after the effective date of this Amendment, or (ii) co-mingled non-political funds collected by a public entity after the effective date of this Amendment with political funds.

(6) If any phrase, clause, or part of this section is found to be unconstitutional by a court of competent jurisdiction, the remaining phrases, clauses, and parts shall remain in full force and effect.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure adds a new section to the Oregon Constitution that prohibits any person or organization from using public resources to collect or help collect political funds. Public resources that cannot be used to collect political funds include public moneys, public employee time, public property and public equipment and supplies. Political funds include any money contributed to candidates or political committees and any money spent supporting or opposing a candidate, ballot measure or initiative petition. A public body is prohibited from using its resources to collect political funds even if it is reimbursed for the cost.

An organization violating this measure by using non-political funds (collected for it by a public body) for a political purpose will lose the right to payroll deductions by any public body for all purposes.

This measure prohibits several activities currently allowed under Oregon law. For example:

1) To use public property, including public buildings, to collect or help collect political campaign funds.

2) To recognize a public employee's request to payroll deduct part of the employee's wages and transfer that deducted money to an organization that uses all or part of that money to support or oppose candidates, initiatives or ballot measures.

3) To include in the voters' pamphlet any paid statement supporting or opposing candidates, initiatives or ballot measures.

Committee Members:	Appointed by:
Representative Steve Harper*	Chief Petitioners
Bill Sizemore*	Chief Petitioners
Roger Gray	Secretary of State
Greg Hartman	Secretary of State
Kathleen Beaufait	Members of the Committee

*Member dissents (does not concur with explanatory statement)

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215. The statement written by the committee was modified and certified by the Supreme Court of the State of Oregon pursuant to ORS 251.235.)

CONTINUED

Measure No. 59

ARGUMENT IN FAVOR

MEASURE 59 PRESERVES WORKERS' RIGHTS

My name is Harry Beck. In the 1980s I filed a lawsuit to prevent a labor union from forcing me to contribute money to their political agenda against my will.

My case went all the way to the U.S. Supreme Court. The Supreme Court ruled in my favor; saying no worker should be forced to contribute to political campaigns he or she doesn't personally support.

The Beck decision is now the nation's landmark case defending a worker's right to not contribute to political campaigns they don't personally believe in.

Even though I won my case, the abuse I suffered continues today. **Millions of workers across America are still having money deducted from their paychecks and spent on a union's political agenda without the employees' permission**. The union simply confiscates the money from the employee's paycheck before the employee is paid.

In Oregon, tens of thousands of public school teachers, police officers, fire fighters, clerks, secretaries, prison guards, etc. are still having money deducted from their paychecks and transferred to a union's political coffers.

Measure 59 makes it illegal to deduct money from any public employee's paycheck and use then that money for a political purpose. **Of course, public employees will still be free contribute to any cause they personally choose.** But rather than the money being deducted from their paychecks with or without their permission, they will simply write out a check to the cause they personally support, just like the rest of us do.

There will be tremendous labor union opposition to Measure 59. **Union bosses know if workers have the right to not contribute to the union's political funds, most will not.** I support Measure 59 because it gives workers the right to choose for themselves the political causes they will support.

No worker should be forced to contribute money to a political campaign they don't personally support. Not in America.

Please vote "Yes" on Measure 59.

(This information furnished by Harry E. Beck.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

I am a public school teacher. I love to teach.

I became a teacher because I care about kids and because I want to help them learn. Nothing is as thrilling as watching a light come on in a young mind.

In recent years, though, my job has become politicized. I have been forced to participate in political battles that are not of my choosing. Every month, money is taken from my paycheck and used to support the agenda of an increasingly political teachers' union. Money is taken from me and contributed to the campaigns of candidates who hold views I oppose. Money is taken from me and used to oppose ballot measures I support.

This is not right. Public school teachers should have the same right as anyone else to support or oppose political candidates or causes we choose.

Thomas Jefferson once said, **"To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical."** Jefferson's statement should apply to teachers the same as every other citizen.

Measure 59 gives public school teachers and other public employees the same freedom of political expression others already enjoy by preventing our employers from deducting money from our paychecks against our will and depositing that money into a political fund.

If I am going to be involved in politics, then I want the freedom to choose how, when and where I will be involved. That's only right. Please vote YES on Measure 59. Many hard-working dedicated teachers, who simply want to be left alone to teach, will appreciate your support.

(This information furnished by Tim Rohrer.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN FAVOR

As Oregon's largest business association, Associated Oregon Industries believes everyone should support candidates and issues of their own choosing. It is healthy for the political process to have broad participation.

Measure 59 says simply that tax dollars should not be used to collect or process political contributions. People pay taxes to support important and essential government services. They should not have their taxes used for political purposes or to help some groups collect political donations.

Measure 59 does not affect contributions to United Way or other charitable organizations. It only affects funds used for political campaigns.

Measure 59 does not affect private payrolls. It only affects public payrolls that are processed with tax dollars, and government employees who are paid with tax dollars.

Measure 59 does not prohibit participation by anyone in the political process. It allows people to choose on a direct and voluntary basis if, when, and where they want to participate.

Measure 59 closes the door on potential abuses. It provides free choice for people to decide for themselves what issues and candidates to support. And it stops the use of tax dollars for collecting political funds.

People --- not tax dollars --- should write personal checks to whatever group, issue or candidate they wish to support.

Vote YES on Measure 59.

Submitted by
Associated Oregon Industries

(This information furnished by Richard M. Butrick, Associated Oregon Industries.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

STATEMENT OF INTENT

Measure 59 will prevent the use of tax dollars to collect political funds.

It is not a legitimate function of government to collect political funds for either side of a political debate. **Government should remain neutral in elections.** favoring no candidate over another, and favoring no particular side of a ballot measure. Neutrality is essential to open and fair elections.

Currently, however, government is not acting as a neutral party in our elections. Government is helping one side of the public debate. **Every year. public resources are used to collect millions of dollars of political campaign funds. but only for the side of the debate that supports higher taxes and bigger government.**

Every year, our tax dollars and our publicly-owned buildings and equipment are being used to collect millions of dollars in political campaign funds for public employee unions, but no one else.

Certainly, public employees should be free to contribute money to any political campaign they choose. But public employee unions should not be free to use our publicly-owned buildings, equipment, and supplies to collect their political campaign funds. They should raise political money the way everyone else does – without the use of public resources.

Following are two things Measure 59 will not do:

Measure 59 will not end the voters pamphlet as some have claimed. The only effect the measure would have on the voters pamphlet, if any, would be to require those who buy paid advertisements in the Voters Pamphlet pay to the publisher the full cost of their advertisement. Currently they pay only about 10 percent of the actual cost. Taxpayers pay the other 90 percent.

Measure 59 will not affect Oregon's political tax credit. because no public resources are used to collect those funds. Those funds are collected directly by the organizations receiving the money, not by the state.

Measure 59 will. however. make government once again neutral in Oregon elections. Like it should be.

(This information furnished by Bill Sizemore, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN FAVOR

Let me tell you what Measure 59 is not about. It's not about Republicans against Democrats. It's not about corporations against unions. It's not about rich fat cats against poor working folks.

It is not about charities like the United Way or Boy Scouts. It's not about the Voters Pamphlet.

Measure 59 is about stopping government from using your tax dollars to collect political funds for certain select groups who support bigger government and higher taxes. And it's about stopping unions from deducting money from employees' paychecks for politics without the employees' permission.

Why is it important to state what Measure 59 is not about? Because the primary opponents of Measure 59 are public employee unions who never discuss what a measure is really about. They always campaign about something else, because they know if you discover what the issue really is, you will vote against them.

So this election you will hear and see ads attacking Bill Sizemore. You will hear or see ads attacking Newt Gingrich or some guy back East named Norquist. Why? Because the public employee unions don't want to talk about what they are doing with your tax dollars, i.e. using them to raise your taxes.

And they don't want to talk about what they are doing to school teachers and police officers and fire fighters, i.e., taking money out of their paychecks without their permission, and then using that money to run political campaigns.

Read Measure 59 for yourself. It's not complicated. It has no secret agenda. Its goal is simply to prevent the use of public resources to collect political funds, and to give public employees the same right the rest of us enjoy, to give or not give to political causes as they see fit.

Don't let the public employee unions throw sand in your eyes. Don't let them distract you from the real issue of Measure 59. It's an honest straight forward measure.

(This information furnished by Bill Sizemore, Executive Director, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

STOP USING TAX DOLLARS TO COLLECT POLITICAL FUNDS

Who do you suppose are the top contributors to the election campaigns of those politicians who want to increase taxes and expand the size of government?

When a measure to increase taxes appears on the ballot, who spends the most money trying to pass the measure?

When a ballot measure would reduce taxes, who spends the most money trying to defeat the measure?

The answer to all three questions is the same: **Public employee unions.**

Public employee unions spend millions of dollars every election cycle trying to elect politicians who will expand government and increase taxes because that's good business for them. The more money the rest of us pay in taxes, the more money government has available for hiring public employees. More public employees means more unions dues for their unions. **That's why increasing taxes is a top priority of public employee unions.**

But the victims of this cycle are the taxpayers. Their tax dollars are being used to collect political campaign funds for those whose primary goal is to increase taxes.

Why do the public employee unions have what seems like an endless supply of political campaign funds? Because they have an advantage no one else has. **Government collects their campaign funds for them by taking political contributions out of public employees' paychecks before the employees even see a dime of their own money.** (And they don't even have to have the employee's permission.)

Of course, public employees have as much right to contribute to political campaigns as anyone else. And under Measure 59, public employees will still be free to contribute to any cause they personally believe in by simply writing out a check; just like everyone else does.

Measure 59 applies equally to everyone. It doesn't favor Democrats, Republicans, Independents, liberals or conservatives. Under Measure 59, government simply will not collect political campaign funds for anyone. Period.

That's the way it should be.

(This information furnished by Bill Sizemore, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN FAVOR

PUBLIC EMPLOYEE UNIONS HAVE TAKEN OVER THE SYSTEM

Here in Oregon, democracy is being undermined by the public employee unions. Because of their enormous political checkbooks, filled at taxpayer expense, public employee unions have become the most powerful force in politics.

Why do the public employee unions have so much political money? Under current law, unlike other groups, public employee unions are allowed to use public employee time and other taxpayer owned resources to collect their political funds.

And what do they do with all that campaign money? They use it to raise our taxes - to elect politicians who will increase taxes and to support ballot measures that increase taxes. We're literally giving them the money they use to raise our taxes.

Remember when the measure to slow down the growth of property taxes appeared on the ballot? Who spent most of the money trying to stop the people from slowing the growth of property taxes? The public employee unions. Why? Because when we pay more taxes, it's more money for them.

Why doesn't the legislature stop this abuse from occurring? Because legislators are afraid of the public employee unions, because these unions have so much money to spend opposing them.

Why doesn't the governor stop this abuse from occurring? Governor Kitzhaber's largest contributors are public employee unions. They give him large campaign contributions, and he gives them large pay raises. It's a pretty sweet thing they have going.

As usual, it falls to the people to deal with this problem through the initiative process. Measure 59 is on the ballot because it is the only way we can stop the use of our tax dollars to collect political campaign funds for the public employee unions.

Your vote is needed to prevent the use of your tax dollars, and your public buildings, computers and supplies, to raise the political funds they use to increase your taxes!

Please vote YES on Measure 59.

(This information furnished by Becky Miller, Executive Assistant, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Public employee unions are using your tax dollars to collect millions of dollars in political campaign funds. And they are spending that money – which you paid to collect – on tax-and-spend candidates and political efforts that are making our government bigger, more intrusive, and more expensive.

Taxpayers are unwillingly financing the fund-raising machine for political organizations that are spending millions of dollars each year to raise your taxes and limit your freedoms.

In recent years public employee unions have spent millions of dollars – which you paid to collect – to support candidates for public office who:

- Favor increasing property taxes
- Favor keeping your income tax refund – known as the "kicker"
- Favor eliminating phonics – a proven method for teaching children to read – from the classroom
- Favor increasing gas taxes and vehicle registration fees
- Favor loosening sentencing laws and giving more rights to criminals
- Favor placing even more regulations on small businesses
- Favor adding a sales tax in Oregon

Additionally, the public employee unions have spent millions of dollars opposing pro-taxpayer measures and filing lawsuits to overturn laws passed by voters.

Doesn't it make you mad that political organizations with a big-government, high-tax philosophy are the ONLY groups that get their political money raised at taxpayer expense – or rather, at YOUR expense?

It's time to level the playing field. **Measure 59 will make public employee unions raise their money like everyone else does** – without the use of our tax dollars.

(This information furnished by Becky Miller, Executive Assistant, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN FAVOR

MEASURE 59 IS FAIR FOR EVERYONE

Measure 59 is one of the most fair, even-handed campaign finance reforms ever. Unlike most campaign finance reforms, Measure 59 does not favor any one group over another. It applies equally to everyone.

Measure 59 prohibits using public resources to collect political funds. Period. It treats Republicans, Democrats, Independents and minor political parties all the same. It applies equally to liberals, moderates, and conservatives. It applies equally to corporations and unions.

Measure 59 simply prohibits government from collecting political funds for anyone or any group, no matter what their political stripe.

Under current law, publicly owned buildings, computers, and supplies are being used to help collect political funds for certain groups. Currently, it is even legal for public employees to use time on the job, while they are being paid, to help collect money that is used for political purposes.

This is an abuse of public resources and taxpayer dollars. Our tax dollars should never be used to collect someone's political funds. Period. Collecting political funds is not a legitimate function of government.

Let's pass Measure 59 and let everyone collect their own political funds from now on, without the use of public resources. That's the way it should be.

Please join me in getting government out of the business of collecting political campaign funds. Keep your tax dollars out of political campaigns.

VOTE YES ON MEASURE 59

(This information furnished by Bill Sizemore, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

THIS IS A PAID POLITICAL ADVERTISEMENT
(and you're the one paying for it.)

That's right. What you're reading right now is a paid political ad. It is not official information; just my opinion, brought to you at taxpayer expense.

This ad costs the taxpayers of Oregon about $3,000 to print and distribute. But I only have to pay $300 for the ad. Taxpayers pay the rest. Such a deal.

I can say pretty much what ever I want in this ad. I may be a reasonable person giving you sound political advice, or I may be a total crackpot. No matter, under current law, taxpayers pick up 90 percent of the tab for printing and distributing my opinion.

For example, I can say that I oppose Measure 59 because it ends the 90 percent taxpayer subsidy of political ads placed in the Voters Pamphlet by total crackpots. Or I can say I oppose Measure 59 because if Measure 59 passes public employee unions will lose millions of dollars in political campaign funds.

I can even say I oppose Measure 59 because "59" is my least favorite number. Actually "59" is one of my most favorite numbers because if you add 5 and 9 together you get 14, which is two times seven, and seven is everybody's lucky number.

The point is this: Measure 59 will have no effect on the rest of the Voters Pamphlet, but it will probably end the huge taxpayer subsidy of ads like this one, and all the other ads for pages and pages on both sides of this ad. If Measure 59 passes, people like me, who place paid ads in the Voters Pamphlet, could be required to pay the actual cost.

Just think of it. Every ad in the Voters Pamphlet costs the author only $300, and costs the taxpayers $2,700.

VOTE NO ON MEASURE 59
(so I can keep running ads like this one for only $300)

(This information furnished by Adelia Stewart.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

A NURSE'S VIEW OF BALLOT MEASURE 59

As Registered Nurses, we care about what happens to our patients and the care they receive at the bedside. When we see trends in our health care system that put people at risk we feel an obligation to take action. Bills like the Patient Bill of Rights are important to us as professional and compassionate people.

Nurses and other health care providers must be involved in the political process so that laws are passed to protect patients from those who would put profits first and quality patient care second. We recognize that in politics, to have an effective voice you need to raise money to be heard in political campaigns and in the legislature.

Ballot Measure 59 will eliminate our option to have a voluntary political contribution deducted from our paychecks. Ballot Measure 59 will make it very difficult for our professional association – the Oregon Nurses Association – to help elect people who care about how the "business" of health care treats you as a patient.

However, Ballot Measure 59 will not effect HMO's and insurance companies who oppose safeguards in our health care system. In fact, by silencing nurses HMO's will have even more influence on the quality of care you receive.

Ballot Measure 59 is unfair and unnecessary. Nurses have been willingly making contributions through their paychecks for years. We also willingly use payroll deductions to contribute to other worthy causes like United Way. Having these important contributions deducted from our paycheck is efficient and inexpensive.

Please, ask yourself this question:

"Why are the proponents of Ballot Measure 59 trying to stop us from voluntarily spending our own money to have a voice in the public debate about health care issues?"

(This information furnished by Kathleen Sheridan RN, Neta Courcey RN, Bruce Brown RN, Pamela Kirk RN, Patrice Boose RN, Cynthia Mosser RN, Linda Pesanti RN, Susan King RN, Chris O'Neill RN; Oregon Nurses Association.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

The Former Deans Committee

We believe Measure 59 raises serious issues under the First Amendment to the United States Constitution. This measure may prohibit state and local Governments from collecting "Funds" to be spent for political purposes.

Notwithstanding the intent of the drafters, we believe Measure 59 is vague and unclear in its meaning. As Measure 59 is written, it appears to limit free expression of political ideas and concepts by elected officials and governmental officials by placing a chilling effect upon the exercise of "free speech". It also appears to prohibit the production of the Oregon Voters Pamphlet by the Secretary of State in its present form.

"Public funds" are defined to include public property and employee time. Therefore the Measure seems to prohibit the rental or use of traditional public forums such as schools, plazas or parks for political gatherings. It also seems to forbid the use of public law enforcement to direct traffic or provide public safety at such events. Officials may be forced to guess when to allow free speech and assembly. The Measure appears to limit all levels of government from communicating with their citizens concerning political issues of community interest.

We provide this information to help fellow voters in understanding this measure. Our comments are designed only to provide objective and careful constitutional analysis of the measure. Collectively we take no position on the other merits of this measure.

Prof. Leroy Tornquist (Chair), Former Dean Willamette College of Law
Rennard Strickland, Dean University of Oregon Law School
Prof. Robert Misner, Former Dean Willamette College of Law
Robert Ackerman, Dean Willamette College of Law
David Frohnmayer, Former Dean University of Oregon Law School

(This information furnished by Bob Cannon, Treasurer, The Former Deans Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

VOTE NO ON MEASURE 59!

The American Civil Liberties Union (ACLU) of Oregon asks you to consider the serious flaws in Measure 59 before you vote.

IT'S NOT ABOUT SAVING TAX MONEY

Section 4 of Measure 59 makes that crystal clear: even if it doesn't cost the government **one thin dime**. the restrictions of Measure 59 would still apply.

IT'S OVERBROAD

Because Measure 59 is a constitutional amendment—and because its language is so sweeping—it will affect **all** Oregonians, not just government employees. Among its likely consequences are:

- An end to voter's pamphlet statements by candidates, and arguments for and against ballot measures (because the measure prohibits spending any public funds to "support or oppose" candidates and ballot measures);
- Eliminating government payroll deductions for United Way and charities like the American Lung Association of Oregon and American Cancer Society (because many charities occasionally take positions on ballot measures—like the tobacco tax approved by voters two years ago); and
- Eliminating government payroll deductions for home mortgage payments (because banks use some of their profits to engage in "political" activity).

IT'S UNNECESSARY

Oregon law already prohibits public employees from doing anything while they're on the job to support or oppose candidates or ballot measures. (ORS 260.432)

Measure 59 is also unnecessary to protect public employees who disagree with the political activities of their union. Public employees **already have** the right and ability to opt out of paying the portion of union dues that supports their union's political activities.

IT'S UNCONSTITUTIONAL

Even if the only target of Measure 59 were public employees, their rights to participate in the political process **are clearly protected by the First Amendment**.

VOTE NO ON MEASURE 59!!
IT'S OVERBROAD
IT'S UNNECESSARY
IT'S UNCONSTITUTIONAL

(This information furnished by Jann Carson, American Civil Liberties Union (ACLU) of Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

MEASURE 59 GUTS THE OREGON VOTERS' PAMPHLET

Big Money Wants to Keep Oregon Voters in the Dark about ALL Candidates and ALL Ballot Measures

Oregon voters created the Oregon Voters' Pamphlet by an overwhelming vote of the people in 1908. Now Bill Sizemore's Measure 59 would destroy it by deleting 90% of its content.

Every neutral legal analysis of Measure 59 has concluded that it will remove from the Oregon Voters' Pamphlet:

- **all information about the qualifications, beliefs, or policies of any candidate**
- **all arguments on why voters should accept or reject ballot measures**

Among those who agree are Oregon's Legislative Counsel (who prepared the Draft Explanatory Statement) and the State of Oregon Financial Impact Committee, which includes the Secretary of State and the State Treasurer.

Politics is corrupted by big money. Candidates and ballot measure sponsors (and opponents) get huge contributions from the big corporations and wealthy people who want special treatment from government. They use this money to buy ads on TV, radio, billboards, and newspapers.

Now Big Money wants to destroy the Oregon Voters' Pamphlet -- the only way for candidates and those interested in ballot measures to reach all Oregon voters without begging the Big Money barons for cash.

If Big Money wins on Measure 59, they will have more power than ever before:

- **power to raise your taxes, while cutting their own**
- **power to raise your utility bills**
- **power to pollute the air and water**
- **power to tell you how to live your life**

because they will control what you see and hear about all candidates and all measures.

Let's keep the lights on . . .
by keeping the Oregon Voters' Pamphlet.

Daniel Meek
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For more information: www.voters.net

(This information furnished by Daniel Meek.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

SIZEMORE'S MEASURE 59 DESTROYS THE OREGON VOTERS' PAMPHLET!

on all levels: State, County, City, District

Oregon voters created the Oregon Voters' Pamphlet in a 1908 initiative to reform corrupt politics. The initiative directed the Secretary of State to distribute the Voters' Pamphlet to all registered voters and that it include fee-based statements supporting or opposing candidates for public office.

For 90 years, the Oregon Voters' Pamphlet has served as the best way for candidates or those with opinions about ballot measure to get their views to **all Oregon voters** without needing huge amounts of money and becoming obligated to the special interests.

Every published legal analysis of Measure 59 has concluded that it will remove from the Oregon Voters' Pamphlet:

- **all information about the qualifications, beliefs, or policies of any candidate**
- **all arguments on why voters should accept or reject any ballot measure, including state, county, city, and district measures**

Today, a candidate for state office can print in the Voters' Pamphlet a statement of her background, beliefs, policies. This costs $300 for a full page or $100 for a half page.

Today, a person or group can print in the Voters' Pamphlet an argument for or against a ballot measure. This costs $300 (or 1000 signatures of voters) for a half page.

Measure 59 will make it illegal to print any of this in the Voters' Pamphlet.

Experienced election law attorneys, including Warren Deras, have concluded that Measure 59 would also eliminate the Oregon political tax credit, which credits a taxpayer for up to $50 ($100 for a married couple) per year to offset the cost of contributions to political causes in Oregon. This tax credit allows the campaigns for candidates and initiatives to receive support from those of us who don't have the big money.

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(This information furnished by Daniel Meek.)

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ARGUMENT IN OPPOSITION

SAVE THE OREGON VOTERS PAMPHLET BY VOTING NO ON 59!

Don't Let Bill Sizemore put Voters in the Dark about All Candidates and All Ballot Measures

Coalition for Initiative Rights Urges "NO" Vote on Measure 59

Measure 59 would gut the Oregon Voters' Pamphlet, deleting from it all statements supporting or opposing any candidate or any ballot measure. That's about 90% of the Pamphlet.

Under Measure 59, the Oregon Voters' Pamphlet will contain:

- **no information about the qualifications, beliefs, or policies of any candidate**
- **no arguments on why voters should accept or reject ballot measures**

What's left is a list of candidate names, a list of the ballot titles for the measures, a list of polling places, an absentee ballot coupon, and some "general" information about voting.

The chief sponsor of Measure 59, Bill Sizemore, has said that gutting the Oregon Voters' Pamphlet was not his intention [*Oregonian*, August 23, 1998], **but Sizemore has also stated that "paid advertisements in the Voters' Pamphlet could be affected because they are about 90 percent taxpayer-subsidized." [*Oregonian*, August 9, 1998].** All of the candidate statements and all of the ballot measure arguments are "paid" for by the candidates, by the argument authors, and by the taxpayers. **Measure 59 would delete them all.**

The Oregon Voters' Pamphlet was created by voter initiative in 1908. Measure 59 would turn back the clock on political reform by 90 years!

Don't put Oregon voters in the dark about all candidates and all ballot measures!

Join us in saving the Oregon Voters' Pamphlet.

VOTE NO ON MEASURE 59

The Coalition for Initiative Rights is a group of volunteers dedicated to protecting the rights of Oregon voters to use the initiative and referendum.

Email: coalition.rights@usa.net
More Information: www.voters.net; www.teleport.com/~dweezil/cir

(This information furnished by Lloyd Marbet, Coalition for Initiative Rights.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

From the desk of John A. Kitzhaber, M.D.

In my twenty years of public life, I have seen the importance Oregonians place in the ability to make the right choice on issues that matter to us. We may not always agree on the issue, but we all want the right to make a choice through the use of our political voice.

That's why I am asking you to join me in voting NO on Ballot Measure 59.

Ballot Measure 59 isn't fair to Oregonians. It denies some of your friends and neighbors who happen to be union members the right to voluntarily choose a dues deduction -- giving them political voice like citizens in any other organization in Oregon. These are the men and women of Oregon who are firefighters, police officers, nurses and teachers. They save lives, protect our communities and educate our children. They are our friends and neighbors.

What else does this ballot measure do? It silences every Oregonian by making it illegal to include political statements in the voters' pamphlet. It sounds ridiculous, but it is true. If this measure passes, no statement supporting or opposing candidates, initiatives or ballot measures would be allowed to appear in the voters' pamphlet. I don't think that is good for democracy and I don't think its good for Oregon.

Why do I feel so strongly about Ballot Measure 59? Because it is deceptive; it isn't being honest with Oregonians about how it changes our political future. I think it is unfair to a small group of Oregonians; it denies them an equal voice in the political process. And I believe it takes the heart right out of the voters' pamphlet; it silences the ability of Oregonians to see and hear about all of their choices on the ballot.

I hope you'll consider these facts and join me in voting NO on Ballot Measure 59.

Sincerely,

John A. Kitzhaber, M.D.

(This information furnished by John A. Kitzhaber.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

A Republican Says Vote No on Sizemore-Norquist 59

I have never written a statement for the Oregon voters' Pamphlet, but Sizemore-Norquist 59 has compelled me to do so. From where I stand as a Republican activist and union members, it's deceptive and unnecessary,

I am public employee who serves Oregonians as a corrections officer at the Columbia River Correctional Institution in Portland. In that role, I am a union member represented by Local 3941 of the American Federation of State, County and Municipal Employees (AFSCME).

And, as a Republican, I am also the chair of the statewide AFSCME Republican Caucus. We are a group of registered union members who work with out political action committees to ensure that our viewpoint is heard on both issues and candidate endorsements. It's a democratic process, and we participate fully.

We also have the legal and voluntary right to "opt out" if we feel strongly about the political decisions of our union, and many of my co-workers do so. When you "opt out," you are rebated the percentage of your dues that AFSCME spends on political activity. You simply fill out a form and receive your rebate.

Bill Sizemore wants you to believe that public employee unions have money forcefully taken from them and spent on issues they don't believe in. I know first hand that's simply not true.

Tomorrow, if Sizemore-Norquist 59 isn't defeated by Oregonians, my right to choose will be denied and my right to speak through my union will disappear. That isn't fair.

I am convinced that Sizemore-Norquist 59 is aimed at me and all of my fellow public safety workers throughout the state who work hard to protect Oregonians. Just as you, we are entitled to the same rights and protections about how we participate in Oregon's political future.

Please join in me saying no to this deceptive and unfair ballot measure. Vote no on Sizemore-Norquist 59.

(This information furnished by Hermann Green, American Federation of State, County and Municipal Employees.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Secretary of State Advises Oregonians to Vote No on Measure 59

Keep the Voters' Pamphlet Available to Oregonians

As your Secretary of State, one of my jobs is to make sure that every Oregonian has the chance to learn about the candidates and issues before their votes are counted on election day.

Without question, the best tool we have to assist Oregonians as they decide on the candidates and issues is the Voters' Pamphlet. Everywhere I go, Oregonians tell me that they support this valuable resource as an important way to keep them informed about every election. That's why I am asking you to join me and citizens throughout Oregon in voting no on Measure 59.

As the current explanatory and fiscal impact statements on this measure note, there is a real danger that Measure 59 will make it illegal to include in the Voters' Pamphlet any paid statement supporting or opposing candidates, initiatives or ballot measures.

This could be the last Voters' Pamphlet that really helps Oregonians be informed citizens on the most important task they have -- electing our leaders and shaping the state's future.

Because Measure 59 amends the constitution, any effort to correct this obvious flaw may require an additional vote, potentially costing taxpayers up to one million dollars.

As Oregon's chief elections officer, I urge you to reject Measure 59.

(This information furnished by Phil Keisling.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Seniors Say Sizemore-Norquist 59 Will Destroy the Voters' Pamphlet

As senior citizen advocates, we are often overwhelmed by the amount of political information that arrives with every election. We get a mountain of mail asking us to vote one way or another. We hear radio spots and see television commercials trying to persuade us on the issues.

For us, however, the voters' pamphlet is different. Like many Oregonians, seniors trust the voters' pamphlet. It's really the one opportunity every Oregon voter has to read good information and arguments on both sides of every issue. It comes to us free from the Secretary or State before we vote, and anyone can use the voters' pamphlet to make their best case to vote for or against a candidate or a ballot measure. Then informed Oregonians, including senior citizens, can make their decision.

Sizemore-Norquist 59 would change the voters' pamphlet forever. Because it prohibits the use of public resources for political purposes, the voters' pamphlet could no longer include any arguments or statements supporting or opposing candidates, initiatives, or ballot measures. It's true. Just read the explanatory statement for Measure 59.

The voters' pamphlet is an important election tradition for senior citizens in Oregon. Many of us review it with families and friends before making our decisions on election day. Of course, many seniors use a vote-by-mail ballot, so for us the pamphlet is a great tool to help mark their ballots at home.

As a senior citizen, I know that without the voters' pamphlet it will be more difficult to determine the truth about candidates and measures. Without it, every citizen will be less informed and find it much harder to make good choices for Oregon's future.

Please join Oregon's senior citizens in voting no on Sizemore-Norquist 59. The voters' pamphlet is too important to lose.

(This information furnished by Jim Davis, Oregon State Council of Senior Citizens.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Oregon's Business Community Advises a No Vote on Sizemore-Norquist 59

Voters' Pamphlet Guides Oregonians on Election Day

As a member of Oregon's business community, I am concerned about Sizemore-Norquist 59. This measure really goes too far.

Oregon's business community cares about our employees and the choices we offer them. Sizemore-Norquist 59 really reduces the choices we offer our employees for voluntary participation through payroll deductions.

Like you, many of our employees choose to have money deducted directly from their paychecks for savings and retirement plans, charitable contributions, health care and disability coverage, as well as college savings programs and family emergencies. These are important choices for people to make, and valuable benefits for everyone.

We also understand the essential value of the voters' pamphlet for giving every Oregonian, as employees and employers, the right to speak about issues important to them. This tool is often every citizen's best chance to inform voters about how their election decisions affect them.

As a result, every Oregonian is threatened by this impact of Sizemore-Norquist 59: it will be illegal to include in the voters' pamphlet any paid statement supporting or opposing candidates, initiatives or ballot measure.

Sizemore-Norquist 59 threatens the voices and choices of every Oregonian because it goes too far. As a fellow citizen, I ask you to reject Sizemore-Norquist 59.

(This information furnished by Fred D. Miller.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

League of Women Voters of Oregon Urges a No Vote on Measure 59

The League of Women Voters of Oregon is asking Oregonians to vote "no" on Measure 59.

Measure 59 is unfair. It denies some union members the right to choose a payroll deduction to have a political voice like any citizen. These are the men and women of Oregon who are firefighters, police officers, nurses and teachers. They save lives, protect our communities and educate our children.

Measure 59 is unnecessary. Right now in Oregon, unionized workers already have the legal right and protection to choose not to participate in the voluntary political deduction. In some local unions, as many as 1 in 5 choose not to participate. Measure 59 doesn't protect these workers. It takes away their right to choose.

Measure 59 threatens the voters' pamphlet. Today in Oregon, the voters' pamphlet is the most important tool we have to ensure that every voter has access to all of the information and arguments they need to make an informed choice on election day. If Measure 59 passes, according to legal interpretation, the pamphlet you are reading right now would contain no election information, no arguments for and against issues, and no explanation of what a measure's consequences might be. The use of public funds for providing this information could be prohibited.

Measure 59 is unfair, unnecessary, and an attack on Oregon public employees such as firefighters, nurses, teachers, and others. The Oregon League of Women Voters of Oregon strongly recommends voting "no" on Measure 59. It's a matter of protecting individual rights.

(This information furnished by Paula D. Krane, League of Women Voters of Oregon.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Common Cause Asks Oregonians to Vote No on Measure #59

As Oregonians, we know the importance our citizens place on making the right choices for Oregon's future. In any election, we may not all agree on the issues, but we all want the right to participate and make an informed, fair decision. That's why we're asking you to join citizens throughout Oregon in voting no on Measure #59.

Measure #59 is unfair. It denies some Oregonians, who are union members, the voluntary right to choose dues deduction as a way to have a political voice, and participate like any citizen. These people are firefighters, police officers, nurses and teachers. They saves lives, protect our communities and educate our children.

Measure #59 is unnecessary. Right now in Oregon, unionized workers already have the legal right and protection to choose not to participate in voluntary political deductions. In some local unions, as many as one in five choose not to participate. This measure takes away their right to choose.

Measure #59 is underhanded. Its sponsors call it "paycheck protection" but it is actually an effort to deny one group, public employees, the political participation of their choice.

Measure #59 threatens the voters' pamphlet. Today in Oregon, the voters' pamphlet is the most important tool we have to ensure that every voter has access to all the information and arguments they need to make an informed choice on election day. If #59 passes it might mean that the pamphlet you are reading right now would have no information, no arguments for and against candidates and measures, and no explanations of what we are voting on. We need to protect the Voters Pamphlet.

Measure #59 is unfair, unnecessary, and an underhanded attack on participation and information in our electoral system. Please join Oregon Common Cause in voting no on measure #59.

(This information furnished by David Buchanan, Oregon Common Cause.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

A Police Officer Says Vote No on Sizemore Norquist 59

Say No to 59 Because It's Not Fair to Oregonians

Let me put it on the line for you: Sizemore-Norquist 59 isn't fair to me and my fellow officers. Why? Because every day we put our lives on the line protecting and serving Oregonians. We protect your communities. We need your help to assure our protection as equal citizens in Oregon. That's why I am asking you to join me in voting no on Sizemore-Norquist 59.

Why am I a Target for Sizemore-Norquist 59? Because it makes important changes in my right to choose how I participate in the political process.

Sizemore-Norquist 59 denies my right of choice through contributions to candidates or campaigns by payroll deduction. Today I have a choice. If 59 passes I won't. As a union member, it's very important to me to continue my voluntary participation in its work through a payroll deduction program.

What Else does Sizemore-Norquist 59 deny me? The same thing it will deny you and every Oregonian: our voices in the election process. It makes it illegal to include in the voters' pamphlet any paid statement supporting or opposing candidates, initiatives or ballot measures.

Why am I opposing Sizemore-Norquist 59? Because it's a mean-spirited effort aimed at me and my colleagues. Every day, while I and my fellow officers protect your communities, this measure challenges our place as citizens in Oregon.

Let me put in on the line again: that isn't fair to me, my fellow officers, or any Oregonian.

On November 3, please vote No on Sizemore-Norquist 59.

(This information furnished by Bryon Beaulieu, Lt., Winston Police Dept.; Don Sheldon, Winston Police Assoc.; Joe Felix, Winston Police Association; Scott Gugel, President, Winston Police Association; Brandon Sarti, Winston Police Association; Mary Forney, Secretary, Winston Police Association; Ronald Sanders, Winston Police Assoc.; Kent Grant, Winston Police Association.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

A Teacher Says Vote No Sizemore-Norquist 59

I teach high school in Portland. I love working with my students. My classroom is where I want to put all my energy. But, Bill Sizemore, the sponsor of Measure 59, has crafted a Constitutional Amendment that takes away my personal right to choose how to spend my own money. I urge you to vote NO on Sizemore-Norquist 59.

The fact is Measure 59 is unfair. It targets a certain group of individuals – teachers, firefighters, nurses and other public employees – and says we don't have the same rights as individuals who are employees of private businesses and big corporations. It's not right. It's not fair. And, it certainly has no place in Oregon's Constitution.

What does Measure 59 do? It changes how I can participate in the political process – the process that decides how Oregon's public school system will be funded, what kind of educational reform is needed in my school district, even how many students may be placed in my classroom.

Why would anyone want to make it more difficult for me to participate in the decisions that impact my classroom and my school? Those who work in Oregon's schools should certainly be able to have a voice in the decision-making process. After all, who knows our educational system best?

Measure 59 is unnecessary. Right now I have the choice whether or not to participate in the political system through payroll deduction. Measure 59 would remove that right – for other Oregonians and myself. I ask that you join me in voting no on Measure 59.

VOTE NO ON SIZEMORE-NORQUIST 59

(This information furnished by Julie Laut.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

ECUMENICAL MINISTRIES OF OREGON OPPOSES MEASURE 59

MEASURE 59 DISCOURAGES VOTER PARTICIPATION

Ecumenical Ministries of Oregon calls upon all citizens to study the issues to become aware of their implications for equality and social justice and their impact on individuals and society. The Voters' Pamphlet has been a major source of information for this in-depth analysis. Measure 59 denies us this common base of balanced information.

MEASURE 59 LIMITS CITIZEN INVOLVEMENT

Measure 59 denies public employees the right to voluntarily participate in the democratic process through a payroll deduction. It singles out Oregon workers who happen to be public employees and says they can't collectively and efficiently fund citizen participation through payroll deduction. Measure 59 is unfair to Oregonians who serve all of us as teachers, police officers, librarians, firefighters and public health providers.

MEASURE 59 THREATENS CHARITABLE GIVING

Ecumenical Ministries of Oregon provides housing, health care, hospice, nutrition services, parent mentoring, resettlement assistance and addiction services to many of Oregon's most vulnerable citizens. Many public employees contribute to this work through a voluntary charitable payroll deduction. Because advocacy is integral to this work, a charitable payroll deduction would be illegal under Measure 59. Many Oregon community based services find themselves in similar circumstances. Measure 59 discourages charitable giving by public employees.

MEASURE 59 VIOLATES CONSTITUTIONAL INTEGRITY

Measure 59 introduces into Oregon's constitution language that affects individuals rather than the basic framework of governance. A state constitution is supposed to provide protection for citizens' rights. Measure 59 violates the rights of public employees.

SAFEGUARD EQUAL ACCESS TO THE DEMOCRATIC PROCESS

PLEASE VOTE NO ON MEASURE 59

(This information furnished by Ellen C. Lowe, Ecumenical Ministries of Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Environmentalists Say Vote No on Sizemore-Norquist 59

Sizemore-Norquist 59 is bad for Oregonians and Oregon's Environment.

Oregonians care about the environment. Our environmental landmarks - the Columbia River Gorge, high desert country, spectacular and accessible beaches - are there because citizens got involved in our political process. By writing letters, attending public hearings and making payroll deductions to support environmental organizations or green candidates, citizens made their voices heard about the rhetoric of out-of-state money and special interests.

Now, **special interests are trying to silence some of us.** Bill Sizemore and Grover Norquist, an advisor to Newt Gingrich, want to take away the political voices of the men and women of Oregon who enforce our environmental regulations, who help protect our forest, rivers and wild salmon, and who keep our communities healthy.

Sizemore-Norquist 59 would deny Oregonians who are union members the **voluntary right to choose** a dues deduction. They would no longer have the choice to take part in election activities important to every citizen and currently allowed under Oregon law.

That's not fair to Oregonians.

This extreme measure not only silences some Oregonians, it reduces the ability of every Oregonian to cast an informed vote. Sizemore-Norquist 59 would make it **illegal to include in the voters' pamphlet any statement** supporting or opposing candidates, initiatives or ballot measures.

That's not fair to Oregon's electoral process.

Today, **where special interests outspend Oregonians who are union members by eleven to one.** we need more fairness - not less - in our elections. Today, when out-of-state dollars are used to undermine the laws protecting our environment and to eliminate the public workers enforcing those laws, we need more - not less - participation in politics by all Oregonians.

Oregonians who care about a healthy environment and fair elections in Oregon should beware. Sizemore-Norquist 59 is about taking away political choice and voice. Let your voice be heard by voting No on Sizemore-Norquist 59.

(This information furnished by Maureen Kirk, Executive Director, Oregon State Public Interest Research Group.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Who Is Really Behind Measure 59?

There's a lot of things about Measure 59 that I don't know. It seems deceptive and unclear, and if you're like me, you're not sure how many get hurt and how badly. But one thing I do know:

The people pushing this on us are **Bill Sizemore and Grover Norquist.**

Bill Sizemore's running for governor of Oregon even though he ran his own business into bankruptcy. The measures he's written in past elections have caused lawsuits that every Oregon taxpayer still pays for.

Grover Norquist registers himself as a foreign lobbyist and refers to himself as a close advisor to **Newt Gingrich.** He gets paid to try and get American taxpayer dollars sent to foreign countries. **Norquist takes credit for the Gingrich agenda** to give tax breaks to the wealthy, cut education, and put Social Security and Medicare at risk.

Now Norquist is going around the country, paying for measures like this one, just like he did in California, so that he can advance his anti-worker movement. It's **political payback** for everyone who fought the Norquist-Gingrich attack in Congress and tried to protect children and seniors. **Sizemore is using Norquist's money and agenda.**

That's who is behind Measure 59

The list of people opposing Measure 59 is a lot longer. It begins with our Governor and includes nurses, firefighters, police officers, teachers, senior citizens, and religious leaders.

Please vote **No on Sizemore-Norquist 59.**

(This information furnished by Susan C. Remmers, Oregon Action.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

A Health Professional Says Vote No on Sizemore-Norquist 59

Do you know that 59 is sponsored by Bill Sizemore? Does that scare you, too? As a psychiatric social worker in Salem for 10 years,, I know the value of public service in my community. That's why I am asking you to join me and citizens throughout Oregon in voting no on Sizemore-Norquist 59.

Why am I opposing Sizemore-Norquist 59? Because it's a mean-spirited effort aimed at the men and women of Oregon who are firefighters, policemen, nurses and educators.

What does Sizemore-Norquist 59 do? It makes it illegal to include in the voters' pamphlet any paid statement supporting or opposing candidates, initiatives or ballot measures. Doesn't that challenge our constitutional protection on the matter of freedom of speech?

It also makes important changes in my right to chose how I participate in the political process. Sizemore-Norquist 59 denies my right of choice through contributions to candidates or campaigns by payroll deduction. Today I have a choice. If 59 passes I won't. As a union member, it's very important to me to continue my voluntary participation in its work through a payroll deduction program.

Why do I feel so strongly about Sizemore-Norquist 59? Because it's **Deceptive, Unfair Unnecessary and Silences working families in Oregon.**

Please exercise your voice on November 3. **Vote No on Sizemore-Norquist 59.**

(This information furnished by Jackie Pierce.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Sizemore-Norquist 59 is Deceptive

On the surface, it looks like Measure 59 is about taxpayer money being used for politics, but it's already illegal to use taxpayer money for campaigning. Measure 59's deceptive language is just an attempt to deceive the voters of Oregon.

Bill Sizemore and Grover Norquist, a registered foreign lobbyist and advisor to Newt Gingrich, wrote Measure 59 for another purpose -- to support their national anti-worker movement. Oregon is just the latest state they have tried to trick into passing this kind of law.

Like so many politicians today, they are trying to fool the voters by obscuring the real issue. And like so many politicians today, all they are doing is creating a big mess.

They're trying to deceive us about the consequences of Measure 59.

What are the consequences of Measure 59?

The Secretary of State says it will gut the voters' pamphlet.

It will make this deceptive language a permanent part of Oregon's Constitution.

It will cause dozens of lawsuits, ending up in court and costing us all money.

Sizemore-Norquist 59 is deceptive, dishonest and misleading. It has major, expensive and severe consequences.

Please vote No on Sizemore-Norquist 59.

(This information furnished by Rich Rohde, Progressive Coalition of Southern Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Ballot Measure 59 has earned a No Vote!

The Oregon State Building and Construction Trades Council asks for your No Vote on Ballot Measure 59. Measures that unfairly pit one group of Oregonians against another aren't in Oregon's best interest.

We are the men and women who build your homes, schools, bridges, hospitals, and repair the roads. We have worked hard to build Oregon utilizing skills acquired through years of training. While most of us aren't directly targeted by this ill-conceived measure, we strongly believe it's wrong and should be defeated.

The sponsors of Ballot Measure 59 are promoting a deceptive measure. Clever ballot titles that divert attention from the real consequences of a measure need to be exposed. **If Measure 59 passed it would:**

- **Change the voters pamphlet without thorough public discussion.**
- **Silence groups of voters without reason.**
- **Violate the rule of political fairness and participation.**
- **Give an unfair advantage to one group over another.**

The Oregon State Building and Construction Trades Council is a private organization whose members support our activity. We are, as our name implies, from Oregon, interested in Oregon. We are dedicated to promoting a strong economy and livable communities. While we don't think it's illegal that out-of-state special interests are purported to be the financial backers of Measure 59, we do wonder why these out-of-state interests are so committed to silencing the citizens of Oregon. If Measure 59 is truly in the best interest of Oregon, shouldn't Oregonians be leading the fight to pass it?

Measure 59 is about choice. An Oregonians choice to participate in the political process. While we may not always agree with their individual decisions, we should always fight for their right to participate. Measure 59 begins to erode that protection and participation. **Make the right choice, Vote No on Ballot Measure 59.**

(This information furnished by Bob Shiprack, Oregon Building Trades Council.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Measure 59 doesn't make sense. While its supporters argue that people shouldn't have to contribute to campaigns, Measure 59 doesn't address this issue.

Instead, it targets one type of organizations. As such, it is highly discriminatory.

What's even more puzzling is that these organizations do give their employees a choice whether to contribute to these political campaigns. Any employee can opt out.

So Measure 59 isn't about freedom or fairness.

Measure 59 is petty and irrelevant. Don't waste your time: vote "no."

(This information furnished by Jason Reynolds, Oregon Consumer League.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 59

ARGUMENT IN OPPOSITION

Measure 59 is a proposal shrouded in deception, sponsored by a man who is a tool for unscrupulous malefactors of great wealth who want to destroy Oregon's democracy as we know it. They are not content to limit their unsavory efforts to attempts to destroy organized labor's political influence, which provides some limited balance to the millions of dollars spent by big business, multinational corporations and secret political contributors. They want to destroy the very fabric of Oregon's democratic system created almost 100 years ago by our great progressive leaders.

June 1, 1908, the people adopted Oregon's first Corrupt Election Practices Act. This Initiative was designed to curb the abuses being practiced by the forces of evil of the time, similar to those who are sponsoring this measure. It included a section creating Oregon's first Voters' Pamphlet which made it possible for ordinary people, not just a few millionaires to influence public opinion.

Adoption of this measure would destroy that instrument of democracy and establish a government of the wealthy, by the wealthy and for the wealthy, a government with no concern for ordinary Oregonians. It would eliminate the Oregon Voters' Pamphlet for all practical purposes. It would destroy the right of ordinary people to have their views about a measure published for a modest fee in the Voters' Pamphlet.

Measure 59 would eliminate the right of a citizen to submit an argument for or against a school or municipal bond or tax proposal. It would eliminate the right of a candidate for school board director, city councilor, legislator, state office, congress or president to insert a statement in the Voters' Pamphlet setting forth his/her qualifications for office and stands on the issues involving those candidacies.

This is the most recent of a long list of bad legislation financed by greedy special interests. It must be defeated.

Vern Cook, former state senator
(503) 665-8143; FAX (503) 665-8145

(This information furnished by Vern Cook, former State Senator.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

HUMAN SERVICES COALITION OF OREGON OPPOSES MEASURE 59

MEASURE 59 DISCRIMINATES AGAINST WORKERS

Measure 59 is not fair. It says public employees should be denied the right to participate in the public process through a voluntary payroll deduction. It separates Oregon workers into first and second class citizens. At a time when citizen participation is declining, Measure 59 creates barriers to citizen involvement. The Human Services Coalition of Oregon includes more private and non-profit groups and individuals than public, but we have discovered our need to work together to ensure that the basic needs of all Oregonians will be met. Measure 59 creates barriers to these partnerships.

MEASURE 59 THREATENS COMMUNITY SERVICES

Many Oregon charitable groups not only provide basic human services – health, child care, food boxes, housing, alcohol and drug treatment and child and adolescent treatment services, but they also work for changes in public policy that will lessen the need for those services. To assist low-wage Oregonians move out of poverty and to assure health care services, many community service groups supported the successful 1996 measures increasing the minimum wage and the tobacco tax. Many of these same community groups receive donations from public employees through voluntary payroll charitable deductions. Measure 59 will make these voluntary payroll contributions illegal.

MEASURE 59 DISCOURAGES CITIZEN INITIATIVES

The Voters' Pamphlet has provided citizen groups access to all Oregon voters. Measure 59 will take away this relatively inexpensive campaign literature. Voters will receive expensive sound bites rather than in-depth discussions by their fellow Oregonians. Measure 59 sponsors say the elimination of the Voters' Pamphlet arguments is an unintended consequence. But since Measure 59 is a constitutional amendment, the legislature can not remedy their mistake.

ALLOW ALL OREGONIANS TO WORK TOGETHER

PLEASE VOTE NO ON MEASURE 59

(This information furnished by Jerry Bieberle, Human Services Coalition of Oregon (HSCO).)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 59

ARGUMENT IN OPPOSITION

A School Bus Driver Urges Your NO Vote on #59

I wonder why Bill Sizemore and his Washington D.C. friends want to take away my right to personal choice when it comes to how I participate in political activity?

As a school bus driver at Cascade Union High School in Turner for a number of years, I've never considered myself such a political threat to these big money special interest groups, that they would spend millions of dollars trying to fool Oregon voters into taking away my right to choose how and when to participate in politics. But apparently they think I am, because that's what BM59 is all about. **It's about taking away my right as a citizen to participate as I choose in politics.**

And apparently, Bill Sizemore and his D.C. cronies don't think you would agree with them if they wrote BM59 in a straightforward manner that would allow you to see all of it's intent and consequences. **So, they wrote it so vaguely that,** if it passes, we won't know all of it's ramifications **until we have spent a lot of our tax dollars in the courts trying to figure it out.**

One thing is certain though. Ballot Measure 59 takes away my right to choose how to participate in politics - and that decision should be my personal choice.

Please don't be fooled by Bill Sizemore. Please don't take away my personal choices. Please vote NO on BM59.

(This information furnished by Jon Wimmer.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

THESE GROUPS OPPOSE MEASURE 59 FOR THE FOLLOWING REASONS

SIZEMORE/NORQUIST 59 IS

UNCLEAR

UNFAIR

UNNECESSARY

UNDERHANDED

TAKES AWAY PEOPLE'S VOICE & CHOICE

PLEASE JOIN US IN VOTING NO ON SIZEMORE/NORQUIST 59

Ecumenical Ministries of Oregon

Human Services Coalition of Oregon

League of Women Voters of Oregon

Oregon Action

Oregon AFSCME, Council 75

Oregon Consumer League

Oregon Council of Police Associations

Oregon Education Association

Oregon Nurses Association

Oregon Public Employees Union/SEIU

Oregon State Council of Senior Citizens

Oregon State Public Interest Research Group

Portland Rainbow Coalition

Progressive Coalition of Southern Oregon

Rural Organizing Project

(This information furnished by Roger Gray, Oregonians for Open and Fair Elections.)

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CONTINUED

Measure No. 60

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

60 REQUIRES VOTE BY MAIL IN BIENNIAL PRIMARY, GENERAL ELECTIONS

RESULT OF "YES" VOTE: "Yes" vote amends existing law to require vote by mail in biennial primary, general elections.

RESULT OF "NO" VOTE: "No" vote retains current law prohibiting vote by mail in biennial primary or general elections.

SUMMARY: Current law prohibits vote by mail for biennial primary or general elections. This proposal eliminates the prohibition and requires vote by mail for biennial primary or general elections. The proposal does not affect existing law permitting the Secretary of State and county clerk to conduct other elections either at the polls or by mail.

ESTIMATE OF FINANCIAL IMPACT: County government expenditures are estimated to be reduced each Primary and General Election year by $3,021,709.

TEXT OF MEASURE

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

SECTION 1. ORS 254.465 is amended to read:

254.465. The following rules apply to elections conducted by mail:

(1) A presidential preference primary election described in ORS 254.056 shall be conducted by mail in all counties, under the supervision of the Secretary of State.

(2) [*Except as provided in subsection (1) of this section,*] An election held on the date of the biennial primary or general election shall [*not*] be conducted by mail.

(3) A state election not described in subsections (1) or (2) of this section may be conducted by mail. The Secretary of State by rule shall direct that a state election authorized to be conducted by mail under this subsection be conducted uniformly by mail or at polling places.

(4) A county clerk may conduct an election not described in subsections (1) to (3) of this section by mail in the county, in a city or in a district defined in ORS 255.012, under the supervision of the Secretary of State. In deciding to conduct an election by mail, the county clerk may consider requests from the governing body of the county, city or district and shall consider whether conducting the election by mail will be economically and administratively feasible.

(5) The Secretary of State shall adopt rules to provide for uniformity in the conduct of state elections by mail.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure requires that the primary and general elections be conducted by mail. The primary and general elections are held in May and November of even-numbered years. Current law prohibits conducting the primary and general elections by mail.

Under current law, the following rules apply:

1. The primary and general elections may not be conducted by mail.
2. Voters may sign up to become permanent absentee voters and receive all ballots by mail.
3. The presidential primary election in March of presidential election years is required to be conducted by mail.
4. Special state elections and local elections may be conducted by mail.

Currently, voters may vote by going to a polling place on election day or by some form of absentee voting, including permanent absentee or single-election absentee.

This measure would eliminate polling places for primary and general elections. Voters could return their ballots by mail or drop them off at designated sites.

This measure would not affect the current law that allows voters to obtain absentee ballots or to vote at the elections office. It would also not affect the current laws that allow the Secretary of State to decide whether to conduct special state elections by mail, or that allow the county election officials to decide whether to conduct local elections by mail.

Committee Members:	Appointed by:
Vicki Ervin	Chief Petitioners
Paula Krane	Chief Petitioners
Harry Demarest	Secretary of State
Representative Lynn Snodgrass*	Secretary of State
Michael Schrunk	Members of the Committee

*Member dissents (does not concur with explanatory statement)

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 60

ARGUMENT IN FAVOR

Vote By Mail - An Idea Whose Time Has Come

Measure 60- Vote By Mail came about because **11,000 Oregonians** from all walks of life: Republicans, Democrats and Independents, college students and senior citizens, community leaders and housewives stepped forward and volunteered their time. Vote By Mail was able to submit over 100,000 signatures collected **entirely by citizen volunteers** - the only all-volunteer measure to qualify.

Vote By Mail transcends the typical partisan battles seen so often in our initiative process because it is an idea that makes sense: it increases voter participation, saves money and makes democracy more convenient for everyone. The following is a short list of individuals, companies and organizations that have endorsed Measure 60 (Due to space requirements we apologize for not listing everybody).

Organizations

League of Women Voters
Oregon League of Conservation Voters
AARP of Oregon
American Association of University Women
Oregon Common Cause
AFL-CIO Oregon
OSPIRG
NW Oregon Labor Council
Oregon Education Association
Special Districts Association of Oregon
National Association of Letter Carriers, Branch 82
Oregon NARAL
Oregon Woman's Rights Coalition
Oregon Public Employees Union, SEIU Local 503
Oregon Fire District Directors Association

Individuals

Governor John Kitzhaber
Secretary of State Phil Keisling
Former Secretary of State, Governor and US Senator Mark Hatfield
Former State Treasurer and Secretary of State Clay Myers
Brian Booth
Ivan Gold
Curt Gleaves
John Gray
Jim Wright
Paul and Alice Meyer

Businesses

Salem Area Chamber of Commerce
PGE
Gibson Enterprises
Neil Kelley Company
Russell Development Company
Medford Fabrication

In the following pages, you will find arguments from individuals and organizations. We urge you to read them carefully, make an informed choice and we hope we have earned your support for Measure 60- Vote By Mail!

(This information furnished by Jeremy Wright, Vote By Mail Initiative Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

A. Peterson's Statement:

A Letter to My Fellow Oregonians

I have been involved in the Oregon political scene since 1948. I have seen many ideas come and go in my 81 years and once in awhile an idea comes along in politics that is so simple and so popular that it makes you wonder why we waited so long.

Since 1981 I have seen Vote By Mail grow until all elections in Oregon are Vote By Mail **except** for the biennial primary and general elections. **The time has come to expand Vote By Mail to all elections.**

I have always been proud of the State of Oregon and its nationwide recognition as a forerunner of political firsts.

- The first state to pass the Bottle Bill in 1971.
- Innovative land-use laws under Governor Tom McCall.
- The first state to successfully conduct a US Senatorial election by mail in 1996.

As an Oregonian, I support Vote By Mail for three main reasons:

1) **It Increases Voter Turnout!**
Election after election has shown that more people vote when they receive their ballots in the mail. Over 50% of all those who vote are now absentee voters! These same elections have shown that neither party benefits from Vote by Mail. **We all benefit from more people voting!**

2) **It Saves Money - Over 3 Million in Local County Tax Dollars!**
In an age where every tax dollar is being stretched, the elimination of our costly dual election system would save over 3 million in local county tax dollars.

3) **Convenience!**
As you sit here in the comfort of your home, reading this voter pamphlet statement and making an educated, informed choice think about the alternative. A recent national poll showed the number one reason that people do **NOT** vote is that they are too busy. Vote By Mail is the common sense alternative - and it works!

I urge you to vote YES on Measure 60! It's about time!

(This information furnished by "A" Peterson.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 60

ARGUMENT IN FAVOR

Ballot measure 60 makes sense:

Voter sense. . . .Taxpayer sense. . . .Common sense

The people who conduct your local, state and federal elections, the election officials of Oregon, ask for your YES vote on Ballot measure 60, which brings the Primary and General elections into the same system as all other Oregon elections. Passage means that all elections can be conducted by mail.

It is the common sense thing to do. Why? Our 16 year history with conducting elections by mail shows that voter turnout improves with elections by mail, tax dollars are saved when elections are conducted by mail and elections by mail help keep our voter registration files among the cleanest in the nation.

If you could improve voter turnout, save up to $4 million in property tax dollars, make voting more convenient for everyone, why wouldn't you do it?

You can by passing measure 60.

No longer will you need to wonder if your ballot will be sent to you or if you need to go to the polls.

No longer will you need to worry about finding the time in your busy schedule on a Tuesday during limited hours to get to your polling place to cast your ballot.

Your ballot will be mailed to you for every election and you can return it by mail, deposit it at a secure official ballot dropsite, or go to a site designated by your elections office and vote in a voting booth if that is what you prefer. The options are yours.

Meanwhile you will have your ballot, at your home with your voter pamphlet and be able to vote at your own pace. You will have your ballot in time to call and ask questions of candidates or ballot measure campaigns.

As those you have elected and chosen to oversee your elections process, we recommend a "YES" vote on measure 60.

It just makes common sense.

The Election Officials of Oregon

(This information furnished by Al Davidson, Marion County Clerk, Oregon Election Officials Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

The American Association of Retired Persons (AARP) supports Ballot Measure 60, VOTE BY MAIL.

We support Vote By Mail for all primary and general elections because it enhances the fundamental right to vote, increases voter turnout, has greater protections against fraud and gives more convenient access for everyone to vote.

Measure 60 - Vote By Mail is a non-partisan issue that enjoys bipartisan support.

- **The Right to Vote**

Most basic of all political rights is the RIGHT TO VOTE. We feel that one of the most important aspects of a democracy is voter participation and citizen involvement in the democratic process. The essence of a democracy is that citizens exercise their civic responsibility by voting. The act of voting is what is valuable, regardless of where one does it.

- **Increases Voter Participation**

We support the efforts to promote and enhance the ability of all Oregonians to vote. Vote By Mail assures greater voter participation. AARP favors **increasing** the number of citizens voting in elections. Our system of government depends on a **majority** of citizens voting.

- **Higher Safeguards Against Fraud**

Retired persons do not take the privilege of voting lightly. It is important to retired persons to vote their own convictions and make their own decisions when voting on issues and candidates. Over 15 years of conducting elections by mail in Oregon has proven that Vote By Mail does not deny privacy nor does it encourage fraud. In fact, higher safeguards against fraud and intimidation exist in Vote By Mail elections then in a traditional polling place election.

- **More Convenient**

Vote By Mail gives more convenient access to everyone to vote. It provides convenient access for employed persons to vote. It also enables the frail, elderly and persons with disabilities to vote - people whom otherwise may not make it to the polls.

AARP URGES YOU TO VOTE **YES** ON **MEASURE #60** - VOTE **BY MAIL!**

(This information furnished by Marion Esty, Chair, State Legislative Committee, Oregon Association of Retired Persons.)

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CONTINUED

Measure No. 60

ARGUMENT IN FAVOR

The Time Has Come to Expand Vote By Mail

As current and former Governors and Secretaries of State, both Republicans and Democrats alike, we urge you to Vote Yes on Measure 60. In an age where good ideas unfortunately become bogged down in partisan politics, we all agree that Vote By Mail - Measure 60 is an idea whose time has come.

Oregon has always led the country in new and innovative ideas, and Vote By Mail is another step in that proud tradition. Vote By Mail began in Oregon over 15 years ago and we have personally seen it progress to the point that all elections are now conducted by mail **except** for the biennial primary and general. The time has come to **expand Vote By Mail to all elections.**

Oregon also has a proud tradition of active citizen involvement in their political process and high voter turnout when compared with the rest of the country. Sadly, we are seeing this tradition slowly disappearing. We are now saddled with a costly and confusing dual election system that drives down voter turnout while increasing costs.

Most of us grew up voting at a polling place. While some of us may miss the polling place experience, we understand that the question now is **not** polling places Vs voting by mail. Rather it is replacing our current dual election system - one that is costly, confusing and drives down voter turnout - with the simplicity, convenience and efficiency of Voting By Mail.

Obviously every Oregonian should be concerned about fraud, coercion and intimidation in any election. However, over 15 years of conducting elections by mail in Oregon have proven that Vote By Mail elections can be conducted with the highest standards of integrity.

As leaders we have seen that Oregonians value ideas that make sense, improve our government and increase civic involvement. The time has come to expand Vote By Mail to all elections. We urge you to vote Yes on Measure 60!

Governor John Kitzhaber
Secretary of State Phil Keisling
Fmr Secretary of State, Governor and U.S. Senator Mark Hatfield
Fmr Secretary of State and State Treasurer Clay Myers

(This information furnished by Jeremy Wright, Vote By Mail Initiative Committee.)

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ARGUMENT IN FAVOR

OREGON'S TEACHERS SUPPORT VOTE BY MAIL

Vote Yes on Measure 60

Why would the Oregon Education Association, representing more than 40,000 public school employees, urge you to **VOTE YES ON MEASURE 60,** the vote by mail initiative? It's as easy as 1, 2, 3:

1. **Measure 60 would end the confusion around Oregon's election process.** Unfortunately, in an effort to make elections easier, they've actually gotten more complicated. Is the next election by mail ballot only? Or is this one the one where you're supposed to show up at your polling location? Where is your polling location? What hours can you vote? Did you sign up as a permanent absentee voter or didn't you? Get the picture? No wonder Oregonians aren't turning out to vote in the numbers they've done before.
2. **Measure 60 would likely increase voter participation because it's convenient.** If you are a registered voter, you simply receive your ballot in the mail. You vote. You put it back in the mail. End of story. No more juggling your schedule. No worries about the weather. No questions about polling location. No hassle.
3. **Measure 60 saves money.** It doesn't take a mathematician to figure that vote by mail costs less. It's expensive to set up polling places statewide.

This November, please join Oregon's public school employees and me. **VOTE YES on MEASURE 60.**

James K. Sager, president
Oregon Education Association

(This information furnished by James K. Sager, Oregon Education Association.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 60

ARGUMENT IN FAVOR

VOTE-BY-MAIL IS IN THE PUBLIC INTEREST

Vote Yes on Measure 60

OSPIRG urges the passage of Measure 60. As a public interest watchdog organization with 25,000 citizen members, OSPIRG has a history of supporting policies that would enhance public participation in the political process. Efforts such as campaign finance reform, motor voter, and defense of the initiative process do this, and so does Vote-by-Mail. Simply put, when more people participate in our democracy, the true public interest will be more likely to prevail.

Vote-by-Mail increases turnout.
Compared with polling place elections, voter turnout is dramatically higher with Vote-by-Mail. Rapidly rising use of absentee ballots in recent years indicates that voters prefer to vote by mail. Even though there is a nostalgia about going to the polling place, the reality is that we currently have a costly and complicated dual system of elections. The dual system is confusing for many voters. Vote-by-Mail gets more people to vote.

Vote-by-Mail is convenient for Oregonians.
With Vote-by-Mail, citizens will be able to vote without the barriers of work schedules, child care, transportation and other time or lifestyle constraints. We'll have the opportunity to vote at home -- with ample time to read over each issue.

Vote-by-Mail has overwhelming public support.
With so many opportunities in politics today for the public to be cynical or angry, it's nice to have a measure we can all feel good about. Measure 60 has been brought forward by a broad coalition of citizens and civic organizations. This inspiring effort is in the proud tradition of Oregon's citizen initiative process.

VOTE YES ON MEASURE 60!

Submitted by
Maureen Kirk
Executive Director,
Oregon State Public Interest Research Group

(This information furnished by Maureen Kirk, Oregon State Public Interest Research Group.)

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ARGUMENT IN FAVOR

BEFORE YOU CAST YOUR BALLOT ON MEASURE 60, WE THOUGHT YOU SHOULD KNOW . . .

- **ELECTIONS ARE NOT FREE.**

Every time there is an election in Oregon, someone has to pay for it. Voting booths, election employees, even the ballots themselves, all have a price.

- **WHO PAYS THE BILL?**

While taxpayers are not directly charged for the cost of these elections, **you still end up with the bill.** When a local government, such as a special district, holds an election, it must pay for it. But, where does that money come from? You, the taxpayer!

- **WHY VOTE- BY-MAIL?**

When it comes to vote-by-mail elections, less really is more. Mail-in ballots have consistently increased voter participation in the state of Oregon, but, more importantly, they also **cost significantly less than traditional polling place elections.**

- **AN EASY CHOICE!**

Oregon's special districts would rather spend **YOUR money on the quality services YOU deserve** – fire, police, parks, water, sewer – **not elections!** That is why we support vote-by-mail in Oregon. That is why we support Measure 60.

VOTE YES ON MEASURE 60!

(This information furnished by Sally Smith, President, Special Districts Association of Oregon.)

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CONTINUED

Measure No. 60

ARGUMENT IN FAVOR

VOTE-BY-MAIL: MYTH AND REALITY

As a supporter of Vote-by-Mail, I have heard a number of objections to this innovation. These have failed to deter the growing support for Vote-by-Mail. However there is also such a hodge-podge of mythology about this process that additional information is needed.

- First myth: that voting is a "social function". The act of voting is not a meet-and-greet gabfest. It is the noblest expression of the democratic process and it is so wherever you do it, in a kitchen or a campground or a courthouse. In fact Vote-by-Mail doesn't even deprive the polling place fan. They can drive to their clerk's office on election day and vote with all the ceremony and camaraderie they want.
- Second myth: fraud. Fraud is less possible in mail elections, where every signature is verified, than in poll elections where they are not.
- Third myth: coercion. People who have looked for it haven't found it. But anyone who has the slightest fear of coercion can prevent it. Designate on your registration card to send your ballot to a place where you feel safe and free from coercion. If someone tries to interfere with your vote, destroy your ballot. Later, report the action to your clerk, receive a new ballot and vote unhindered.
- Fourth myth: Vote-By-Mail voters miss out on "late revelations about candidates." The "late revelations" just before election day are really just "attack ads" and mudslinging. In a Vote-by-Mail election the ads have to come three weeks early and can be effectively rebutted. The voter can vote or wait for more information, whichever he or she prefers.

To believe that voting in a public setting is somehow superior to voting in a private setting puts too high a value on ostentation. No, with voting, as with prayer, what matters is what is in your heart and your head and not where you happen to be standing at the time.

David Buchanan
Executive Director,
Oregon Common Cause

(This information furnished by David Buchanan, Oregon Common Cause.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

The extension of Oregon's Vote by Mail statute to the biennial primary and general elections is not only a good idea who time has come - it is long overdue. Oregonians favor Vote by Mail. Thousands already have registered for permanent absentee voter status and more are doing so daily. In some counties 70 percent of registered voters Vote By Mail in every election as absentees. The permanent absentee ballot for anyone was enacted by the 1995 Legislature.

Vote by Mail is convenient for all people - those with various physical challenges, those who work, those who want to study the issues and vote at home, those who don't want to be harassed by late smear campaigns, those who like saving the cost of the current dual polling place/absentee system. It is an idea whose time has come. Vote "YES" on Ballot Measure #60.

Paula Krane
President, League of Women Voters of Oregon

(This information furnished by Paula Krane, League of Women Voters of Oregon.)

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CONTINUED

Measure No. 60

ARGUMENT IN OPPOSITION

Eliminating "Election Day Voting" at local polls, officials would mail out ballots far ahead of "Election Day" to all registered voters, whether or not they request ballots. Recipients then must dispose of the ballots, whether or not interested in voting. Such casual broadcast of blank ballots to people who have not requested them invites more vote scams, fosters corruption, trivializes voting, and deprives everyone of the option of casting a secret ballot in a protected and secured voting place.

Broadcast mailing of ballots far ahead of time surrenders the state responsibility for providing citizens access to ballots and turns this solemn duty over to a semi-privatized federal agency. It increases chances of delay, intrusion, loss, theft, premature voting, and low turnout.

Broadcast mailing already in a previous state-wide mail-only election led to accumulations of numerous unopened ballots in unsupervised places, including public wastebaskets and community mailrooms of apartment complexes, campus residence halls, and other living groups where registered voters had moved away, died, or failed to pick up their mail.

Return of ballots to collection boxes led to overflow of unguarded ballots vulnerable to loss or theft with no safeguard to verify the actual number of votes cast. Forged signatures have occurred, likely more often than detected by hard-pressed clerks. Collection by unofficial "ballot herders" can't guarantee delivery and counting of all ballots.

Broadcast mailing of ballots can encourage un-informed voting on impulse when people mark ballots between sweepstakes offers and packets of junk mail, not waiting to consider legitimate arguments emerging after ballots arrive. This bad practice does not occur in jury trials, so why encourage it for the important business of balloting on laws and electing people to make and administer laws? Early mailing of ballots will foster premature voting.

Depriving all voters of the private refuge of the polling place eliminates the truly secret ballot, exposing many voters to undue pressures and promptings while actually voting. Mail-out ballots facilitate "helpers" intruding and dominating voting by recipients unlikely to vote independently.

Secure, secret, intentional, and accurate voting might cost a bit more than indiscriminate broadcast mailings of official ballots later collected as rubbish. Shouldn't a voter's security in voting have greater worth than a recycling effort? Don't vote us back to the mess of corrupted elections that Americans reformed by adopting the secret ballot a century ago! Don't deprive voters of the option of the secret ballot!

(Updates: www.corvallis.com/sixtyNO)

(This information furnished by Fred W. Decker, Treasurer, Citizens For Choice of Voting.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN OPPOSITION

Let's call it what it is: an elimination of your ability to choose how to vote and new opportunity for corruption to our election process. Mandatory vote by mail does not assure the sacred agreement that the state must uphold with its citizens; one ballot, one vote, assurance of privacy, and the freedom to choose how your ballot is cast.

Facts:

- Saving dollars is not the answer to every problem. I would no more ask for substandard materials for a bridge to save money than I would to jeopardize the voting system for the sake of saving money.
- We do not have a statewide-computerized voter registration system. A single voter can be registered in more than one county and receive more than one ballot. Counties verify signatures, however, they do not automatically talk to 35 other counties to see if someone is registered in multiple jurisdictions. Therefore, multiple casting of ballots can occur.
- Proponents state that no fraud exists because there are no reports of fraud. It will exist and the reporting process won't be used. What family member would report to authorities another for tampering with a voting decision? We must not quickly brush aside the issue of "domestic coercion" simply because it is not being reported.
- Requests to bring your ballots to the church, union hall, employee meetings, senior luncheon, so that individuals can "vote as a unified group" or "get questions answered" will be highly intimidating situations.

Intimidation, coercion, thousands of ballots sent from inaccurate and outdated registration lists, counties lacking the ability to daily and accurately exchange or compare data with each other, and lack of privacy all potential for dramatic corruption.

While some suggest that mandatory vote by mail will encourage voter participation, the fact is, the most responsible way to encourage voter participation is to deliver what was promised on the campaign trail. Mandatory vote by mail will not guarantee that result.

Vote NO on Mandatory Vote by Mail.

(This information furnished by Representative Lynn Snodgrass.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

Measure No. 60

ARGUMENT IN OPPOSITION

STATEMENT PART 1

When in 1994 I began learning the details of a plan to conduct all elections by mail it soon became clear that the lunatics are in charge of the asylum.

We have been told by Mr. Keisling that millions of dollars will be saved by his system but no cost/benefit analysis has been provided to prove his claim, and every citizen who has ever paid taxes knows that not a single elections office in Oregon will reduce their annual budget request if this measure passes. While advancing unproved claims of cost savings, Keisling has also been proposing a statewide computerized registration system that will cost several million dollars to install and who-knows-how-much to operate every year.

But the overriding concern about mail voting is not cost or convenience, it is vote FRAUD.

Under the current system, anyone may register by mail any name to vote in Oregon. Elections officials never verify that the person actually exists, that they are a U.S. citizen, that they are over 18 or that they actually live at the address claimed. Elections officials also allow a registered voter to specify an address other than their residence to have their ballot sent to, even if that address is in another state or country.

When people are allowed to vote through the mail as well as register through the mail, all control over elections is lost. It will be possible for a person to register and to vote from anywhere in the world without ever having been to Oregon. Just as an example: In the 1996 special election for U.S. Senator a person with a Chinese name registered to vote in Lane County, but had their mail ballot sent to a province in the People's Republic of China. That ballot was returned and counted. Indeed, printouts of registered voters in Lane County show hundreds of registered voters with addresses in other states and countries.

It will also be possible for non-existent persons to be registered and voted. While Mr. Keisling has pooh-poohed this argument by saying that there have never been any instances of vote fraud in Oregon, the fact is that he has no idea if vote fraud is being committed because none of his elections officials are looking for it.

Cont'd Statement Part 2.

(This information furnished by Neale Hyatt.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

STATEMENT PART 2

Continued from Statement part 1.

Further proof of the corruption inherent in voting by mail was given by the mayoral election in Miami, Florida in 1998. The election was challenged and the courts found the mail-in absentee ballots so filled with illegal and non-existent voters that they threw out ALL absentee ballots, stating that eligible persons have a constitutional right to vote but do not have a constitutional right to vote by mail.

Other states have also found fraud in mail voting. For example, in California recently it was discovered that dead people had voted by mail in a ballot measure for a new sports stadium.

None of these fraudulent activities were detected by elections officials, they had to be caught by disappointed candidates and/or the press.

Oregon voters need to know that Secretary Keisling has been less than truthful about his efforts to get this initiative on the ballot. Contrary to his statements that signatures were gathered by a "grass roots" effort, most of the signatures were obtained through an expensive mailing effort. Over $110,000 were spent, or more than $1.00/signature. It is disturbing to see where all that money came from: Less than 10% came from small contributions of under $50, 20.2% came from unions, 29.7% from business interests, 7.4% from lawyers and 4.6% ($5,041) from elections employees.

We need to know from Mr. Keisling why businesses, unions and lawyers are trying to take away our right to vote at the polls. Keisling should also try explaining who "The New Democrat Network" is and why that Washington DC PAC sent $1,000 to this campaign. Why did a union PAC in Kalispell, MT send $1,000? Why did the postal workers union send $1,000 from Wash. DC? Why did a nursing home send $500 from Vancouver, WA? Why did two individuals send hundreds of dollars from Rhode Island and New York?

Obviously, Keisling is amassing money from special interests inside and outside Oregon to try to force us into a voting system without any controls and which will be wide open to corruption (as proven in other states). If you like to vote by a mail (or absentee) system in which you can't even be sure your ballot was received and counted by the election office that is your choice, but please don't force the rest of us to give up our right to the secure voting system that is the foundation of our democracy.

VOTE "NO" ON MEASURE 60.

(This information furnished by Neale Hyatt.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 61

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

61 CHANGES MINIMUM SENTENCES FOR LISTED CRIMES, INCLUDING CERTAIN REPEAT OFFENSES

RESULT OF "YES" VOTE: "Yes" vote changes minimum sentences for listed crimes, including certain repeat offenses.

RESULT OF "NO" VOTE: "No" vote retains present sentencing statutes and guidelines for listed crimes, including repeat offenses.

SUMMARY: Establishes minimum sentences for crimes listed as "major crimes." Provides one to three year proportionally increased sentences for major crimes, aggravated murder or murder if person has one to three prior convictions for major crime within past 10 years. Prior juvenile court adjudications involving major crimes apply to increase sentence. Treats prior conviction for driving under influence of intoxicants as major crime if current conviction is for criminally negligent homicide using vehicle. Prohibits temporary leave or other reduction in additional prison time imposed under measure.

ESTIMATE OF FINANCIAL IMPACT: The mandatory and presumptive sentences imposed under this measure are estimated to require 4,300 new prison beds by 2006, with direct state expenditures for prison construction and start-up of $470 million by 2006.

Direct state expenditures for prison operating costs and debt service are estimated at $21 million in 1999-2000 and $40 million in 2000-2001, growing to $125 million in 2005-2006. Community corrections payments from the state to counties for probation and post-prison supervision are estimated to be reduced by $800,000 in 1999-2000, $1.9 million in 2000-2001, and $1.4 million in 2005-2006.

Under this measure, direct state expenditures for court operations are estimated at $100,000 in 1998-1999 and $175,000 in each of the next two years. State expenditures for indigent defense are estimated at $350,000 in 1998-1999 and $900,000 in each of the next two years.

Major factors affecting this estimate include:

- Plea bargaining practices of prosecuting attorneys;
- Prior criminal history of offenders;
- Sentencing practices of judges;
- Numbers of arrests; and
- Type of prison bed, minimum or medium security.

TEXT OF MEASURE

REPEAT OFFENDERS INITIATIVE

SECTION 1. The purpose of this Act is to protect the public by imposing tougher sentences on criminals who repeatedly violate major criminal laws and to ensure that all criminals are held accountable and punished for major crimes including for killing people while driving intoxicated.

SECTION 2: (1) Notwithstanding any other provision of law, when a person is sentenced for a major crime, and the person has been convicted of a major crime, aggravated murder, or murder, the court shall impose the sentence under the sentencing guidelines or any greater sentence permitted or mandated by law and, in addition, shall impose a consecutive period of imprisonment as follows:

A. An additional one year imprisonment for one previous conviction for a major crime occurring within ten years prior to the commission of the major crime or prior to sentencing.

B. An additional two years imprisonment for two previous convictions for a major crime occurring within ten years prior to the commission of the major crime or prior to sentencing.

C. An additional three years imprisonment for three or more previous convictions for a major crime occurring within ten years prior to the commission of the major crime or prior to sentencing.

(2) A conviction for a major crime shall include any prior sentence imposed during the same proceeding provided that the prior sentence is based on a crime committed in a separate criminal episode. Post prison supervision shall be as determined by the sentencing guidelines and shall follow the additional period of imprisonment.

SECTION 3: If the conviction is for Criminally negligent homicide and the crime involved the use of a vehicle any prior conviction for driving under the influence of intoxicants shall be counted as a previous major crime under Section 2.

SECTION 4. For purposes of this Act, a major crime includes:

Robbery in the first, second or third degree,
Burglary in the first or second degree,
Assault in the first, second or third degree,
Arson in the first degree,
Compelling prostitution,
Promoting prostitution,
Aggravated theft,
Unauthorized use of a motor vehicle committed by taking, operating or exercising control over a motor vehicle,
Theft by extortion,
Criminal mistreatment in the first degree,
Felon in possession of a firearm, where the felony is an A or B felony,
Criminally negligent homicide,
Conspiracy, attempt or solicitation to commit aggravated murder or murder,
Manslaughter in the first or second degree,
Rape in the first, second or third degree,
Sodomy in the first, second or third degree,
Unlawful sexual penetration in the first or second degree,
Sexual abuse in the first or second degree,
Escape in the first degree,
Bribe giving, bribe receiving, bribing a witness,
Perjury,
Criminal mischief in the first degree where the aggregate value of the damage or destruction of property exceeds $10,000, and
Any attempt, conspiracy or solicitation to commit aggravated murder, murder, or a Class A or B felony listed in this section.

SECTION 5: The sentence for a major crime committed on or after January 1, 1999 shall be no less than fourteen months and within thirty days after the passage of this Act the Oregon Criminal Justice Commission shall so provide.

CONTINUED

Measure No. 61

SECTION 6: Whether a person has another conviction under Section 2 of this Act shall be determined by the sentencing court of current conviction. The court shall make this determination accurately and no district attorney shall fail to disclose or conceal knowledge of or otherwise negate such a conviction. Other convictions need not be pled in the charging instrument, but shall be disclosed to the defense by the district attorney as soon as is reasonably practical. No challenge to the validity of a conviction shall be permitted except to the extent constitutionally required and upon written notice by the defendant to the district attorney seven days in advance of sentencing.

SECTION 7: Notwithstanding any other provision of law, the **additional** period of imprisonment imposed under Section 2 may not be reduced for any reason whatsoever and the person sentenced shall serve the entire period of **additional** imprisonment without any release on post-prison supervision or any form of temporary leave from custody.

SECTION 8: The convictions under Section 2 of this Act include convictions for major crimes, aggravated murder, murder, and juvenile court adjudications for offenses which if committed by an adult would constitute aggravated murder, murder or a major crime. Out-of-state adult convictions and juvenile adjudications shall constitute a conviction under this Act if the offense would constitute a major crime, aggravated murder, or murder under current Oregon law.

SECTION 9: Imprisonment means time in secure prison custody and does not allow any form of release, leave, or furlough as to the **additional** period of imprisonment under Section 2.

SECTION 10: The sentences set by this Act apply to all crimes committed on or after January 1, 1999. Other convictions under Section 2 of this Act include convictions for crimes occurring before, on, or after January 1, 1999.

SECTION 11: Notwithstanding Section 2 of this Act, imprisonment under this Act shall not exceed the maximum indeterminate sentence under ORS 161.605 in effect on July 1, 1997. Nothing in this Act shall be construed to reduce any mandatory minimum sentence or any other sentence previously enacted. The sentence or portion of the sentence under Sections 2 and 5 of this Act, other than the **additional** period of imprisonment shall be subject to modification under the sentencing guidelines rules for departures and Section 14 of Senate Bill 936 (1997), unless it is otherwise prohibited by law including, but not limited to, ORS 137.700 and ORS 137.707.

SECTION 12: These sections shall supersede any other provision of the Oregon Revised Statutes with which they conflict. If any subsection, clause or part of these sections is held invalid under the United States Constitution or Oregon Constitution, the remaining subsections, clauses and parts shall not be affected and shall remain in full force and effect.

EXPLANATORY STATEMENT

This measure creates a statute that sets minimum sentences for "major crimes," as defined in this measure. In addition, the measure requires the imposition of an additional sentence of one to three years of imprisonment for any offender who is convicted of a "major crime" and who was convicted of one or more "major crimes" within the previous 10 years.

The measure requires that a presumed sentence of at least 14 months imprisonment be imposed for "major crimes" committed on or after January 1, 1999. A court may impose more or less than the presumed sentence only upon a finding of substantial and compelling reasons.

The measure also provides that when an offender is convicted of one of the "major crimes," and before sentencing the court determines that the offender was previously convicted of a "major crime," murder or aggravated murder, the court must impose a sentence to serve a period of imprisonment that is in addition to the sentence imposed under sentencing guidelines or other law. The mandatory additional sentence is imposed only if the other crime was committed within 10 years before the commission of the "major crime," or within 10 years before the date of sentencing. The mandatory additional sentence is one year if the offender has one previous conviction for one of the specified crimes within that period, two years if the offender has two previous convictions for the specified crimes within that period and three years if the offender has three or more previous convictions for the specified crimes within that period.

The mandatory additional sentence for previous convictions may not be reduced for any reason. The mandatory additional sentence must be served in secure prison custody and the offender serving the sentence may not be released for furlough, post-prison supervision or any form of temporary leave.

For the purposes of the mandatory additional sentence for previous convictions, juvenile court adjudications are treated as previous convictions. Previous convictions for driving under the influence of intoxicants are treated as "major crimes" for purposes of the mandatory additional sentence if the offender is thereafter convicted of criminally negligent homicide and the crime involved the use of a vehicle. The validity of any previous conviction may be challenged by an offender only to the extent that there is a constitutional requirement that the offender be allowed to make that challenge.

The mandatory additional sentence for previous convictions applies to the sentencing for all "major crimes" committed on or after January 1, 1999. In imposing a mandatory additional sentence for a "major crime" committed after that date, the court is required to consider previous convictions for "major crimes," murder or aggravated murder committed before January 1, 1999.

Committee Members:	Appointed by:
Steve Doell	Chief Petitioners
Kevin Mannix	Chief Petitioners
Ingrid Swenson*	Secretary of State
John Tyner*	Secretary of State
Tom Clifford**	Secretary of State

*Member dissents (does not concur with explanatory statement)

**5th member appointed by Secretary of State because committee members could not agree on selection.

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 61

ARGUMENT IN FAVOR

When someone breaks into your home, and steals your jewelry, family heirlooms, and other prized personal possessions, insurance may cover the cost of replacing some or all of the property. But insurance will never replace the personal mementos. Insurance will never restore your sense of personal security. That sense of security will be taken away forever. Yet current sentencing laws assume that it is no big deal for someone to break into a house and steal everything, break into a business and vandalize it completely; or steal a car. Oregon's current sentencing laws say that these kinds of criminals, after conviction, should be set free. The theory seems to be that giving them a break, sending them back out on the streets will somehow cause them to stop preying on innocent citizens.

Measure 61 will change all of that. It will impose a basic tough sentence of 14 months in prison for first convictions for major crimes, and higher sentences, with mandatory minimums, for repeat convictions. On the very first conviction, Measure 61 allows the Judge some leeway to reduce the sentence – even to probation. For repeat offenders, however, tougher mandatory minimum sentences are needed, because these serious criminals obviously did not get the message the first time.

A vote for Measure 61 is a vote to protect your personal security, and to give victims of crime true justice by holding criminals accountable. Vote yes on Measure 61.

(This information furnished by Kevin L. Mannix, Justice for All, Director.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

ARGUMENT IN FAVOR

Measure 61 protects your neighborhood. Are you worried about people breaking into houses? You should be. Under current sentencing laws, these kinds of serious "property" criminals are set free after they are convicted. Are you worried about having your business broken into? You should be. Criminals who burglarize businesses also are set free. Somehow the sentencing laws pretend that property is not owned by real people.

Do you worry that someone will trash your house, doing thousands of dollars worth of damage? Do you worry about someone stealing your car? Yes, you do, and if you can afford it, you spend increasing amounts on insurance to try to protect yourself from the losses. Imagine your feeling when you find out that, under current sentencing laws, a criminal can do over $10,000 worth of vandalism to your house – and be set scot free. A criminal can steal your car, get caught, get convicted – and be set free.

This "catch and release" system may be great for fly fishing, but it does not work in the criminal justice system. Remember, when you engage in catch and release in fly fishing, you are trying to increase the fish population. When you engage in catch and release in regard to serious crime, you are contributing to the increase in the population of criminals on the streets.

A vote for Measure 61 is a vote to protect our homes, our businesses, our neighborhoods, our communities – and our families. Vote yes on Measure 61.

(This information furnished by Dana C. Baugher.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 61

ARGUMENT IN FAVOR

Some opponents of Measure 61 say that we should apologize to criminals because they had a bad childhood, and their bad childhood is what turned them into criminals. However, those us who support Measure 61 believe that everyone needs to be held accountable for their decisions--decisions that hurt other people. So called "property" crimes involve real victims--innocent people who own homes that are burglarized, businesses that are broken into, and cars that are stolen.

When you leave your home in the morning and find that your car isn't where you left it,, do you stop to analyze the motives of the criminal and sympathize with them? or do you want the is criminal caught and put in prison?

Once these major property criminals are put in prison, we can try to address the "root causes" of their problem. We can try to rehabilitate them from drug and alcohol addictions, and give them a basic education, all as part of the prison work program, which teaches criminals responsibility, work ethic and makes them help pay for their keep.

The answer to serious property crimes is not to apologize to the criminals for their past, but to hold them responsible and put them somewhere where there is no opportunity to victimize property owners, and there is some opportunity for rehabilitation: Prison.

Vote yes on Measure 61.

(This information furnished by Ronda L. Buffington.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

TOP TEN REASONS TO VOTE
YES ON **MEASURE 61**

10. Oregon is ranked **ninth in the nation for property crime** (Testimony; Professor James Heuser, Ph.D., Portland State University, July 22, 1998, Oregon Criminal Justice Commission).
9. Oregon property crime rates have **risen 25.6%** since 1991 (Oregon State Police, LEDS).
8. Losses to Oregonians since 1991 have exceeded **$1.25 billion** (OSP, LEDS).
7. Since the voters approved Measure 11 in 1994, **violent crime has decreased 11%,** while property crime has increased.
6. Serious property crimes are felonies. **Real victims** have their security and family heirlooms stolen in home burglaries, and transportation taken in car thefts.
5. Property criminals currently receive **Probation (no prison time)** for breaking into your homes, stealing your possessions, and stealing your automobiles. The message- **"Go ahead, you won't go to prison!"**
4. Oregon is among the nation's leaders in taxpayer money spent on social programs---yet we still have increases in felony property crimes. **Social spending is not the only answer.**
3. The **American Civil Liberties Union** doesn't want you to vote for Measure 61 because they consider the liberty and rights of criminals **more important** than yours.
2. The **Oregon Criminal Defense Lawyers Association doesn't want you to vote for Measure 61** because they make more money revolving their clients through the system so they can offend again.
1. **Politicians** who are weak or cheap on the criminal justice issues don't want you to approve Measure 61 because they want to **scare** you into thinking we are spending too much on prisons. However, in the current state budget we are spending 58% of the state budget on education, that's **$58 out of every $100** you pay in state income tax. The Department of Corrections is currently funded with only **$7 out of every $100** you pay in state income tax.

   Vote yes on Measure 61 for a safer Oregon and better quality of life for our communities.

(This information furnished by Steve Doell, Crime Victims United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 61

ARGUMENT IN FAVOR

Measure 61 means less business for criminal defense attorneys. Why? They are appointed to represent people who steal from you and, ironically, **you,** the taxpayers, are required to pay for them. When their clients are found guilty, set free only to commit more crimes, you pay again. This is big business for criminal defense lawyers. No wonder they oppose Measure 61.

What is good for the criminal defense lawyers is not good for society. We need to stop criminals, such as car thieves and burglars, from repeating their crimes by imposing tougher sentences on them. Measure 61 will do that. First offense: the criminal receives a presumptive sentence of 14 months (giving the judge discretion to go as low as probation, i.e., no prison). After that, for a first repeat offense involving a major crime, the criminal will get a mandatory minimum additional sentence of one year. For a second repeat major crime, the criminal will get a mandatory minimum sentence of two years. For three or more prior major crimes, the criminal will have a mandatory minimum sentence of three years added to his sentence.

These mandatory minimum add-on sentences cannot be reduced for any reason. This means that criminals will no longer be allowed to continue committing crimes with no accountability. Stopping, rather than encouraging, criminal behavior is the only solution for a workable society. Don't allow those who encourage and financially benefit from criminal behavior fool you any longer.

Our society has pretended for too long that we know how to prevent crime by not holding criminals accountable. Incarceration with treatment is a more responsible way to protect the public and deter crime.

Vote Yes on Measure 61

Bob and Dee Dee Kouns
Crime Victims United

(This information furnished by Bob & DeeDee Kouns, Crime Victims United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Some critics of Measure 61 say it will cost a lot of money. They ignore the fact that it costs innocent citizens much more if government fails to incarcerate these hardened, repeat criminals who prey on our society. An auto thief will steal 10 to 20 cars before he is caught. Right now, when he is caught and convicted, he will be set free, only to steal more cars. Each one of those cars represents the property of an innocent citizen who may or may not have insurance – and who pays for these crimes through high insurance rates, deductibles on insurance, or, worse yet, the cost of immediate replacement of the car.

When you count up the tremendous cost to society of letting people break into houses, burglarize businesses, and steal cars, and compare it to the cost to the state to pull these serious, repeat offenders off the street, the equation is simple: For every dollar it may cost the government to incarcerate these criminals, we are saving citizens several dollars.

The cost to government to implement Measure 61 is a great benefit to all citizens in our society. We are not simply spending money to put away serious criminals; we are spending the money to protect all of our society.

Consider this: At present, 58 cents out of each state budget dollar go to education, and 24 cents go to human resources programs. Only 7 cents go to the Department of Corrections. Measure 61 will probably increase this 7 cents to almost 8 cents per dollar. Juveniles are not affected by Measure 61; we will continue to allow county juvenile departments and the Oregon Youth Authority to deal with juvenile property offenders. It is worth one penny out of the budget dollar to achieve justice.

A vote for Measure 61 is a vote to hold criminals accountable, to give justice to victims, and give justice to all Oregonians.

(This information furnished by Steve Doell, Crime Victims United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 61

ARGUMENT IN OPPOSITION

Oregonians be on the alert! Measure 61 is the latest attempt by a small, but vocal group of individuals with special interests to control criminal justice policies in this state. Having failed to get the Legislature to accommodate their extreme views, they are once again trying to sell Oregonians a wolf in sheep's clothing.

Supporters of 61 want you to believe that by passing this measure, which requires mandatory minimum prison sentencing, it will address the problem of property crimes in Oregon. What they don't say is that only 7 listed are property crimes and the majority of the other 35 plus ALREADY require mandatory minimum sentencing. We don't need this law.

The likelihood that someone will needlessly or unjustly be sent to prison increases with every mandatory minimum sentence Oregonians create because a judge is UNABLE to consider the circumstances of the crime and make the punishment fit.

Parents Against Cruel and Unusual Punishment (PAC-UP) consists of thousands of individuals who have watched mandatory minimum sentencing nationwide, as well as statewide with Oregon's Measure 11, and believe studies show such laws DO NOT LOWER CRIME RATES.

Finally, there is a cost impact this measure will have on Oregon. Measure 61 will require more judges, more prisons, more prison guards etc. This money will be used to warehouse NON-VIOLENT, FIRST TIME OFFENDERS.

Please do not assist them in the creation of bad and costly laws. SAVE taxpayers money. Support prevention and treatment programs which CAN lower the crime rate, not more prisons which will not.

VOTE No on Measure 61.

(This information furnished by Cathi Lawler, Parents Against Cruel & Unusual Punishment.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

The Oregon Association of Community Corrections Directors is a professional organization comprised of County leaders in probation and parole. Collectively, we supervise more than 30,000 offenders. We have dedicated our careers to the public safety of our communities. We ask you to cautiously weigh all factors concerning Measure 61. Our organization opposes this measure for the following reasons:

1. Similar legislation has been enacted within the last three years. In 1995 Measure 11 dramatically increased sentences for person to person offenders. In 1997 House Bill 3488 imposed longer sentences for property offenders. This legislation has not been in existence long enough to determine its effect on reducing crime in our communities. Measure 61 proposes to further increase the sentences of many of these same offender and add mandatory sentences for some additional crimes. Before Oregonians approve Measure 61, let us be sure this strategy is effective.
2. The cost of Measure 61 is extremely high, an estimated $470 million over the next eight years, for construction and operation of prisons.
3. No money has been allocated to fund Measure 61. Therefore, the estimated $470 million may come at the expense of education, transportation, mental health, and economic development, which are already inadequately funded.
4. Limited tax dollars need to be invested in programs that prevent crime. Today, when children have increased exposure to drugs, alcohol, sexual experimentation, and violence, we provide them with less supervision than at any time in our nation's history. We support funding for mentoring, after school activities, and other prevention programs that we believe will allow more youth to avoid criminal activity and live productive, healthy lives.
5. Will Measure 61 reduce crime? Longer sentences provide a legitimate strategy for punishment and incapacitation. However, they have not proven effective in altering criminal behavior. We owe it to ourselves, as judicious tax payers, to invest in strategies that will reduce crime.

(This information furnished by Bob Grindstaff, Oregon Association of Community Corrections Directors.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 61

ARGUMENT IN OPPOSITION

From the Desk of John A. Kitzhaber, M.D.

I urge you to vote "NO" on Measure 61. It isn't the kind of public safety investment Oregon needs.

This measure costs too much. If Measure 61 passes, Oregon will spend $1.4 billion more on prisons over the next 10 years--funds taken from other efforts that truly would make us safer. The $83 million this measure costs in the next two years could be used to add 500 State Troopers, triple juvenile crime prevention funding or teach 9,000 students.

This measure means putting another new prison in another Oregon community. Nobody wants a prison in their community, but we must site new prisons if we increase sentences. I have sited 13 adult and juvenile prisons during my administration. Isn't that enough?

This measure isn't necessary. A new law increasing sentences for repeat property offenders took effect last July, and has sent hundreds of repeat offenders to prison.

Crime already is going down in Oregon without building more new prisons. There were 16,000 fewer serious crimes between 1995 and 1996, the most recent year for statewide statistics. That includes 3,200 fewer burglaries, 5,500 fewer thefts and 5,300 fewer car thefts.

Oregon's burglary rate is at a 25-year low. Your chances of becoming the victim of a burglary are the lowest they have been in 25 years.

This measure isn't well thought out. Measure 61 would increase sentences for Ballot Measure 11 crimes, already the toughest "one strike and you're out" law in the country. We need to be more than tough on crime, but we need to be smart too.

We can reduce crime without building prisons. New York State has led the nation in reducing its crime rate. They did it by putting more police on the street–not by increasing sentences or building prisons. We should do the same.

Let's prevent crime and not just punish criminals.

Let's spend money wisely to reduce crime.

Please vote NO on Measure 61.

(This information furnished by John A. Kitzhaber, M D.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Vote NO on Measure 61

MEASURE 61 IS A BAD INVESTMENT!

The cost is staggering, over $1 BILLION in the next ten years for more prisons. This is ONE BILLION additional dollars for prisons beyond the prisons already being built or waiting to be sited.

We need to invest in PREVENTING CRIME. We need to KEEP KIDS IN SCHOOL, not prison. We need to HIRE MORE TEACHERS, not guards. We need to HELP FAMILIES, not hurt them.

Dollar for dollar, money spent on education is the most effective crime prevention strategy available. (1996 Rand Corporation study)

Oregon already has the harshest "one strike" law in the country, known as Measure 11. We are already sentencing kids to long terms in prison with no time off for good behavior. We are already in the midst of the largest prison building boom Oregon has ever seen.

We don't need more prison, we need more schools. We don't need tougher sentences, we need more teachers. We don't need to spend ONE BILLION dollars unwisely.

MEASURE 61 IS A BAD INVESTMENT!

Vote NO on Measure 61

Michael Dugan
Deschutes County District Attorney

Chris Beck
State Representative

JoAnn Bowman
State Representative

Dan Gardner
State Representative

Sid Lezak
Former U.S. Attorney for Oregon

Avel Gordly
State Senator

Bryan Johnston
State Representative

Beverly Stein
Portland

(This information furnished by Ingrid Swenson.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 61

ARGUMENT IN OPPOSITION

IF YOU CARE ABOUT OREGON'S KIDS AND OREGON'S SCHOOLS, VOTE "NO" ON MEASURE 61!

When fully implemented, Measure 61 will require the State to spend an additional $250 million per biennium on prison operating costs and debt service. Where will this money come from? Schools and other state services? Higher taxes?

DO WE WANT TO BUILD MORE PRISONS OR IMPROVE OUR SCHOOLS?

Oregon has adopted higher academic standards for our students to meet. How will our children meet these high standards if we continue to drain resources from the school system?

We need smaller classes, better teacher training and more resources in the classroom. These improvements to our educational system will help reduce and prevent crime. Uneducated, neglected children are more likely to commit crimes as adults. A quality educational system is the foundation for crime prevention.

Do we really need more prisons? Here is what Measure 61 may mean to education:

- **Overcrowded classrooms**
- **Teacher layoffs**
- **Lower academic performance**

Education should be our top priority now, not more prisons. Measure 61 locks more prisons into our Constitution as a top priority above education, the environment, and health and human services.

DO YOU WANT THE STATE TO BUILD A PRISON IN YOUR NEIGHBORHOOD? Or, do you want more teachers, smaller class sizes, and better schools?

NEIGHBORHOOD SCHOOLS OR NEIGHBORHOOD PRISONS? THE CHOICE IS YOURS. VOTE "NO" ON MEASURE 61!

(This information furnished by William R. Hallmark, Linda Olson, George Mardikes, Scott Bailey.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

MEASURE 61 IS BAD FOR SCHOOLS!

VOTE NO ON MEASURE 61

Measure 61 will require a $1.4 billion increase in state general fund spending over the next 10 years. That's money that could be used to improve Oregon's schools.

MEASURE 61 ROBS MONEY FROM OREGON'S SCHOOL CHILDREN!

VOTE NO ON MEASURE 61

Measure 5 and Measure 47 moved most funding for Oregon's elementary and secondary schools from the local property tax to the state general fund. Any new mandated spending requirements, like Measure 61, takes available money away from schools and services for children and their families.

MEASURE 61 IS BAD FOR OREGON!

VOTE NO ON MEASURE 61

State support for K-12 schools now takes up 45 percent of the state's general fund and lottery resources. Measure 61's $1.4 billion increase in state spending will cause a disproportionate amount of spending for prisons - taking money away from schools!

IMPROVE OREGON SCHOOLS!

VOTE NO ON MEASURE 61

Reducing class size, raising student achievement and making schools clean and safe are all important goals for Oregon schools. These goals can be achieved. But only with adequate and stable funding. Measure 61 will divert money to criminals and away from Oregon's school improvement efforts!

DON'T HARM OREGON SCHOOLS!

VOTE NO ON MEASURE 61

(This information furnished by Ingrid Swenson.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 61

ARGUMENT IN OPPOSITION

VOTE NO ON MEASURE 61!

I support efforts to improve public safety. I oppose Measure 61. As a public safety measure, Measure 61 is expensive, impractical, complicated and unnecessary.

As Chair of the Senate Judiciary Committee in 1995, I helped to implement the voter approved "Tough on Crime" initiatives. The State legislatures heard the voters' message on crime loud and clear. In Oregon, if you do the crime, you will do the time. However, as Chair of the Senate Budget Committee, I have come to realize -- we do not need and cannot afford Measure 61 for the following simple reasons:

- Measure 61 requires spending an additional $1.4 Billion over the next ten years with no new money to pay for this expense. The funds will come from other State budgets or new revenue taxes.
- A better investment for your tax dollars would be prevention or education. Do you really want to build another prison at the expense of educating our children?
- Where will we put another prison? The State is still trying to site the additional prisons needed because of the "Tough on Crime" initiative. If Measure 61 passes, the State will be looking again.
- Measure 61 is not needed. Effective July 1, 1997, repeat car thieves, burglars and other thieves are sentenced under tough new standards. These new laws set minimum prison sentences for property offenders with prior convictions for similar crimes.

We must continue to work on reducing crime and not simply warehousing criminals once they have broken the law. Increasing prison sentences may look like a quick, easy solution, but the solutions that Measure 61 offers are confusing and unnecessary and would cost more than a billion dollars.

I want to be tough on crime, but I also want to be smart on crime. Please join me in voting "No" on Measure 61.

Sincerely,

NEIL R. BRYANT
Senator, District 27
Chair, Senate Judiciary Committee 1995
Chair, Interim Budget Committee 1998

(This information furnished by Neil Bryant, State Senator, Former Chair, Senate Judiciary Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

62 AMENDS CONSTITUTION: REQUIRES CAMPAIGN FINANCE DISCLOSURES; REGULATES SIGNATURE GATHERING; GUARANTEES CONTRIBUTION METHODS

RESULT OF "YES" VOTE: "Yes" vote requires additional campaign finance disclosures; regulates signature gathering; guarantees certain contribution methods.

RESULT OF "NO" VOTE: "No" vote rejects requiring additional campaign finance disclosures, regulating signature gathering, guaranteeing certain contribution methods.

SUMMARY: Amends constitution. Existing statutes require disclosing certain campaign finances. Measure adds constitutional requirements for prompter disclosure of contributions $500 or more; more frequent disclosure of contributions/expenditures for referendum/initiative petitions. Requires disclosing entity authorizing/paying for political advertising. Legislature may regulate, prohibit paying signature gatherers if it finds practice has caused fraud, other abuses. Guarantees individuals' right to make campaign contributions using certain methods. Secretary of State must promptly publish finance reports. Prohibits payments for signing/not signing petitions. Specifies penalties. Other provisions.

ESTIMATE OF FINANCIAL IMPACT: This measure is estimated to increase state expenditures by $248,000 a year, with an additional one-time-only start up cost to the state of $104,000. Expenditures by county and city elections filing officers cannot be calculated, due to insufficient data.

TEXT OF MEASURE

OPEN AND FAIR ELECTIONS ACT

The following sections are added to and made a part of the Constitution of the State of Oregon:

Section 1. Disclosure of Large Contributions

In addition to any other disclosures required by law, the recipient of aggregate political contributions of $500 or more from one contributor during any one calendar year shall disclose such contribution and any subsequent contributions from that contributor to the Secretary of State or other appropriate reporting authority within seven days of receipt. During the period two weeks prior to a primary or general election, such disclosure shall occur within two business days of its receipt.

Section 2. Disclosure of Contributions During Petition Signature Gathering

(1) The chief petitioner(s) on all petitions for a statewide initiative or referendum shall be responsible for disclosing to the Secretary of State all contributions received and expenditures made in support of the petition, including expenditures made for the purpose of collecting signatures or paying signature gatherers. The disclosure obligation imposed by this section shall commence upon the filing of the prospective petition for a statewide initiative or referendum with the Secretary of State, and shall include the amount and source of any assets on hand at the beginning of this reporting period. These disclosure reports shall be filed no less than once each month thereafter.

(2) Before any entity receives a contribution or makes an expenditure for the purpose of influencing the collection of signatures on a proposed statewide initiative or referendum petition, that entity shall file a statement of organization with the Secretary of State, form a petition political committee, and thereafter disclose contributions and expenditures as required in subsection (1) herein.

Section 3. Making Signature Gatherers Be Registered Oregon Voters, Permitting Regulation of Payment for Signatures, and Specifying Effective Date of This Constitutional Amendment

Section 1, Article IV of the Constitution of the State of Oregon, is amended by adding a new subsection, and the Constitution of the State of Oregon is amended by creating new Sections 1b and 1c to be added to and made a part of Article IV and to read:

A person gathering signatures on an initiative or referendum petition shall be registered to vote in this state in the manner provided by law.

Section 1b. The Legislative Assembly may pass laws which prohibit or regulate payment for gathering signatures for initiative or referendum petitions on a per signature basis if the Legislative Assembly finds that the practice has caused fraud or other abuses.

Section 1c. (1) The amendment to section 1 of Article IV of this measure applies to any initiative or referendum petition that, if filed with the Secretary of State with the required number of signatures of qualified voters, will be submitted to the people at a general election occurring after November 3, 1998, regardless of when the prospective petition for the initiative or referendum petition is filed.

(2) This section 1c is repealed December 31, 2000.

Section 4. Licensure of Businesses that Hire Paid Signature Gatherers

(1) The Secretary of State shall provide for the licensure of any individual, business, service, firm, organization, association, labor union or club which for a fee hires or procures individuals who receive pay or anything of value to gather signatures on initiative or referendum petitions.

(2) The Secretary of State shall require all license holders to report at least once each month the names and addresses of individuals it hires or procures to gather signatures on initiative or referendum petitions, the amount of any payments made to such individuals, the name and address of individuals or entities who paid the license holder to gather signatures on initiative or referendum petitions, and any amount paid or accounts receivable to the license holder for this service.

Section 5. Individuals' Right to Participate

Individuals protected by this Constitution have a fundamental right to participate in the political process by expressing their support for a candidate or cause through payment of political funds used for political purposes by any method identified in this sub-section. Protected methods of participation include but are not limited to pledges of, payment for, collection of, or assistance in collection of political funds by check, credit card, electronic transfer, automatic payment through a financial institution, and payroll deduction by public or private employer which agrees to such deduction or if payroll deduction is available to the employer's employees for any other purpose. Such methods of participation shall not be prohibited or restricted by any law or regulation enacted after November 1, 1998. If an individual authorizes political payments through electronic transfer, automatic payment, or payroll deduction, such authorization shall be in writing. An employer may be reimbursed for the reasonable, actual and identifiable costs of the payroll deduction described in this section. This sub-section is not intended to create any new rights. Any political committee or other entity which receives political funds by any of the methods described in this sub-section shall be entitled to use such funds. A recipient of political funds described in this sub-

CONTINUED

Measure No. 62

section shall not co-mingle political with non-political funds. For purposes of this provision, it shall not be considered co-mingling if, promptly upon receipt, the recipient segregates political and non-political funds.

Section 6. Disclosures of Paid Political Advertising

(1) In addition to other requirements provided by law, no political committee or other entity shall cause any written material, photograph or broadcast supporting or opposing any candidate or measure for any election to be printed, posted, broadcast, mailed, circulated or otherwise published to the general public unless it states the name and address of the political committee or other entity authorizing or paying for the costs of the publication, including a statement that the publication was authorized by that committee or entity.

(2) Whenever a political committee or other entity makes an independent expenditure on a political communication to the general public that advocates the election or defeat of a clearly identified candidate, or which uses a candidate's name or image within 60 days prior to an election, such communication shall include a statement which identifies by name and address any political committee or other entity that authorized it, and any political committee or other entity that paid for it. It shall also clearly state that the communication is not authorized by the candidate or the candidate's principal campaign committee.

Section 7. Disclosure of Contribution and Expenditure Reports

Within one business day of receipt, the Secretary of State shall disclose and make available to the public all contribution and expenditure reports. The Secretary shall establish rules allowing electronic filing of contribution and expenditure reports and the electronic dissemination of such information to the public.

Section 8. Protecting Petitioning Process

It is unlawful to offer, pay or provide money or other valuable consideration to another individual to sign or refrain from signing an initiative, referendum or recall petition, and for the other individual to accept or agree to accept money or other valuable consideration for signing or refraining to sign an initiative, referendum or recall petition.

Section 9. Penalties

In addition to any other penalties prescribed by law, the following penalties apply for violation of this Act:

1. The Secretary of State may assess a penalty of up to $3,000 per occurrence or three times the amount not properly and timely disclosed, whichever is greater, against an individual or entity that fails to make the disclosures required by Section 1 of this Act.

2. The Secretary of State may assess a penalty of up to $1,000 per occurrence or three times the amount not properly and timely reported, whichever is greater, for violation of Section 2 of this Act. In addition to any individual or entity responsible by law, the chief petitioner(s) and the treasurer of chief petitioner's political committee shall be jointly and severally liable for the penalty.

3. The Secretary of State shall revoke the license of any licensee which fails to timely or accurately file the reports required under Section 4 of this Act, or for other reasons provided by law.

4. The Secretary of State may impose a civil penalty of up to $25,000 per occurrence against any individual or entity which is not validly licensed under Section 4 of this Act and which pays or attempts to pay or provide anything of value to individuals for gathering signatures on initiative or referendum petitions.

5. The exclusive penalty for co-mingling political and non-political funds shall be a requirement that the recipient return all of the co-mingled political funds to the contributor(s).

6. The Legislative Assembly shall enact penalties for violation of Section 8 of the Act.

Section 10. Administrative.

If any phrase, clause, section, part or application of this Article is declared unconstitutional or otherwise unenforceable by a court of competent jurisdiction, the remaining phrases, clauses, sections, parts and applications shall remain in full force and effect.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

CONTINUED

Measure No. 62

EXPLANATORY STATEMENT

This measure would amend the Oregon Constitution to add several provisions relating to election finance.

The measure would require the recipient of political contributions aggregating $500 or more from any contributor in a calendar year to disclose it within seven days of receiving the contribution. During the two weeks prior to a primary or general election, the disclosure would be required within two business days of receiving the contribution.

The measure would require chief petitioners for statewide initiative or referendum petitions to disclose each month all contributions received and expenditures made in support of the petition. Any other political entity must file a statement of organization and form a political committee before receiving a contribution or making an expenditure to influence the collection of signatures on a statewide initiative or referendum petition. The entity would be required to disclose contributions and expenditures each month.

The measure would allow only persons registered to vote in Oregon to gather signatures on initiative or referendum petitions. It would allow the Legislative Assembly to prohibit or regulate paying signature gatherers on a per-signature basis if the legislature finds that the practice has caused fraud or other abuses.

The measure would require anyone who hires individuals who are paid to gather signatures on initiative or referendum petitions to obtain a license from the Secretary of State and to report each month to the secretary.

The measure would prohibit enactment of laws or regulations after November 1, 1998, restricting the right of individuals to make campaign contributions through methods such as payroll deduction by public or private employers, electronic transfer or automatic payment through a financial institution.

The measure would require published material supporting or opposing a candidate or measure to state the name and address of the political committee or other entity which authorized or paid for the publication, including a statement that the publication was authorized by that entity. Certain communications advocating the election or defeat of a candidate and paid for with independent expenditures would be required to include a statement identifying the entity which authorized and paid for the publication and to state that the communication was not authorized by any candidate.

The measure would require the Secretary of State to make contribution and expenditure reports available to the public within one business day after the secretary received the reports. It would also direct the secretary to allow electronic dissemination of and filing of contribution and expenditure reports.

The measure would prohibit any person from paying or accepting payment to sign or not to sign an initiative, referendum or recall petition.

The measure would allow the Secretary of State to assess civil penalties for violations of provisions of the measure.

Committee Members:	**Appointed by:**
Paul B. Gamson	Chief Petitioners
Susan C. Remmers	Chief Petitioners
Jack Kane*	Secretary of State
Senator Eileen Qutub	Secretary of State
Jacob Tanzer**	Secretary of State

*Member dissents (does not concur with explanatory statement)

**5th member appointed by Secretary of State because committee members could not agree on selection.

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

ARGUMENT IN FAVOR

A NURSE'S VIEW OF BALLOT MEASURE 62

The Oregon Nurses Association have worked hard in the creation and defense of the Oregon Health Plan. In 1996 voters passed Ballot Measure 44 to expand health care coverage to more of Oregon's uninsured children. This expansion was created by raising the tax on tobacco products. In the support of that campaign we learned a great deal about why our election process must be reformed.

Opponents of Ballot Measure 44 did not run a fair and open election. The opposition campaign spent million of dollars in deceptive television ads that sounded like they were supported by health professionals. As nurses we were appalled.

The voters and the press had no way of knowing who was really paying for those ads. And the worst part of it was that the giant tobacco companies were following the law even as they were attempting to trick Oregon voters.

That is why we support Ballot Measure 62.

It opens the election process by disclosing who really pays for the political advertising. Now we'll know who buys the television ads during the election season.

Another aspect of Measure 62 that appeals to nurses is the quick reporting of all contributions and expenditures by political campaigns in Oregon.

As Nurses we are proud to be recognized as advocates for the issues we support. We feel that these campaign finance reforms are only a threat to organizations who would rather avoid public attention.

(This information furnished by Susan E. King, RN, Oregon Nurses Association.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

From the desk of John A. Kitzhaber, M.D.

Dear Fellow Oregonians:

I care about Oregon, and I know that you do too. As a citizen of this great state, I have studied its history and worked hard to make it the kind of place we can proudly call home.

Today, as your Governor, I am one of many Oregonians working to leave a legacy of a fairer political system for future generations. That is why I am asking you to join me in supporting Ballot Measure 62, the Open and Fair Elections Act.

Why am I supporting Measure 62? It means a cleaner, clearer and fairer opportunity for Oregon's next generation of voters to shape their future in a much more open political process. It reveals who is behind signature gathering efforts and negative campaigns in Oregon.

It mandates the timely disclosure of large contributions by out-of-state and special interests to political campaigns. This allows every Oregon voter to know who is writing the checks to influence decisions on election day. It clearly explains who is paying for the political advertising on television, radio and in the newspaper.

Ballot Measure 62 makes important changes in how signatures are gathered in the petition process. First, it requires the disclosure of who is paying for signature collection. It also makes sure that people who collect your signature are really registered to vote in Oregon.

Finally, Ballot Measure 62 protects your right -- and that of every Oregonian -- to participate in our political process through campaign contributions. For a union member in Oregon, it continues the very important opportunity to make voluntary contributions through payroll deductions at work.

I believe Measure 62 will help give Oregon's political system back to Oregonians. It does so by disclosing who contributes to politicians and to ballot measures.

I hope you'll join me in voting YES on Ballot Measure 62.

John Kitzhaber, M.D.

(This information furnished by John A. Kitzhaber, M.D.)

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ARGUMENT IN FAVOR

Senior Citizens Support Measure 62

Open and Fair Works in Oregon

It's important for Oregonians to know that Measure 62, the Open and Fair Elections Act, will be good for senior citizens in Oregon. That's why, as senior advocates and fellow citizens, we are asking you to join us and citizens throughout Oregon who support this important measure.

Why does Measure 62 work for Seniors in Oregon? Because it means a cleaner and clearer opportunity for Oregon's voters to help shape the state's future in a much more open political process. It tells the state's senior citizens who is behind signature gathering, negative campaigning and politicians in Oregon.

How will Measure 62 work for Seniors in Oregon? Well, it mandates the timely disclosure of large contributions of out-of-state and special interest money to political campaigns. Like you, senior citizens want to know who is writing the checks to influence decisions on election day and paying for the political advertising on television, radio and in the newspaper.

Where will Measure 62 work for Seniors in Oregon? On the street, where it also makes important changes in how signatures are gathered in the petition process. It requires the disclosure of who is paying for signature collection and makes sure that people who collect your signature are really registered to vote in Oregon, and regulates the way they do business in our state.

What's an example of how Measure 62 will work for Seniors in Oregon? It will protect your right and that of every Oregonian to participate in voluntary payroll deductions at work for everything from retirement plans to political participation. That's the right of choice for seniors, many of whom continue to work hard in Oregon.

Vote Yes on Measure 63 on November 3. **It will be good for Seniors in Oregon.**

(This information furnished by Jim Davis, Oregon State Council of Senior Citizens.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

Vote Yes on 62.

Common Cause asks Oregonians to vote yes on Measure #62, the Open and Fair Elections Act. Measure #62 requires a candidate or initiative campaign to promptly make public any contribution of $500 or more. If a candidate takes $500 from a tobacco company, you'll know about it.

- Measure #62 requires disclosure of contributions during the signature-gathering phase of an initiative. If an out-of-state or special interest group is paying signature gatherers to put something on Oregon's ballot, we will know about it before the measure is submitted. For the first time, Oregonians will be able to make a truly informed decision about whether to sign a petition.
- Measure #62 make disclosure reports available to the public quickly. We'll know BEFORE the election who's footing the bill for any campaign.
- Measure #62 requires signature gatherers to be registered voters in Oregon. Instead of importing out-of-state professionals, this measure will ensure that these signature-gatherers are Oregonians.
- Measure #62 guarantees our Right to Know who is paying for political campaigns before it is time for us to vote.

(This information furnished by David Buchanan, Oregon Common Cause.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

A Police Officer Talks about the Importance of Measure 62

Like many Oregonians, I go to work every day. I am a Portland police officer who has served the community for 6 years. My job is to protect our citizens, and while doing so I have watched our community debate the issues important to every Oregonian's future. That is why I am supporting a future of Open and Fair Elections.

Why am I supporting Measure 62? Because it protects my right and that of every Oregonian to choose to participate in our political process through campaign contributions. As a union member, it's very important to me to continue my choice for voluntary participation in its work through a payroll deduction program.

Why do I care about Measure 62? Because it means a better opportunity for Oregon's next generation of voters to address the continuing, critical matter of public safety. Tomorrow's voters can be better citizens on election day.

And, it requires the disclosure of large campaigns contributions before election day. If on election day you are being asked to decide on public safety measures that would make our streets safer, shouldn't you know who is supporting your community and who wants to put all of us at risk?

Measure 62 also opens the election process by disclosing who pays for political advertising. Now we'll know who buys the television ads during the election season.

Another aspect of Measure 62 that appeals to me is the quick reporting of all contributions and expenditures by political campaigns in Oregon. This measure mandates a one day disclosure by the Secretary of State.

Remember, every day I go out to protect and serve Portlanders. My fellow officers throughout Oregon do the same. Our future and yours depends on an open and fair elections process. Make your voice heard. Please vote for Measure 62 on November 3.

(This information furnished by Liz Cruthers.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

An Educator Writes on the Value of Measure of 62

I care about Oregon, and know that you do, too. As an elementary teacher in Bend for 17 years, I also know the value of preparing our children for a fairer political future. That is why I am asking you to join me and citizens throughout Oregon who support a future of Open and Fair Elections.

I am supporting Measure 62 because it means a cleaner, clearer opportunity for Oregon's next generation of voters. Today's students are tomorrow's voters.

Measure 62 will make elections cleaner and clearer by mandating the prompt disclosure of large contributions. It allows every Oregon voter access to a campaign's books, so that you will know who is funding any candidate or ballot measure campaign.

It also makes important changes in how signatures are gathered in the petition process. First, it requires the disclosure of who is paying for signature collection. Then it makes sure that people who collect your signature are really registered to vote in Oregon, and regulates the way they do business in our state.

Measure 62 also protects your right and that of every Oregonian to participate in our political process through campaign contributions. As a union member, it's very important to me to continue my voluntary participation in its work through a payroll deduction program in my district. Measure 62 would guarantee me -- and every Oregon citizen -- that right.

Measure 62 also opens up the election process by disclosing who pays for political advertising. Now we'll know who really buys the television ads during the election season.

Finally, Measure 62 demands quick reporting of all contributions and expenditures by political campaigns in Oregon. This measure mandates a one day disclosure by the Secretary of State so that we will know before election day who is really backing campaigns.

Please help us make Oregon elections Open and Fair. Vote Yes on Measure 62.

(This information furnished by Peggy J. Humphreys.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

We need to Know

If you're like me, when you vote, you want to know "**who**" and you want to know "**how much.**" That's why I'm voting for Ballot **Measure 62** -- the **Open and Fair Elections Act.**

I want to know who's behind the politicians. I want to know who's paying whom to gather signatures for ballot measures. I want to know as much as possible.

Measure 62 will help me know what I need to know.

Here's how:

- I'll **know** much more quickly who's behind the 'curtain.' Measure 62 will require quick disclosure of any campaign contribution of $500 or more. Currently, we don't find out about large contributions until expense reports are filed after the election. I want to know who's paying before I vote.
- I'll **know,** much more quickly, how much money someone is spending on "buying" my vote and I'll know where the money is coming from. In the past several elections we have learned, after the fact, that certain ballot measures have been largely funded by out-of-state money. I don't like that, and if Measure 62 passes, I'll know before I vote.
- I'll **know** that anyone gathering petition signatures must be a registered Oregon voter, since that's a requirement in Measure 62. I know, you probably thought that was already in our constitution, but it's not. Measure 62 would also regulated the way paid signature gatherers can do business in Oregon. I like knowing that.
- I'll **know** that everybody is following the same rules -- Big business, special interests and labor unions. I'm a union member, and I fully support my union having to make these disclosures in a timely manner, along with everyone else.

Measure 62 is called the Open and Fair Elections Act. To me, it's about **your right to know** as much as possible. Please join me in voting YES on Measure 62. I know you should.

(This information furnished by Leda Pugh.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

Oregon's ballots for sale in upcoming elections! Bring your checkbook!

What? Here in Oregon?

Every day our members are trying to educate and organize people within our communities to promote or challenge initiatives. We do voter registration drives and work to "get out the vote". And too often we hear this same response, "why should I bother to vote, my voice doesn't really count". They have a point: It's the same old obstacle -- money in politics. Often, big money corporate interests have bought and paid for candidates before one vote is cast. Massive media purchases by big money interests leave the average Oregonian bombarded by vague messages that often serves only to further muddle issues or mislead voters.

Who's paying for these misleading messages? Who underwrites a candidate's ticket? Good questions... Without the Open and Fair Elections Act, we don't really know. The wealthy and big business interests don't have to disclose how much they spend to win an election or pass an initiative until after the election.

The Open and Fair Elections Act takes a step to restore fairness to the current election laws. It returns more power of the ballot to Oregonians by requiring big money interests to disclose contributions of $500 or more allowing for voters to know who backs a particular initiative or candidate before we cast our vote on election day. Let's face it, these days the only way to know who is really behind an agenda is to follow the money trail to the source.

Open and Fair Elections will also preserve every Oregonian's fundamental right to contribute to the political process through payroll deductions: Oregonians have a right to choose the method by which they contribute to the issues and candidates they support.

Send a strong message to big money interests seeking to buy our ballots: Vote yes to Open and Fair Elections.

Vote YES on 62. It's time to shine some light in the dark places of Oregon politics.

(This information furnished by Susan C. Remmers, Oregon Action.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Union Member on the Importance of Measure 62

I live and work in Oregon because its a special place. One way that we can protect Oregon is by making our elections more open and fair through determining who is funding Oregon candidates and causes. That is why I am asking you to join me in supporting Measure 62, the Open and Fair Elections Act.

Measure 62 will help prevent misleading and negative attacks. Politicians and special interests slinging mud are no longer the exception -- they are the standard for campaign behavior. Measure 62 would help prevent that by forcing campaigns to promptly disclose any campaign contribution of $500 or more.

Measure 62 will make politicians accountable to the people for the positions they take. With the new disclosure laws Measure 62 introduces, the public will know exactly who contributed to a politician's campaign

Measure 62 will crack down on out-of-state special interests. Measure 62 requires disclosures of contributions during the signature-gathering phase of an initiative so that we will know when out-of-state special interests are paying to put something on Oregon's ballot. It also regulates businesses that hire paid signature gatherers in order to prevent fraud and abuse.

Measure 62 protects everyone's rights. The measure guarantees every Oregonian's right to contribute to the political process through payroll deduction, including Oregon's unionized workers.

Measure 62 will bring greater disclosure to Oregon politics, and that's good for all Oregonians.

Please join me in voting Yes on 62.

(This information furnished by Timothy Welp.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

Measure 62 will help Oregonians who are concerned about campaign financing and political corruption can learn who is contributing to what politician's campaign.

Every donation in excess of $500 must be reported, including donations made during voter signature drives. This measure also would make these reports available quickly, not after the election, as it is now.

We have a right to know who is paying our politicians for what. That's basic democracy.

Please vote Yes on Measure 62

(This information furnished by Jason Reynolds, Oregon Consumer League.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Yes on Ballot Measure #62

I take my right to vote seriously. Even though I am a high school special education assistant, not a political big-wig, I know my vote is important, so it's important that I make informed choices. That includes knowing who is behind political campaigns. Millions of dollars are spent every election year in Oregon to try to sway me and my fellow Oregonians to vote a certain way. Before I cast my vote, I want to know who is spending all that money. **Ballot Measure 62 will require candidates and ballot measure campaigns to provide more disclosure to voters about who is funding them.**

Do you know who influences elections that impact yourself, your family, friends and co-workers? I don't. And I want to know. It seems these days that more and more elections are decided based on who produces the best radio or t.v. commercial. I think it's important to know who paid for all those ads. **Ballot Measure 62 requires that the identity of who paid for political advertising be disclosed right on the ad.** By voting yes on Ballot Measure 62, we won't be kept in the dark any longer when it comes to who is shaping choices on election day.

Ballot Measure 62 protects our citizen initiative process by taking it back from out-of-state special interests who use paid signature gatherers — many of whom who are not even Oregon citizens — to get their measures on the ballot. **Ballot Measure 62 requires that all initiative petition signature gatherers be registered Oregon voters.** And Ballot Measure 62 requires that Oregonians be told **who is paying those signature gatherers while we are being asked to sign petitions,** rather than long after the measure has qualified for the ballot.

Please vote YES on Ballot Measure 62 so that we have the information we need to make informed choices on election day.

(This information furnished by Terry L. Christenson.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN FAVOR

THESE GROUPS SUPPORT MEASURE 62 FOR THE FOLLOWING REASONS

MEASURE 62 THE OPEN AND FAIR ELECTIONS ACT WILL

- **REQUIRE STRICTER CAMPAIGN FINANCE DISCLOSURE**
- **IDENTIFY OUT-OF-STATE SPECIAL INTERESTS WHO ARE SPENDING MONEY IN OREGON AND GATHERING SIGNATURES**

Please join us in VOTING YES on Measure 62

Coalition for a Livable Future

Community Alliance of Tenants

Ecumenical Ministries of Oregon

Eugene-Springfield Solidarity Network

Human Services Coalition of Oregon

Oregon Action

Oregon AFSCME, Council 75

Oregon Common Cause

Oregon Consumer League

Oregon Council of Police Associations

Oregon Education Association

Oregon Employees Union/SEIU

Oregon Nurses Association

Oregon State Council of Senior Citizens

Oregon State Public Interest Research Group

Portland Rainbow Coalition

Rural Organizing Project

Sisters in Portland Impacting Real Issues Together

United Seniors of Oregon

Workers Organizing Committee

(This information furnished by Roger Gray, Oregonians for Open and Fair Elections.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Plainly and simply put:

Measure 62 seeks to overturn the effects of Measure 59 by requiring tax dollars to continue to be used for the collection of political contributions.

Measure 62 requires tax dollars and public employees be used for collection and processing of money that will be used in partisan political activities. The measure is wrapped inside what appear to be laudable changes in Oregon law, but are really just a smokescreen.

As Oregon's largest business association, Associated Oregon Industries supports strict campaign reporting laws, and Oregon has some of the strictest reporting laws in the nation. As a result, Oregon has some of the cleanest elections in the nation.

There are two ways to destroy the excellent record of Oregon election reporting laws: repeal them or make them so complex as to become unworkable. Measure 62 does the latter.

Measure 62 loads up the State Constitution with complex and onerous reporting requirements that serve no useful purpose. Oregon laws already require timely reporting of all political contributions, laws which AOI strongly supports as a matter of good public policy.

Measure 62 purports to authorize the legislature to impose regulation on people who circulate initiative petitions, but the legislature already has the power it needs to regulate signature gatherers and to require reporting of expenditures. The Secretary of State already vigorously pursues any hint of fraud in the initiative process.

Vote NO on Measure 62

Submitted by
Associated Oregon Industries

(This information furnished by Richard M. Butrick, Associated Oregon Industries.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 62

ARGUMENT IN OPPOSITION

The Former Deans Committee

We believe Measure 62 raises serious issues under the Oregon and United States Constitutions. The Measure would allow only Oregon registered voters to collect signatures. Oregon citizens who are not registered voters, those Oregon citizens under 18 and non-Oregon residents could not gather signatures for Oregon initiative petitions. The limitation raises serious issues under the First and Fourteenth Amendments to the United States Constitution. The Measure authorized the Oregon Legislature to prohibit or regulate paying signature gatherers on a per-signature basis if the Oregon legislature finds that paying signature gatherers on a per-signature basis causes fraud or other abuses. This limitation raises serious issues under the First and Fourteenth Amendments to the United States Constitution.

The Oregon Constitution requires an initiative measure "embrace on subject matter and matters properly connected therewith." The purpose of this provision is to prevent confusion when voters go to the polls. We believe Measure 62 appears to combine more that one subject in this initiative and fails the "one subject test" as defined by the Oregon Supreme Court. We believe the Measure to be an unnecessary amendment to the Oregon Constitution. We believe this Measure would clutter the Constitution and, if adopted at all, should be considered as a statute rather than amendment to the Constitution.

We provide this information to help fellow voters in understanding the measure. Our comments are designed only to provide objective and careful constitutional analysis of the measure. Collectively we take no position on the other merits of this measure.

Prof. Leroy Tornquist (Chair), Former Dean Willamette College of Law

Rennard Strickland, Dean University of Oregon Law School

Prof. Robert Misner, Former Dean Willamette College of Law

Prof. Emeritus Chapin Clark, Former Dean University of Oregon Law School

Prof. Maury Holland, Former Dean University of Oregon Law School

Robert Ackerman, Dean Willamette College of Law

David Frohnmayer, Former Dean University of Oregon Law School

(This information furnished by Bob Cannon, Treasurer, The Former Deans Committee.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

THE COALITION FOR INITIATIVE RIGHTS OPPOSES MEASURE 62

It Impairs Grass-Roots Use of the Initiative and Referendum

The Coalition for Initiative Rights is a group of volunteers dedicated to protecting the rights of Oregon voters to use the initiative and referendum.

Measure 62 would create a new bureaucracy for the "licensing" of all signature gatherers and directly authorize the Secretary of State to assess penalties of up to $25,000 per violation against anyone who "provides anything of value to individuals for gathering signatures" without being licensed!

We oppose the creation of new obstacles to use of the initiative and referendum. The big money special interests can easily hire full-time employees to collect signatures. But grass-roots campaigns that try to collect signatures with part-timers will be subject to costly licensing and potentially devastating fines.

Measure 62 also purports to authorize the Legislature to ban per signature payment for signature gathering and do so retroactively. The U.S. Supreme Court has already ruled that such laws violate the First Amendment to the U.S. Constitution.

Besides, the good features of Measure 62 are already existing law. ORS 260.522 already requires all political advertising to be identified as to source and requires disclosure of who authorized it. ORS 260.558 already bans payments to persons for signing or not signing petitions. **Measure 62 just copies the words of these existing statutes.**

Measure 62 would speed up the reporting of contributions and expenditures, but that is not enough to overcome its flaws.

We also oppose Measure 59, which Measure 62 is intended to partly negate. Under the Oregon Supreme Court's analysis in Armatta v. Kitzhaber (June 1998), Measure 62 is probably unconstitutional as involving more that "one amendment" to the Oregon Constitution.

The only way to stop Measure 59 from destroying the Oregon Voters' Pamphlet is to vote against Measure 59.

We urge voters to guard their precious "direct democracy" leverage and vote NO on Measure 62!

Coalition for Initiative Rights
coalition.rights@usa.net
www.teleport.com/~dweezil/cir

(This information furnished by Lloyd Marbet, Coalition For Initiative Rights.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 62

ARGUMENT IN OPPOSITION

MEASURE 62 HAS MAJOR CONSTITUTIONAL PROBLEMS

Why would anyone want to add to the Oregon Constitution several provisions the U.S. Supreme Court and other federal courts have already ruled are unconstitutional?

Measure 62 includes one provision that limits petition signature gathering. The federal courts have already ruled that those limits are unconstitutional. Even if Oregon voters approve it, this provision will ultimately be thrown out in the courts.

Measure 62 includes another provision that prohibits distributing campaign literature without stating who paid for it. The U.S. Supreme Court has already ruled that such a requirement is unconstitutional.

Why place all these unconstitutional provisions in the constitution when everyone knows they will be tossed out in the court later?

Here's why: Those provisions are only there to distract your attention from the one provision the public employee unions are really after. That provision guarantees public employee unions the ability to use public employee time and public buildings, equipment, and supplies to collect their political funds from public employees' paychecks.

Yes, they want to be sure that they can continue to raise money for political campaigns while on the job - at taxpayer expense. They wrote the measure so that when the other provisions are thrown out by the courts the one they really want would remain. Those other provisions are only there to entice you to vote for the measure.

A first-year law student would easily recognize the fatally-flawed drafting of Measure 62. For example, provision 4 of Measure 62 says the purpose of the measure is to disallow what the measure itself does in provision 1. Pretty screwy.

If Measure 62 passes, large parts of it will be thrown out in the courts. The result of that will be even greater voter apathy and discouragement.

Vote NO on Measure 62. You might as well, it will be ruled unconstitutional anyway.

(This information furnished by Bill Sizemore, Executive Director, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

I am a public school teacher. I am angry because my union, the Oregon Education Association, used my money to help put Measure 62 on the ballot.

This underhanded measure was written specifically to undo the will of the voters, who are expected to support Measure 59, in the very same election.

My union used my money to trick you into giving them constitutional authority to take money out of my paycheck every month and use it to advance political causes with which I disagree. It's that simple.

I became a teacher because I care about kids and because I want to help them learn. That is why I am in the classroom. The political causes and politicians I choose to support or oppose are my business, not my union's. But the teachers' union drags me into the political arena every month when they use money they took from my paycheck to affect the political process in Oregon.

This is not right. Public school teachers should have the same right as anyone else to support or oppose political candidates or causes we choose.

Thomas Jefferson once said, **"To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical."** Jefferson's statement should apply to teachers the same as every other citizen.

Please don't write into the constitution that the public employee unions can take money out of my paycheck and the paychecks of my fellow school teachers to support the unions' political agenda.

They're welcome to their political opinions, but I should be welcome to my own.

Please vote NO on Measure 62.

(This information furnished by Tim Rohrer.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 63

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

63 AMENDS CONSTITUTION: MEASURES PROPOSING SUPERMAJORITY VOTING REQUIREMENTS REQUIRE SAME SUPERMAJORITY FOR PASSAGE

RESULT OF "YES" VOTE: "Yes" vote allows passage of greater-than-majority voting requirements only by equally large majority.

RESULT OF "NO" VOTE: "No" vote allows simple majority to pass measures that impose greater-than-majority voting requirements.

SUMMARY: Amends constitution Measures including a requirement for more than a majority of votes cast by the electorate to approve any change in law or government action would become effective only if approved by at least the same percentage of voters specified in that proposed voting requirement. For example, a measure imposing a 2/3 majority voting requirement to change law would require a 2/3 majority to pass. Applies to initiated, referred measures presented to voters on or after November 3, 1998, including measures on same ballot.

ESTIMATE OF FINANCIAL IMPACT: No financial effect on state or local government expenditures or revenues.

TEXT OF MEASURE

DEFENSE OF DEMOCRACY ACT

The following section is added to and made a part of the Constitution of the State of Oregon:

(1) Any measure that includes any proposed requirement for more than a majority of votes cast by the electorate to approve any change in law or government action shall become effective only if approved by at least the same percentage of voters specified in the proposed voting requirement.

(2) For the purposes of this section, "measure" includes all initiatives and all measures referred to the voters by the Legislative Assembly.

(3) The requirements of this section apply to all measures presented to the voters at the November 3, 1998 election and thereafter.

(4) The purpose of this section is to prevent greater-than-majority voting requirements from being imposed by only a majority of the voters.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

This measure adds a new section to the Oregon Constitution relating to ballot measures that propose to establish greater-than-majority voting requirements. Currently, the Oregon Constitution allows ballot measures to be passed by majority vote. Under this amendment, any new measure that proposes to require more than a majority of the votes cast to change a law or government action must receive at least that same percentage of votes to become effective. For example, a measure proposing to impose a two-thirds voting requirement would itself require a two-thirds majority to pass. This measure applies to ballot measures starting with the November 1998 general election. This measure states that its purpose is to prevent greater-than-majority voting requirements from being imposed by only a majority of voters.

Committee Members:	**Appointed by:**
Jim Coon	Chief Petitioners
Tim Nesbitt	Chief Petitioners
Jack Kane	Secretary of State
Bill Sizemore	Secretary of State
Duncan Wyse	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 63

ARGUMENT IN FAVOR

Secretary of State Asks Oregonians to Vote Yes on Measure 63

Measure 63 is a **simple and fair** measure that will help protect and defend a fundamental principle of Oregon democracy.

That principle is **majority rule.** Measure 63 is necessary and important today because this basic principle is under increasing attack.

For 135 years in Oregon, majority rule applied to every law voted on, and enacted by, legislators and citizens alike.

But since 1994, Oregon's constitution has now been amended on four separate occasions. to override this principle. Each time, some type of "super-majority" voting requirement has been imposed.

In some cases, a 2/3 or 3/5 vote of the Legislature is now required to enact certain laws. In others, a "double majority" of voters -- voter approval plus more than 50% turnout of registered voters -- is now the standard.

While "super-majority" provisions may seem attractive, they set in motion new and often dangerous dynamics. Suddenly, a vocal minority has new powers, able to "veto" the clear will of a majority. Political consultants have a new strategy for "victory": if they can't persuade voters to say "no," they'll try to make them not cast votes. Don't reward the politics of cynicism and apathy. Your vote right now should count more than those who are refusing to participate.

Measure 63 does not prohibit the enactment of additional "super-majority" requirements. Rather, it simply requires advocates of "super majorities" to live by the exact same rules.

If advocates believe a 2/3 vote should be necessary for the Legislature or voters to enact certain laws -- say, approving a budget or passing a school bond -- then such a Constitutional amendment must also be approved by a 2/3 vote.

Measure 63 is simple -- and it's only fair. Help protect democracy in Oregon. Vote yes on Measure 63.

(This information furnished by Phil Keisling.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Common Cause Asks Oregonians to Vote Yes on Measure #63

Oregon Common Cause believes that Measure #63 is good for Oregon. That's why we are voting yes on Measure #63, and asking our fellow Oregonians to do the same.

Measure #63 means two important things for our political future: fairness and protection.

It returns fairness to Oregon elections by requiring that all ballot measures play by the same rules. If a measure seeks a super-majority requirement to change the laws, it must pass with an equal super-majority of voter support.

It preserves the protection of Oregon's democracy, election laws, initiative process, majority rule and school elections from special interests with a hidden majority.

Measure #63 recognizes that changing a voting requirement to more than fifty percent is a very important decision an. So it makes sure that any ballot measure proposing greater than majority requirements meets the same standard of voter approval.

Measure #63 really preserves your opportunity to participate in the democratic process in Oregon. Your support on election day preserves majority rule as a cornerstone of our democracy for future generations of Oregonians and keeps Oregon's election laws the same on all issues.

Vote yes on Measure #63 because it protects the principle of majority rule and returns the ballot measure process to you and me, the citizens of Oregon. We say fair is fair. If you want to mess with democracy, you better play by the same rules.

Please join Common Cause in defending democracy on November 3 by voting yes on Measure #63.

(This information furnished by David Buchanan, Oregon Common Cause.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 63

ARGUMENT IN FAVOR

A Senior Citizen Supports Measure 63

As a Senior citizens advocate, I have seen much of Oregon's history and care deeply about its future. That's why I am voting yes on Measure 63, and asking my fellow citizens to do the same.

Measure 63 is vital to Oregon because it means a political future of fairness and protection.

How does Measure 63 improve our political process? Most important, it returns fairness to Oregon elections by requiring that any ballot measure play by the same rules. That means if a measure seeks a super-majority requirement to change a law, it must pass with an equal super-majority of voter support. As a senior advocate, I say fair is fair.

Then, it preserves the protection of Oregon's democracy, election laws, initiative process, majority rule and school funding from special interests with hidden agendas. This is so important to our ability as citizen activists of all ages to play the essential role we should in Oregon elections.

Measure 63 also does other important things, all of which defend our opportunity to participate in the democratic process in Oregon. Your support on election day preserves majority rule as a cornerstone of our democracy for future generations of Oregonians and keeps Oregon's election laws the same on all issues. As a senior advocate, I know how important a political legacy is to the future of our state.

And when you vote yes on Measure 63, you're protecting Oregonians from special interests who use deceptive ballot measures to change our voting laws.

What is so valuable about Measure 63 is it recognizes that changing a voting requirement to more than fifty percent is a very important decision. So it makes sure that any ballot measure proposing greater-than-majority voting requirements meets the same standard for voter approval.

I am voting yes on Measure 63 because it protects the principle of majority rule and returns the ballot measure process to you and me, the citizens of Oregon.

Please join me and my senior friends in defending democracy on November 3 by voting yes on Measure 63.

(This information furnished by Jim Davis, Oregon State Council of Senior Citizens.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

The Oregon PTA believes that majority rule and the responsibility and privilege of voting are cornerstones of our democracy.

The Oregon PTA supports Ballot Measure 63 because it is only fair that Ballot Measures that propose changes to voting requirements should have to meet those same requirements.

But now we're seeing more and more proposals to change majority rule through ballot measures.

The Oregon PTA has always believed in fairness in elections and political decision-making. We believe that any ballot measure that tries to establish a greater-than-majority voting requirement should pass only if it meets the same required greater-than-majority standard.

THE OREGON PTA SUPPORTS BALLOT MEASURE 63 BECAUSE IT PRESERVES MAJORITY RULE – A CORNERSTONE OF AMERICAN DEMOCRACY.

(This information furnished by Kathryn Firestone, Vice-President of Legislation, Oregon PTA.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 63

ARGUMENT IN FAVOR

Oregonians for Tax Fairness Supports Measure 63

Oregonians for Tax Fairness is supporting Measure 63 because it's about two things that are fundamental to our election process: Fairness and Protection.

Measure 63 returns fairness to Oregon elections because it requires any ballot measure to play by the same rules. It requires that a measure seeking a super-majority requirement to change a law must pass with an equal super-majority of voter support.

If that isn't fair, I don't know what is.

Measure 63 also preserves the protection of Oregon's democracy, election laws, initiative process, majority rule and school funding from special interests with hidden agendas. So much of our politics today is misleading, and this is a way to ensure that any ballot measure proposing greater-than-majority voting requirements meets the same standard for voter approval.

Oregon's political history is based on the premise of majority rule. It's been a cornerstone of our democracy, and must remain so for future generations of Oregonians.

Best of all, Measure 63 recognizes that changing a voting requirement to more than fifty percent is a very important decision. Think about it this way: it protects Oregonians from special interests who use deceptive ballot measures to change our voting laws by returning Oregon's election process to its citizens.

Please join Oregonians for Tax Fairness in voting yes on Measure 63.

(This information furnished by Phil Dreyer, Oregonians for Tax Fairness.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Keep Oregon's Elections Fair, Vote Yes on Measure 63

When we vote on ballot measures, there's only one standard for our decisions. It's called majority rule. It's a good standard for our elections -- and the only one we've ever used in Oregon. We should be extremely careful about changing something as fundamental as majority rule.

That's why, as chief petitioners, we helped draft Measure 63.

Measure 63 is our answer to this threat to majority rule. Measure 63 says simply that any measure which proposes to change majority rule should live by its own rules. If an initiative proposes to establish a two-thirds vote on any issue, it should get two-thirds of the voters to agree. We think that's only fair.

Measure 63 is a good way to protect the integrity of our elections. Special interest lobbyists who draft initiatives to benefit their clients will think long and hard before they try to sneak through changes in our election laws -- once they know they have to live by their own rules.

When it comes to voting on how we vote, let's make sure we keep it fair.

Vote Yes on Measure 63.

(This information furnished by Steven Berman, Drew Heywood.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 63

ARGUMENT IN FAVOR

Measure 63 = Fairness & Protection

I am voting for Measure 63 because it means two important things to the future of Oregon's elections: **Fairness and Protection.**

First, it ensures **fairness for our elections by requiring that any ballot measure play by the same rules.** That means if a measure seeks a super-majority requirement to change a law, it must pass with an equal super-majority of voter support.

Second, it **preserves the protection of Oregon's democracy.**

How?

It protects election laws.

It protects the initiative process.

It protects majority rule.

It protects school funding from special interests

This is so important to our ability as citizen activists to play the essential role we should in Oregon elections.

The key for me on Measure 63 is it recognizes that changing a voting requirement to more than fifty percent is a very important decision. So it makes sure that any ballot measure proposing greater-than-majority voting requirements meets the same standard for voter approval.

When you vote yes on Measure 63, you're **protecting Oregonians from special interests** who use deceptive ballot measures to change our voting laws, while also **protecting majority rule for school funding decisions in Oregon.**

Voting yes on Measure 63 protects the principle of majority rule and returns the ballot measure process to you and me, the citizens of Oregon. That's only fair.

Please join me in defending democracy on November 3 by voting yes on Measure 63.

(This information furnished by Susan C. Remmers, Oregon Action.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

I live in a small Oregon town. Schools and other public services, like fire and police are very important here. If 65% of my fellow Independence citizens vote yes for a new elementary school, then that school should be built. But some people want to change the rules, so that the school would not be built. Passing Measure 63 will help protect that process.

How would I explain Ballot Measure 63, the Defense of Democracy Act? In some ways it looks like a complex measure, but here's my simple explanation for it:

Measure 63 is really about fairness and playing by the same rules.

We all accept that a basic tenet of democracy is "majority rules." But some people with hidden special agendas have said they want to change that most basic of rules. They say they will eventually put a measure on the ballot to require a two-thirds majority vote to pass money measures.

Here in Independence, we often say 'what's good for the goose is good for the gander.'

Measure 63 is really very simple. It says, if you want a two-thirds majority for money measures, just make sure your measure passed by a two-thirds majority first. If you want measures that need 75% to pass, get 75% of the voters to agree with this concept. Strip away all the rhetoric and half-truths, and Measure 63 is an easy concept to understand.

Remember, "majority rules." That's a concept we learn early in this country. Here in Independence, we also learn early, "what's good for the goose is good for the gander." Fair is fair.

I'm voting YES on Measure 63. Please join me.

(This information furnished by Anthony Douris, American Federation of State, County and Municipal Employees.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 63

ARGUMENT IN FAVOR

A 'yes" on Measure 63 is a vote for simple democracy.

Measure 63 states that if voters are going to require two-thirds of people to vote to change a law, two-thirds of the voters should have to vote in favor for setting this higher requirement.

Without this change, voters can, with a simple majority, demand that future voters need 2/3 of the vote to change the law. A simple majority should not be able to close the door on future voters. It's mean-spirited and undemocratic.

To lock something up by making the subsequent voting requirement nearly impossible will handcuff future voters and legislators.

Let's keep it simple, a simple majority, and untie the hands of our children and grandchildren. If they don't know how to vote, it's our fault, but let's not take away their right to fashion the government as they please.

(This information furnished by Jason Reynolds, Oregon Consumer League.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

THESE GROUPS SUPPORT MEASURE 63 FOR THE FOLLOWING REASONS

MEASURE 63 THE DEFENSE OF DEMOCRACY ACT IS ABOUT MAINTAINING

FAIRNESS

PROTECTION

DEMOCRACY

VOTE YES ON MEASURE 63

Coalition for a Livable Future

Community Alliance of Tenants

Ecumenical Ministries of Oregon

Eugene-Springfield Solidarity Network

Human Services Coalition

Multnomah County Democratic Central Committee

Oregon Action

Oregon Common Cause

Oregon Consumer League

Oregon Council of Police Associations

Oregon Education Association

Oregon Employees Union/SEIU

Oregon Nurses Association

Oregon PTA

Oregon State Council of Senior Citizens

Oregon State Grange

Oregon State Public Interest Research Group

Oregonians for Tax Fairness

Portland Rainbow Coalition

Rural Organizing Project

Sisters in Portland Impacting Real Issues Together

United Seniors of Oregon

Workers Organizing Committee

(This information furnished by Roger Gray, Oregonians for Open and Fair Elections.)

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Measure No. 63

ARGUMENT IN OPPOSITION

MEASURE 63 UNDERMINES MAJORITY RULE

Measure 63 is a sneaky, back-door attempt to undermine the democratic process, and Oregon's long-standing initiative process.

The whole idea of Oregon's initiative process is to insure that issues important to the majority of Oregonians are put before them in a democratic way.

Measure 63, though, would undo the power of the initiative process and rob the people of their right to enact laws they care about by majority vote.

The sponsors of Measure 53, public employee unions, want to keep law-making power in the hands of politicians. They don't want the people to be able to pass laws.

It's all about control.

Measure 63 is intended to take away from the people the power to be self-governing, and place more of that power in the hands of the public employee unions and the politicians they elect.

Oregon is a special place to live for a lot of reasons. One of those reasons is the right we have to pass laws by a majority vote of the people. Measure 63 takes away a big part of that right. It gives more power to politicians and takes power away from the people. It's a bad idea.

FOR THE SAKE OF DEMOCRACY
VOTE NO ON MEASURE 63

(This information furnished by Becky Miller, Executive Assistant, Oregon Taxpayers United.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

MEASURE 63 IS UNDEMOCRATIC

The entire political system of America is based on majority rule.

Measure 63, however, is a blatant attempt to prevent a majority of Oregonians from passing a law. If Measure 63 passes, 60% of Oregon voters could vote for an amendment to the Oregon constitution and it still would not pass.

This measure is really about as anti-democracy as it gets.

Let me give you an example. A measure could be placed on the ballot to make it more difficult to increase taxes. That measure could get 60% of the vote, but it would still not pass. Not if Measure 63 is on the books.

Measure 63 undermines majority rule. It takes from the people the power to pass laws that a majority of Oregonians support.

You also might be interested in knowing that Measure 63 was placed on the ballot by the public employee unions specifically to make it as easy as possible to increase taxes. That alone should make one suspicious.

If Measure 63 passes, there are going to be a lot of upset voters the next time we pass a law and it does not go into effect, even though a majority of voters approved it.

Let's maintain the system of majority rule the founding fathers gave us. It's worked for more than 200 years. Let's give a very big thumbs down to this ill-advised proposal.

Vote NO on Measure 63.

(This information furnished by Becky Miller, Executive Assistant, Oregon Taxpayers United.)

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CONTINUED

Measure No. 64

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

64 PROHIBITS MANY PRESENT TIMBER HARVEST PRACTICES, IMPOSES MORE RESTRICTIVE REGULATIONS

RESULT OF "YES" VOTE: "Yes" vote adopts restrictions on timber harvest practices, including federal regulation, allows citizen-suit enforcement.

RESULT OF "NO" VOTE: "No" vote retains current regulations concerning timber harvest practices.

SUMMARY: Prohibits many present timber harvest practices, chemical herbicides, pesticides in forest. Limits size of trees that can be harvested. Covers private, state, federal forestlands. Imposes new harvest regulations including federal regulation by classifying forestland waters as "navigable." State Board of Forestry must adopt new timber harvest methods and regulations to meet new requirements. Requires state to submit new forestland water quality plan to federal Environmental Protection Agency, seek approval before permitting logging. Authorizes citizens suits to enforce new harvest restrictions or other provisions of measure.

ESTIMATE OF FINANCIAL IMPACT: State revenues are estimated to decrease $25,000,000 per year. This estimate assumes a 60% harvest reduction in western Oregon and a 65% harvest reduction in eastern Oregon. These estimated decreases apply to private, local and state lands.

Current state expenditures are estimated to decrease by $25,000,000 because of the revenue loss. Major annual state expenditure reductions would occur in forest management, fire protection, and regulation, timber tax revenue and administration, and Common School Fund forest land management.

Also, added regulations required by this measure would increase the need for ongoing state government expenditures above current requirements by $5,000,000 per year. One-time state expenditures of $1,400,000 would be required.

Revenues to schools are estimated to decrease by $33,200,000 a year. County and special district revenues are estimated to decrease by $7,800,000 per year.

Revenues that contribute to the Common School Fund will be reduced by $8,700,000 primarily due to an estimated 84% decrease in harvest on Common School Fund Trust lands. This, in turn, will mean reduced earnings on the Common School Fund principal for distribution to schools.

TEXT OF MEASURE

AN ACT BEFORE THE PEOPLE OF OREGON

TO PROMOTE SUSTAINABLE, LABOR INTENSIVE FOREST PRACTICES AND PROTECT FOREST ECOSYSTEMS BY RESTRICTING CLEARCUT LOGGING AND USE OF CHEMICAL HERBICIDES AND PESTICIDES ON FORESTLANDS OF THE STATE, AMENDING ORS 527.610-527.992.

FINDINGS

[1] Clearcut logging in Oregon is an unsustainable forest practice, incompatible with long-term forest productivity and detrimental to fish, wildlife, water quality and the sustained yield of high-quality wood products.

[2] Clearcut logging substantially increases the likelihood of large landslides and severe flooding. These human-caused disturbances have been shown to result in loss of wildlife habitat, personal property, and human life.

[3] Clearcut logging displaces thousands of forest products jobs by requiring machine-intensive technologies and discouraging investment in highly skilled labor.

[4] Chemical herbicide and pesticide use on forestlands of Oregon is an ecologically destructive forest practice which unnecessarily puts humans, fish, and wildlife at risk of toxic exposure, destroys the nutrient and organic content of forest soils, and threatens the health and safety of forest products workers.

[5] Clearcutting and the use of chemical herbicides and pesticides in forest operations has resulted in serious degradation of Oregon's surface and ground water supplies by increasing sedimentation and turbidity, adversely altering the chemical composition of such waters, introducing toxic pollutants, and killing aquatic organisms.

[6] Labor-intensive alternatives to herbicide and pesticide use on Oregon's forestlands have and will continue to create thousands of new job opportunities in ecologically sustainable forest management.

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

Section I: Restriction of Clearcutting, Herbicide, and Pesticide Use on Oregon's Forestlands

[1] That, in order to safeguard the long-term productivity of our forests, maintain clean water, support viable populations of fish and wildlife, provide for biological diversity, protect economic opportunities available to forest dependent communities, and maximize the labor and skills of our forest products workforce, clearcutting shall no longer be a lawful forest practice on federal, state, and private forestlands in Oregon.

[2] That, in order to preserve the genetic diversity of native tree species and to enhance the ecological health of Oregon's forestlands, it shall no longer be a lawful forest practice on federal, state, and private forestlands in Oregon to harvest a tree that exceeds a measurement of 30 inches diameter at breast height.

[3] That, in order to maintain the productive potential of forest soils and eliminate unnecessary risks to humans, fish, and wildlife from contamination of air, soils, and waters of the State, use of chemical herbicides and pesticides on forestlands shall no longer be a lawful forest practice in Oregon.

[4] That, one year from enactment of this Act, the Board of Forestry shall, for each of the forest communities found in the State of Oregon, prescribe a list of lawful timber harvesting methods which:

a. do not involve clearcutting as defined by subsection (6) of this Section.
b. do not involve use of chemical herbicides or pesticides for regeneration of forest cover or protection of forest health.
c. maintain or maximize development of sufficient numbers of large, live trees, standing dead trees, and large, downed logs to provide habitat for species dependent upon the structural and compositional diversity such stands provide on at least 50% of each harvest unit.
d. prohibit on-site burning of slashing.
e. minimize the use of heavy equipment and roads to prevent soil compaction and erosion.
f. maximize the potential for natural regeneration of native tree species.
g. maximize the replanting of a diversity of native tree species.
h. encourage the use of highly skilled forest management staff in planning, implementation, and monitoring of forest operations.

No timber harvesting in Oregon shall, upon adoption of final timber harvest methods by the Board, be inconsistent with such methods.

[5] That, until the Board prescribes lawful timber harvest practices pursuant to subsection (4) of this Section, no timberland owner or operator shall conduct timber harvest operations which result in lands being clearcut on any acre of forestland in the State.

CONTINUED

Measure No. 64

[6] That, for the purposes of this Act, clearcut shall be defined as:

any harvest unit in western Oregon that leaves on any acre of the unit fewer than 70 well-distributed trees that measure at least 11 inches diameter at breast height or that leaves less than 120 square feet of basal area. In eastern Oregon, a clearcut means any harvest unit which leaves on any acre of the unit fewer than 60 well-distributed trees that measure at least 10 inches diameter at breast height or that leaves less than 80 square feet of basal area. For the purposes of this subsection, no tree shall be counted unless the top one-third of the bole of the tree supports a green, live crown. For the purposes of computing basal area, trees larger than 20 inches diameter at breast height shall be considered 20 inch trees.

[7] That, no timber harvest operation in the State shall be commenced until filing of a notice and written plan. Notice and written plans shall document compliance with provisions of this Act, in addition to all other substantive requirements of law.
[8] That, provisions of this Section shall supplement or replace, where appropriate, requirements of the Oregon Forest Practices Act, ORS 527.610-527.770, 527.990(1), 527.992.
[9] That, for purposes of this Act, all waters of the State where timber harvest occurs or could potentially occur shall be deemed navigable waters which, without the action proposed by this Act, cannot reasonably be expected to attain or maintain applicable water quality standards or the nonpoint source goals and requirements of the Federal Water Pollution Control Act [33 USC 1329].
[10] That, requirements of this Section shall supplement Oregon's Water Quality Management Plan for nonpoint source water pollution on forestlands provided in OAR Chapter 340, Division 41, and shall supplement the Best Management Practices identified by the Board pursuant to ORS 527.765 for meeting water quality standards set by the Federal Water Pollution Prevention Act, [33 U.S.C. 1329].
[11] That, the Governor and State agencies shall promptly modify existing management programs to conform with the requirements of this Act, and shall promptly seek approval from the Administrator of the United States Environmental Protection Agency (EPA) for the modified nonpoint source water pollution program.
[12] That, prior to approval by the EPA Administrator, nothing shall diminish the force and effect of the requirements of this Act.

Section II: Severability

If any provision of this Act, or the application of that provision to any person or circumstance, is held invalid, the remainder of this Act, or the application of that provision to persons or circumstances other than those as to which it is held invalid, is not affected thereby.

Section III: Citizen Suit Provision

Any citizen of the United States may bring suit in State court to enforce any provision of this Act, and shall not be liable for attorney fees, damages, or any other financial penalties unless grounds for the suit have been determined to be of a frivolous nature by the court of jurisdiction. Citizens who prevail in such suits shall be awarded attorney fees and any other damages or expenses incurred in the preparation of legal documents, expert testimony, participation in administrative appeals or other administrative processes, and all other reasonable costs associated with necessary legal actions, as determined by the court of jurisdiction.

EXPLANATORY STATEMENT

This measure amends Oregon law by imposing new restrictions on management of private, state and federal forest lands in Oregon. The principal requirements of the measure are:

- Prohibits clearcutting as defined in this measure, which requires leaving, on each acre in western Oregon, no fewer than 70 well-distributed trees of at least 11 inches in diameter and 120 square feet of basal area,* and no fewer than 60 such well-distributed trees and 80 square feet of basal area* on each acre in eastern Oregon. A tree is not counted unless the top one-third of the bole of the tree supports a green, live crown. Any tree that is more than 20 inches in diameter is counted as a 20-inch tree for purposes of computing basal area;
- Prohibits the harvest of any trees more than 30 inches in diameter; and
- Prohibits the use of chemical herbicides and other pesticides for regeneration of forest cover or for protection of forest health.

In order to implement the measure, one year from enactment, the Board of Forestry is required to prescribe timber harvest methods that conform with the requirements noted above, and that also: (a) provide habitat for species dependent on structural and compositional diversity on at least 50 percent of each harvest unit; (b) prohibit the on-site burning of slash; (c) minimize use of heavy equipment and roads; (d) maximize natural regeneration and replanting of a diversity of native tree species; and (e) encourage the use of highly skilled forest management staff in planning, implementing and monitoring forest operations.

The measure expands existing written plan requirements to all timber harvest operations.

For purposes of this measure, any waters of the state where timber harvest occurs or could occur are deemed navigable waters, thereby subject to the water quality standards and requirements of the federal Water Pollution Control Act and the federal Water Pollution Prevention Act.

The state must modify its existing water quality management programs to be consistent with this measure and request approval of the modifications from the United States Environmental Protection Agency.

The measure allows any United States citizen to sue in state court to enforce the requirements of the measure. The citizen plaintiff is not liable for attorney fees, damages, or penalties unless the court finds the action frivolous. If the citizen plaintiff prevails, the court is required to award attorney fees, expenses, and any other costs and damages to the citizen plaintiff.

*Basal area is the cross-sectional area of the tree 4.5 feet above the ground. For example, the cross-sectional area of an 11-inch tree is 0.66 square feet.

Committee Members:	Appointed by:
Gary Kutcher	Chief Petitioners
James Musumeci	Chief Petitioners
John Beuter	Secretary of State
Howard Sohn	Secretary of State
Kathleen Beaufait	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

CONSERVE OREGON'S HERITAGE
Vote YES on Ballot Measure 64!

Sadly, **Oregon continues to suffer** from massive clearcutting of our native forests. Dozens of native species of fish, including **coho salmon and steelhead, may not survive the latest onslaught of forest destruction.**

A broad panel of scientists empowered to investigate threats to native fish, plants and wildlife have called for an end to further destruction of Oregon's native forests and wildlife. **Yet, clearcutting on private, state and federal forests in Oregon continues at a drastic pace.**

There is a better way to manage Oregon's forests. Forward-thinking Oregonians who care about conserving the beauty of Oregon, have shown that **wood products can be produced without needlessly destroying our forests.**

Foresters using SELECTIVE LOGGING have proven that we can achieve a **WIN-WIN SOLUTION** by ECONOMICALLY PRODUCING FOREST PRODUCTS WHILE KEEPING OUR FORESTS HEALTHY. They have learned to do so WITHOUT THE USE OF DANGEROUS AND DESTRUCTIVE PRACTICES like clearcutting or the use of toxic chemicals.

Oregonians do NOT have to decide between jobs and the environment. This fall, Oregonians can choose to have forestry jobs AND healthy forests by voting YES on Ballot Measure 64.

By passing Measure 64. we can provide protection for **clean drinking water, abundant fish and wildlife, unsurpassed recreational opportunities** AND **support a sustainable forest products industry.** Oregon voters can choose to maintain--and pass on to future generations--the quality of life that we cherish. We can promote safe jobs in the woods AND healthy forests to work in. **We can conserve and restore what we love best about Oregon--OUR NATIVE FORESTS!**

OREGONIANS CAN CONSERVE OREGON'S MAGNIFICENT OLD GROWTH FORESTS FOR OUR CHILDREN TO ENJOY.

Thousands of Oregonians helped put Measure 64 on the ballot. We are tired of seeing hillside after hillside devastated by the outmoded practice of clearcut logging. We know that selective logging works. **We know that in order for Oregon to avoid massive soil erosion, mudslides and flooding, we must maintain and restore our native forests.**

Ballot Measure 64 allows Oregonians to place stronger requirements on logging and to prohibit outmoded forest practices, like clearcutting. STUDIES HAVE SHOWN THAT SELECTIVE LOGGING PRODUCES MORE JOBS THAN CLEARCUTTING AND IS HEALTHIER FOR OREGON'S FORESTS AND WILDLIFE.

YOU CAN SUPPORT SUSTAINABLE FORESTRY AND HELP CONSERVE OREGON'S THREATENED AND ENDANGERED FISH AND WILDLIFE.

Vote "YES" on Ballot Measure 64!

(This information furnished by Gary A. Kutcher, Oregonians for Labor Intensive Forest Economics.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

Over 100 Members of the U.S. Congress Want to Ban Clearcutting

5 U.S. Senators and over 100 U.S. Representatives support legislation in the U.S. Congress, the Act to Save America's Forests, which would ban clearcutting on all the National Forests.

Senator Robert Torricelli. Congressional sponsor of the Act to Save America's Forests wrote:

"Roadbuilding and clear-cutting destroys the delicate fabric of plant and animal life found in the forests. The devastating result is species extinction, soil erosion, flooding, declining water quality, and mudslides. In many states, the last runs of wild trout and salmon, so important to our recreational and commercial fishing industries are also threatened, as are the last wild grizzly bears and 1,000 year-old Douglas fir trees.

"To stop this destruction and reestablish the priorities of the Forest Service—from destroying the public's resources to protecting our natural forest resources—I have introduced the Act to Save America's Forests. This legislation would ban clear-cutting in all federally owned forests and prohibit all logging on 17 million acres of Ancient Forests and other designated areas...

"As the world's leader in protecting the environment, it is the duty of the United States to set an example by preserving the last vestiges of our historic forest resources. As one of the wealthiest nations on earth, how can we call upon developing countries to preserve their rainforests when we cannot protect the last fraction of our own forest heritage? We should lead the world by example, not embarrass ourselves with hypocrisy." (*The Record*, New Jersey, July 13, 1997)

To end clearcutting on our National Forests, tell your U.S. Representative and U.S. Senators Ron Wyden and Gordon Smith to SUPPORT THE ACT TO SAVE AMERICA'S FORESTS.

To end clearcutting in Oregon's forests, VOTE YES ON BALLOT 64.

The national coalition leading the campaign to pass the Act to Save America's Forests is:

Save America's Forests
4 Library Court, SE
Washington, DC 20003
www.saveamericasforests.org

The Oregon organization promoting YES on BALLOT 64 is:

OLIFE
454 Willamette St., #211
Eugene, OR 97401

(This information furnished by Carl Ross, Executive Director, Save America's Forests.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

HERBICIDES POLLUTE OUR WATER

How we manage our forest affects our water, health, fish, wildlife, air quality, flood and landslide prevention, recreation, and more. All these are essentials of Life!

Our Northwest forests are some of the richest ecosystems in the world--rich in what Robert Costanza and colleagues define as "free ecologic services provided by nature," or "natural capital." (*Nature*, magazine, 5/15/97) The authors estimate the world value of these natural assets at 3 TRILLION DOLLARS, or twice the gross world product. We tend to think that a dead tree is worth more than a live one. **It is not; deforestation is expensive**.

For example, every time a log truck emerges from a clearcut, leaving an ugly scar on the land and silt in our waterways, the salmon are diminished.

Forests filter water, ancient forests most perfectly, **saving millions of dollars in treatment**. Portland's Bull Run watershed has been protected by an Act of Congress for this reason.

When the assault of clearcutting is compounded by the shocking abuse of herbicide "treatment," **water, fish animals and people all stand to be sickened.** Many of these herbicides can cause cancer, birth defects, mutations, neurological damage, hormone disruption and/or contamination of breast milk. (Although DDT was banned in 1972, it was still found five years later **in all 1500 samples of breast milk** tested in a 1977 EPA study.

There is no new water. It is continuously recycled through various stages of the hydrologic cycle. When groundwater is contaminated, it may never be cleaned up. Like our bloodstream, the oceans, rivers and streams are Earth's arteries, veins and capillaries, carrying nourishment (and poison?) to every cell.

When Secretary of State Phil Keisling was a reporter for the *Willamette Week*, he wrote a six-part expose of herbicide use in Oregon called "The Spraying of Oregon." (12/3//79 through 1/14/80) He concluded that the questionable safety of herbicides rests with the politicians and the voters. This ballot Measure gives us a chance to assume that responsibility.

Vote Yes on Measure 64!

For life,

Barbara Kelley, Director
Save Our ecoSystems, Inc. (SOS)

(This information furnished by Barbara Kelley, Save Our ecoSystems (SOS).)

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ARGUMENT IN FAVOR

We need to be aware of the fact that we "all live downstream," and that chemical poisons we use in our forests eventually make their way into our topsoil and drinking water and thus into our bodies. **Already, according to the Oregon Department of Environmental Quality, over one half of Oregon's streams are too polluted to support aquatic life!** We can not afford to wait while the cumulative effects of these chemicals in our earth, water and bodies continues to take their toll.

After an area has been clearcut, the replanting of trees is accompanied by the application of chemical herbicides to suppress competing vegetation. As soil erodes, these toxins enter the watershed, streams and rivers, where they contribute to the destruction of native fish. The chemical poisons become lodged in the topsoil of farms and hence in the foods that we eat. **They also pollute our reservoirs, and thus our drinking water, since significant amounts of these chemicals evade the best efforts of our water treatment systems.**

If these herbicides are dangerous, then why is their widespread use allowed? Unfortunately, even after studies demonstrate that these substances are hazardous to humans, the Environmental Protection Agency still allows their use if the benefits of such use outweighs the "economic, social and environmental costs."

Forest Service studies have shown that manual methods of managing competing vegetation are at least as effective as chemical means, are environmentally viable, and of course, provide jobs in our forests.

If you place a frog in boiling water, it will immediately jump out. If, however, the frog is put in cool water which is then slowly brought to a boil, the frog will not notice the change and will remain until it boils to death. **Even though we as individuals may not notice personal symptoms of environmental poising, we can read the early warning signs and save ourselves before it is to late.**

"Civilization exists by geological consent, subject to change without notice."

--Will Durant

(This information furnished by Gavin McComas, Sundance Natural Foods.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

MEASURE 64 STIMULATES ECONOMIC DIVERSITY

Has anyone calculated how many jobs would be gained by the passage of Measure 64? Oregon has already started to shift from a monolithic economy, dependent upon timber, to a healthier, more diverse economy. The economic picture shifts continually, like a kaleidoscope, as some businesses fail and new ones start up.

Enterprising Oregonians have started and sustained businesses requiring an intact environment such as wilderness expeditions, environmental camps, country inns and restaurants, wildlife photography, river guiding, and more.

Imagine the thrill of children from the inner city on seeing herons feeding their young high in the trees or salmon spawning in a wild scenic river. They don't want to see our ugly clearcuts.

Tourism is now Oregon's third largest industry and is closing in on second.

Other related jobs on the increase: brush control to replace toxic herbicides, the recycling of paper and the manufacture of recycled papers and paper products, greeting cards and calendars printed on recycled paper, the list goes on...

We are sure to hear that less clearcutting will mean less tax money for education. It is bad policy that extracts funding for schools from clearcutting, selling our children's birthright (healthy forests) to the highest bidder.

With Measure 64, selective logging will continue to fund education and will result in healthier, more sustainable forest.

Another source: fundraising for schools could be the province of non-profit organizations that would give tax write-offs for donations for education.

Secretary of the Interior Bruce Babbitt reported that **"fully a quarter of the world's wild mammals are now considered threatened with extinction."** He stated that we face **"a looming catastrophe of almost biblical proportions,"** and that **"habitat loss and degradation are primarily responsible of this threat."** (Internet, 10/3/96)

Additionally, nearly 34,000 ferns and seed producing species of plants now face extinction, according to the World Conservation Union.

Ask any schoolchild if s/he wants her or his education supported by habitat destruction. Please vote for their futures, and ours.

Vote YES on 64!

For life,

Barbara Kelley
Save Our ecoSystems (SOS)

(This information furnished by Barbara Kelley, Save Our ecoSystems (SOS).)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

PROMOTE SUSTAINABLE FORESTRY
SUPPORT MEASURE 64

Once a big family was given a farm. The Giver said, "Take care of this place and it will take care of you." This farm had everything: fertile fields and forests, clear lakes and rivers. The people loved their farm, worked hard, and made a decent living. They fished, cut trees to build homes and boats, and planted crops, keeping some fields and forests fallow--for the future.

Years went by. The times changed. Everything became faster. Cars, machines, communications, business. Everyone hurried. The children's children were impatient and wanted gold. Now.

"Let us get our gold. Time is dead. There may be no future." They plowed all the fields. They cut all the trees, selling the crops and logs to people far across the sea. They received gold. Weather became fickle--dust storms, floods and drought. Fields and forests that had held the soil and water in the ground were gone. The river ran muddy and fish died. The people went to the store with their gold but there was little food, fish, water or wood left.

"Let us plant some food and trees," they said, and they did. Seeds shriveled in the ground and the saplings were eaten by starving animals. The grandchildren tried again. Floods washed their efforts away. Soon nothing was left to eat. Nothing was left to cut. A little girl suggested, "Let's make gold soup... We have plenty of that!"

Scientist Carl Sagan wrote. "It is perilous and foolhardy for the average citizen to remain ignorant about global warming, ...ozone depletion, air pollution, toxic and radioactive wastes, acid rain, topsoil erosion, ...deforestation, ...How can we affect national policy--or even make intelligent decisions in our own lives--if we don't grasp the underlying issues?"

Consider bettering our forest practices and returning more jobs to the forest.

Please vote YES on Measure 64,

MG Hudson

(This information furnished by M. G. Hudson, Oregonians for Labor Intensive Forest Economics.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

**NUCLEAR POWER
DEVELOPED
DURING THE 1950'S**

**DDT
USED EXTENSIVELY
DURING THE 1950'S**

**RAW INDUSTRIAL WASTE
DUMPED INTO RIVERS
DURING THE 1950'S**

**BLACK AMERICANS
DENIED CIVIL RIGHTS
DURING THE 1950'S**

**FEDERAL AID FOR NATIVE AMERICANS
TERMINATED
DURING THE 1950'S**

**HUNDREDS OF FISH-KILLING DAMS
BUILT
DURING THE 1950'S**

**CLEARCUT LOGGING
DEVELOPED
DURING THE 1950'S**

**CLEARCUTTING IS NOT
STATE-OF-THE-ART
FOREST SCIENCE**

**VOTE YES
ON BALLOT MEASURE 64**

(This information furnished by Richard I. Bowden, Oregonians for Labor Intensive Forest Economics.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

We can not sit by and wait for the timber corporations to modify their practices. Our public lands are being cut, and 97% of the cutting is clearcutting. People are outraged and surprised when I tell them state law requires that we leave only two trees standing per acre. Many Oregonians are under the impression that clearcutting has stopped. Don't believe the lies.

The timber corporations have alarmed forest product workers by saying Measure 64 will put the timber industry out of business. On the contrary, Measure 64 is about sustainable forestry. Selective logging is labor intensive. While clearcutting provides only one job for every 550 acres, selective logging provides one job per 25 acres.

If we are going to acknowledge the importance of logging in our state's economy, we also need to acknowledge the damaging effects the practice of clearcutting has played. Deforestation is a key factor in the decline of wild native salmon in the Pacific Northwest. Clearcutting is a major cause of soil erosion and turbidity, which in turn, cover and suffocate salmon eggs. Chemical herbicides and pesticides in our watersheds are another major factor in the decline of our native fish.

The timber corporations need to own up to their role in the loss of 72,000 fishing jobs in this region, over the past 30 years. Clearly, the issue for the timber corporations is not sustainable jobs for Oregonians. The issue is cash to line their pocket books.

If the timber corporations were truly concerned about the economy of our state, they would voluntarily stop exporting our raw logs. They would voluntarily stop the clearcutting, in favor of responsible, sustainable logging. They are not. It is our responsibility as the citizens of Oregon, to take control of our beautiful and valuable natural resources. Vote Yes on 64.

(This information furnished by Jill Krymkowski.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

God's beauty is for sale in Oregon. Industrial logging has become the norm, and God's forests pay the price. I have postponed my personal goal of studying environmental law to fight for Oregon's beautiful natural heritage; our forests and our fish. We must all join in the fight to end the decimation of our land.

The Oregon Forest Practices Act was passed in 1971, before the advent of the scientific evidence linking landslides to irresponsible forest practices. This outdated legislation only requires leaving two trees standing per acre, be they dead or alive. That's it. Two trees. Appropriately, 94% of all landslides in Oregon are directly linked to this practice of clearcut logging.

Measure 64 requires leaving 60-70 well-distributed trees per acre. This will keep the root systems intact, holding the soil in place, thereby relieving the conscience of the logging industry for the adverse effects that landslides cause; i.e. human death and destruction of private property.. Eroded soil covers salmon eggs, ultimately suffocating them, and aiding in the decline of our fishing industry.

Another important factor in the decline of Oregon's signature fish is the indiscriminate use of herbicides and pesticides on our forested lands. These chemicals wind up in our streams, causing salmon to move more sluggishly, making them more susceptible to predators. These chemicals have also been found in every watershed in Oregon. We drink those chemicals. "Fewer than 10% of the approximately 70,000 chemicals now in commercial use have been tested for their potential adverse effects on the nervous system and only a handful have been evaluated thoroughly, according to the National Research Council" (*Bodies in Protest: Environmental Illness and the Struggle over Medical Knowledge*, 1997). A healthy forest needs no chemical sprays. A healthy forest is not a Douglas Fir farm. A healthy forest needs no chemicals, and neither does a healthy person.

Vote Yes on 64. It is the clearcut alternative.

(This information furnished by Faith Baitland.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

I support the Sustainable Forestry Initiative (Measure 64) because I see that it is a way for us to get a message through to a timber industry that has been irresponsible in its forest practices and unresponsive to feedback to that effect. When corporations work in our state, they have a responsibility to serve our community -- not just their shareholders and customers. This state is our home, and when the timber industry is turning our forests into desert as well as eliminating good jobs (not only within the timber industry itself, but also in the fishing and tourism industries) it is time for us to send a clear message of discontent and a specific plan for reform. See for yourself that Measure 64 fits the bill on both counts.

I have spent three and a half months going door to door organizing and raising thousands of dollars for Measure 64 and helping collect 99,420 signatures to get it on the ballot. I have seen firsthand that the issue of clearcutting is one of the most visible symptoms of what has happened to our community as we've lost touch with our responsibilities as stewards of the environment and leaders for social justice. We need to overcome the misinformation and reclaim these responsibilities to keep the short-sighted, money-hungry few from destroying our lands and sabotaging the availability of decent, honorable work. We need to take a stand for speaking and having our voices heard.

It's been difficult to get the straight story on the effects of current logging practices, and harder to have dissenting feedback considered seriously. I strongly encourage you to find out for yourself how we have been mislead, and then make some noise with letters to the editor, street art, and talking up the issue. Each of us counts.

(This information furnished by Matthew Pflantzbaum.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

The first time I saw a clearcut I was driving to the Oregon coast. I was appalled at the destruction. The Pacific Northwest's richly diverse forests are being devastated by the irresponsible practice of clearcut logging, creating big profits for the timber corporations with no regard for the effects everybody suffers. Clearcutting depletes our soil, contributes to landslides, degrades water quality with unsafe pesticides, and destroys habitats of endangered species.

The timber corporations have not created sustainable employment for Oregon's timber workers. They blame environmental concerns for employment decline, when realistically more jobs are lost to raw log exports and the automation of new mills. According to the Oregon State Department of Employment, advances in technology cost a direct work force reduction of 13,800 jobs from 1980 to 1988, while output grew by almost 20%. Some claim they work for forest health, when really they work for forest wealth.

Another mistruth is that timber corporation's replant "forests" after a clearcut. Timber corporations replace diverse forests with over planted monoculture Douglas Fir tree farms. A tree farm is not a forest; it is intended to be clearcut and replanted again and again for maximum profit, yielding low quality wood. Overplanting forces as many as 900 trees per acre to compete for the nutrients nature provided for 300 trees per acre. This depletes and overworks the soil, causing more erosion. Trees planted at the same time grow at the same rate, resulting in 100% canopy above the forest, creating a biological desert on the forest floor where nothing grows. This is not a forest. This is not a sustainable logging practice. This is profit.

Ballot measure 64 creates a sustainable forest through selective logging techniques. It insures the move to responsible logging, protecting the 3% remaining old growth, and bans the use of unsafe pesticides. This is not too much to ask. Enough damage has been done at everyone's expense.

VOTE YES ON 64!

(This information furnished by Jenn Rawling.)

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ARGUMENT IN FAVOR

BALLOT MEASURE 64 WILL HAVE A POSITIVE IMPACT ON THE ECONOMY AND THE ENVIRONMENT!

The Estimate of Financial Impact prepared by the State of Oregon for Ballot Measure 64 is inaccurate and incomplete. The State's financial estimate makes the following unrealistic assumptions:

* it grossly underestimates the rate of harvest under Measure 64
* it fails to consider positive price effects that will add to State revenues
* it fails to disclose cost savings associated with Measure 64's improved forest practices
* it fails to account for productivity gains associated with improved forest practices
* it fails to account for increased income tax revenues resulting from more labor intensive forest practices produced by Measure 64
* it fails to account for increases in tax revenues associated with higher rural property values and increased tourism receipts from Measure 64

Assumptions regarding the rate of harvest--There is no credible basis for the Department of Forestry's assumptions that result in a predicted 60-65% reduction in harvest volume. With favorable prices, harvesters will simply increase the acreage selectively logged to get equal timber volume. **Revenues to Oregon schools and counties should remain about the same.**

There is NO basis for the Department of Forestry's assumption that the measure prohibits thinning. Measure 64 actually promotes thinning and selective logging as alternatives to clear cutting. The measure DOES NOT EXCLUDE "clumping" of leave trees, leaving adequate small openings to facilitate natural regeneration of trees.

The State's analysis fails to account for significant cost savings associated with more responsible forest practices required by Measure 64--Clearcutting passes on huge externalized costs to the public to restore the environmental damage to roadways, clean water supplies, watershed condition, and fish. The worst stream conditions in Oregon are found in heavily logged areas, while the best stream conditions are in wilderness streams or lands using selective logging techniques like those required under Measure 64.

The 1996 storms affected areas that have been subject to very high levels of logging and roadbuilding in recent decades, particularly the 1980s. The results of clearcutting have been devastating. **Federal, state and county governments had to pay millions of dollars to clear roads of mudslides and debris from clearcuts.**

By eliminating clearcutting and chemical herbicide use, Measure 64 will significantly reduce expenditures by federal, state, and municipal agencies related to water quality management, fisheries restoration, reservoir dredging, and other costs associated with repairing ecological damage. The State's economic analysis of Measure 64 completely overlooks these cost savings.

Many individuals, municipalities and businesses suffered financially because of clearcut landslides. For example, the city of Salem, also located in Oregon, had to spend $700,000 on temporary pretreatment facility, and $200,000 treating turbid water and implementing water-use restrictions when high levels of turbidity from cutover watersheds shut their water delivery down. Private industry suffered as well. Mitsubishi Corporation, which relies on pure water for its processes, spent over $2 million when the city's water system shut down.

(This information furnished by John Talberth, Director, Forest Guardians.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

OREGON: DEFENDING OUR LIBERTY

Our children and grandchildren have a right to "life, liberty, and the pursuit of happiness." Does this not include clean air, pure water, and fertile soil? Healthy forests, rivers, and streams guarantee essential rights for future generations of Americans.

How much longer will we allow the timber industry to steal our forests and watersheds at taxpayers' expense? A few corporations and property owners are depriving us of our property rights: the right to sources of clean water, protection from flooding, and quality of life. And, the right to fishing, hunting, and camping in Oregon's living forests and wilderness.

A majority of Oregonians are paying for the profits of the corporate timber minority:

–Paying with a decline in property values.
–Paying with higher proportional taxes, landslide and flood insurance costs.
–Paying through lost fisheries and recreation,
–And, sometimes, paying with their lives.

How much more desecration can we tolerate? Even the experts cannot predict the probability (let alone the certainty) that our species will survive current levels of environmental destruction.

LIKE BIG TOBACCO, BIG TIMBER HAS SOLD US A PACK OF LIES

They told us:

–They would be forced out of business if we banned the wigwam burner.
–Logging has nothing to do with erosion, flooding or landslides.
–They are planting six trees for every one that they cut.
–Exporting raw logs is good for Oregon's economy.
–They are cutting sustainably.
–It's a renewable resource.
–Clearcutting is necessary.
–They never cut and run.
–They care about jobs.

NONE OF THESE IS TRUE!

Measure 64 is not perfect but it's a step in the right direction. We can always improve it later. We'll be back with another bill. A stronger bill. But if we fail to protect ourselves now from further devastation, we will lose something irreplaceable in the interim. We will lose another piece of our future.

Save our constitutional rights, and the rights of our children. Vote yes on 64.

(This information furnished by Tim Hermach, Native Forest Council.)

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ARGUMENT IN FAVOR

The Oregon Sierra Club notes the following facts as reasons to vote for Measure 64:

- Mudslides and landslides in early 1997 occurred mainly under or in clearcut or overcut slopes. Those slides caused six deaths, injured others, and caused millions of dollars in damage. Studies have pointed out that land is much more likely to slide in areas overcut or clearcut.
- Clearcutting is allowable and commonly practiced by timber extraction corporations under current Oregon law on state and private lands.
- Clearcut slopes erode, the silt from them killing young salmon, damaging salmon streams, and threatening drinking water supplies as well as diminishing the productivity of forest soils.
- Current Oregon forest law has not been upgraded or reformed in several decades. With knowledge gained about mud and landslides, declining salmon runs and a federal mandate to protect our salmon, and a need for clean, reliable drinking water. Measure 64 is a good first step to accomplish these goals.
- Measure 64 is an initiative which proposes to reform existing state forestry law. It is not a state constitutional amendment, and may be amended or changed by the state legislature. This is noteworthy as various economic objections to Measure 64 have been noted, and some changes in this initiative may be necessary in the interest of economic justice and the continuing knowledge being gained from scientific monitoring of our forest, streams, salmon populations, and quality of our drinking water.

The Sierra Club has endorsed Measure 64 as its protections for Oregon's forests, salmon runs, drinking water, and human life are timely and appropriate proposals in the public interest of all citizens of Oregon.

(This information furnished by George B. Hutchinson, Oregon Sierra Club.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

LOGGING PUBLIC LANDS DESTROYS WILDLIFE
CLEARCUTS ALSO IMPACT RECREATION OPPORTUNITIES

In the Diamond Lake Ranger District of the Umpqua National Forest, 10,000 log trucks of public timber is being sold at bargain prices, much of it from Roadless Areas that Oregonians use for recreation. The Umpqua National Forest is selling 48 million board feet of timber (that's approximately 10,000 logging trucks) as part of the Upper North and Warm Springs Timber Sales. Similar, giant logging operations are going on across public lands in Oregon.

This particular area contains numerous roadless areas over 1,000 acres, in close proximity to one another. These roadless areas are near the wilderness areas of the Oregon Cascade Recreation Area, Mt. Thielsen Wilderness, Mt. Bailey roadless area and Crater Lake National Park, all popular recreation destinations in the Umpqua National Forest.

If the Forest Service succeeds, every one of these small but significant roadless areas will be gone in just a few years. The two proposals just released, Warm Springs and Upper North timber sales, will log within the Upper Mountain Meadows, Calapooya Ridge, Dread and Terror Ridge, and White Mule Creek roadless areas.

Logging will occur right over two recreational hiking trails, trail #1461 on Dread and Terror ridge, and trail #1442 that climbs up the Calapooya ridge. Another area will be logged next to the North Umpqua hiking trail, the most popular trail on the forest.

Both Warm Springs and Upper North timber sales log within Critical Habitat for the Northern Spotted Owl, effecting numerous owl nesting sites. The sales will also degrade habitat for the American Martin and Pileated Woodpeckers, indicator species for old-growth habitat. But what the Forest Service doesn't want to admit is the impact on the Wolverine.

The wolverine is a very rare, State of Oregon Threatened Species, and VERY SENSITIVE TO HUMAN DISTURBANCE. In the winter of 1997, a Wolverine den was discovered within the Mt. Thielsen wilderness, next to the timber sale project areas. On March 23, 1998, an Oregon Department of Fish and Wildlife Biologist, wrote: "This is the second year of helicopter den surveys for wolverine on the Umpqua National Forest. Last year we were successful in locating tracks and a den in the Mt. Thielsen Wilderness the first week in March.... This year we found wolverine type tracks but no den was located..." However, "just west/northwest of Mt. Thielsen" tracks were discovered, and the biologists were "sure they were wolverine." The entire Warm Springs timber sale area is likely within the home range of this wolverine.

This is the beginning of the end for these rare roadless areas and the many species of wildlife that live there. These are PUBLIC LANDS PLANNED FOR CLEARCUTTING. These pristine lands are likely to be completely logged within just a couple of decades.

IT'S TIME TO PROTECT THE LAST OF OUR SCENIC LANDS AND THE WILDLIFE THAT DEPEND ON THEM FOR HABITAT.

CONSERVE OREGON'S FORESTS AND WILDLIFE!

VOTE "YES" ON MEASURE 64!

(This information furnished by Matthew Watkins, Oregonians for Labor Intensive Forest Economics.)

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ARGUMENT IN FAVOR

Weed tree? A weed is an unwanted plant in a garden or a field even if it tastes good or has beautiful flowers. Madrone or dogwood or oak as weeds? A forest doesn't have weed trees because it isn't a garden or a field. But the idea of weed tree does go with clearcutting, the deliberate destruction of forest.

Clearcutting takes out everything. It strip mines the mountains for trees— bulldozing, burning, poisoning. Just get out what is immediately wanted and clear the land for tree plantation. Not reforesting, but tree plantationing— with all the hazards of a single species crop, and with the extermination of other species that may or may not become wanted in the future. It devastates the forest and the food web in the soil. It gets rid of the forest and forest workers' jobs. It has produced immediate short term economic gain for a few at the expense of the long term economic and biological health of the rest of us.

One example. The Pacific Yew was a weed tree. The wood was valued only by builders of wooden yachts. They would try to salvage a tree or two before it was cut and burned as slash. Then somebody found that the bark has a compound that is effective in treating cancer. The frog was kissed. Pacific Yew, weed tree, became a valuable resource. Lesson: Forests have frogs. Clearcuts don't.

Measure 64 will change the way forest products are obtained and used so that Oregon's forest will again become a selectively cut, living mix that will preserve forests, jobs, and health. It will extend to forest lands the provisions of existing federal and state water quality laws that have been applied to urban, industrial, and farm land for decades to protect water quality there and for downstream users. It will make a better life for all Oregonians.

Vote yes on measure 64. Your grandchildren will thank you.

(This information furnished by Colin King, Corvallis Organic Gardening Club.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

Each year our summer vacation takes us to a lake for a few days of living by the fire, of watching the wild birds and of paddling across the still water at dawn. How full of life is the lake: trout leap for insects, osprey hover and dive for fish, fishermen and women cast in the falling light of dusk. Reassuring is the great blue heron, prehistoric and majestic, in its flight over the marshes. We Oregonians seek nature as an unguent to our plastic lives whether it is hiking in a wilderness area, strolling in the city park or planting in our backyard garden.

Traveling through Oregon also requires passage through some of the most ruined and blasted landscapes in the country. That these lands are public or private does not matter. The practice of clearcutting uniformly scars and wounds the land from which I must avert my eyes, like the sight of a maggot-filled gash on a dying dog. Recently a family from France vacationing in the United States asked me what was this scene? Had there been a violent, catastrophic storm? This couldn't have been wrought intentionally? A clearcut does startle the sensibilities when economics aren't the driving mentality

It is my hope, if this bill passes, the non-toxic, environmentally sound program will replicate what I have seen in places like Vermont, where you can drive hours at a time and never see one hillside stripped for the timber harvest. Forest land is more than tree farms. A forest is an ecosystem providing habitat for birds, insects, mammals - the web of mutual dependence that is life itself. The land sustains us in so many ways. It provides food, shelter and recreation, yes, but it revives and teaches us as well. It lives in our consciousness as what we are truly part of. Let selective cutting and it's valuable, life sustaining properties be the foundation for the next century of Oregon history.

(This information furnished by Kimberly Kauffman.)

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ARGUMENT IN FAVOR

The Green Party of Oregon supports and endorses Ballot Measure #64.

This ballot measure will help guarantee a future for our forests, and the forest industry.

The present timber harvest practices are contributing to the extinction of the logging industry itself, as well as a multitude of species, including salmon, the contamination of our drinking water, and the destruction of ancient forests which have been evolving for thousands of years. For too long short-term profit gains for the logging industry have outweighed long-term effects for us all.

A well researched and comprehensive sustainable system needs to be implemented and we believe measure 64 is that system.

Clear-cutting and chemical spraying destroys our quality of life as well as the forest creatures lives. Destroying the last and most magnificent ancient forests in our country is akin to killing ourselves. The diversity of life in the old-growth forests is astounding and of boundless benefit to us. A single tree in the ancient forest may shelter as many as 1,500 invertebrates. These forests may hold the clue to an important scientific discovery because of the vast storehouse of genetic information that have evolved for millions of years. They also help regulate the earth's climate and protect watersheds.

A single acre of temperate forest gives off more than 6 tons of oxygen every year. Common sense tells us it's important to save these forests from destruction.

Time is of the essence. Don't expect the legislators to come up with a sustainable plan. There is too much pressure from the logging industry.

Sustainable forestry is profitable, and is the only way to ensure a future for us and for the forest products industry.

The time is now. Help save Oregon's beautiful forest and our quality of life! Beware of slick ads with misinformation against this measure! Listen to your heart and do what's right.

Vote YES on 64!

(This information furnished by Pam Driscoll, Green Party of Oregon.)

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CONTINUED

Measure No. 64

ARGUMENT IN FAVOR

The word "PROFIT" has been replaced by the word "GREED". Big business keeps getting bigger and it's "GREEDY NEED FOR "MORE" is ever expanding. When will it end? Just when is enough? Is it necessary to destroy everything to make a buck?...forests, animals, birds, plant life, water ways, our health....just so some 'OUT OF FOCUS GREEDY GROUP' can keep expanding it's need for "MORE'? MORE MONEY, MORE POWER.....MORE, MORE, MORE.

And so, after it's all over and the "GREEDY ONES" die what can they take with them? (nothing) On the other hand when they die what will they leave? (something?) It apparently doesn't matter that they will leave a planet in very serious trouble. A planet that, with intelligent careful planning, could have supported the 'PROFIT' necessary for the needs of the ever expanding population...But it cannot support the "GREED".!!! Wake up.....Grow up.....Pull your act together! Look up the words "SHARE, CARE, ENOUGH, PATIENCE, RESPECT, HONOR, HONESTY (ESPECIALLY HONESTY) in the Dictionary.

Remember....."ONLY A MAD DOG WOULD FOUL IT'S OWN BED" And since we only have ONE planet to foul.....THEN WHAT?

(This information furnished by Doak Roberts, Oregonians for Labor Intensive Forest Economics.)

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ARGUMENT IN FAVOR

CLEARCUTTING IS BAD FOR RECREATION AND TOURISM.

SUPPORT BALLOT MEASURE 64 FOR HEALTHY FORESTS AND A HEALTHY ECONOMY

Tourism employs more people than does the timber industry. **In 1996 travelers in Oregon spent over $4.5 billion, a 36% increase since 1991.** Although Oregon ranks just 30th among the 50 states in state park acreage, Oregon ranks fifth nationally in day-use attendance at state parks. Also, the number of out-of-state visitors has increased 46% since 1991, and Oregon has the highest ratio of visitors per state park acre. **We don't need more clearcuts, we need more parks and recreation opportunities.**

It's been estimated that by the year 2000, hunting, fishing, and recreation will provide 32 times more revenue and 37 times more jobs in national forests than logging will. **Yet logging takes a larger share of federal expenditures!**

At the same time that unprecedented numbers of people want to experience wilderness, wilderness is shrinking. **Currently, in Oregon, less than 5% of our old growth forests are still standing, approximately half of what we had 10 years ago.** The devastation continues daily as logging companies are subsidized by taxpayer money to clearcut public lands.

Each year, the U.S. Forest Service loses hundreds of millions of dollars in its timber program. Not only are trees being sold below cost, but also the Forest Service typically reimburses timber companies for building logging roads. Let's stop these taxpayer subsidies for wealthy corporations.

According to a 1995 study by Voice of the Environment (VOTE). "More than **$100 million** worth of public's trees are **stolen** every year. Yet despite repeated reprimands from Congress, the glare of negative press and an out cry from the environmental community, the Forest Service has failed miserably to reduce timber theft, according to several U.S. Forest Service employees."

THE COMBINATION OF TIMBER THEFT AND CLEARCUTTING IS NOT ONLY DESTROYING OREGON'S FORESTS, IT IS ALSO THREATENING VITAL INDUSTRIES--LIKE TOURISM, RECREATION AND FISHING--AT THE COST OF TAXPAYERS MONEY.

Measure 64 will insure the health of our forests, the prosperity of the industries dependent on our natural resources and a future with old growth forests for everyone to enjoy.

VOTE YES ON MEASURE 64!

(This information furnished by Trisha Dehen, Oregonians for Labor Intensive Forest Economics.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Position of the Oregon Society of American Foresters Ballot Measure 64

The Oregon Society of American Foresters strongly opposes Measure 64. It is unneeded, excessive and, in large part, contrary to the interests of Oregonians.

The 1,200 Oregon Society of American Foresters members include the field foresters, researchers, administrators and educators who help manage the 29.5 million acres of public and private forests in Oregon. We work for federal, state or local governments; for universities; for small and large landowners; and for small business and large corporations. We hold a variety of professional viewpoints, but our opposition to Measure 64 is virtually unanimous.

We oppose Measure 64 because it:

- Prescribes only one management regime for all forests. The science of forestry requires a wide range of options for managing forests in order to meet the varied objectives of landowners, society's need for wood products, wildlife habitat requirements and a healthy environment.
- Takes away all incentive to invest in forestry. Sustainable forestry must be a forestry that is economically viable, ecologically feasible, and socially acceptable.
- Dramatically reduces the productivity of Oregon's forests, whether measured by timber output or species diversity and does not sustain forests in the long term.
- Restricts the natural resource professional's ability to manage for healthy and productive ecosystems. The single management regime proposed does not recognize that ecosystems are dynamic and varied, not homogenous.

The Oregon Society of American Foresters believes that active professional management of Oregon's forests can produce the forest products, fish, wildlife, clean water, and healthy environment that Oregonians desire. Measure 64 is an irresponsible and excessive proposal that moves Oregon away from, not toward, sustainable forestry practices.

For more information, contact us at http://www.forestry.org or at 4033 SW Canyon Road, Portland, OR 97221.

(This information furnished by Julie Stangell, Chair, Oregon Society of American Foresters.)

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ARGUMENT IN OPPOSITION

My family has managed forestland in southern Oregon since the mid 1940s using selective cutting on a sustained-yield basis. These 48,000 acres in the Lakeview area have recently been audited by the leading international forest overview agency (Scientific Certification Systems) and are certified as a well-managed forest. Along with other serious flaws, ballot measure 64 doesn't have the flexibility for the wide variety of forestlands in the state and is incompatible with the independent audit process.

Clearcut doesn't mean what you think: The meaning of the word clearcut as defined in this measure is very different from the one commonly understood. Most people visualize a clearcut as an area of land mostly or entirely cleared of trees. According to subsection 6 of this measure, an acre of land west of the Cascades having 69 trees greater than 11 inches in diameter is considered a clearcut. East of the Cascades it's 59 trees greater than 10 inches in diameter. In practice, acreage with even more trees can fall into this category because of the basal (cross-sectional) area requirements. There are areas of forestland in Oregon where the soil and climate won't support the minimum density required by this measure, yet such land can still ecologically yield timber in smaller quantities.

Trained forester judgment is lost: The east- and west-side stocking levels, as defined in section 6, are arbitrary. The forest density supportable on an acre of land is dependent on soil type and quality, terrain, micro-climate, and tree specie mix. Only by understanding the specific characteristics of a location can a trained forester determine how best to manage it for biodiversity and timber production. It is senseless to lump all the land in the state into two categories because doing that ignores the variety and diversity of Oregon's many forests.

(continued)

(This information furnished by Truman Collins Jr., Collins Pine Company.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Incentive to cut larger trees: Measure 64 bans cutting trees 30 inches or larger in diameter. It also disallows counting trees larger than 20 inches for their full basal area. This will result in an incentive to cut trees after they reach 20 inches but before they reach 30 even if it is to the benefit of both the ecosystem and the landowner to let them grow.

Punishes environmentally responsible landowners: This measure applies to privately owned land as well as public. It is unfair to outlaw the harvest of any tree over 30 inches because it penalizes those who have managed their land ecologically. Modern environmental forestry practice, particularly in pine forests, involves harvesting trees as they reach old age when they are often over this size limit. If this measure passes, ecologically motivated landowners will have that investment taken away from them and will be discouraged from letting trees age in the future.

Applicable areas not clearly defined: Although required tree density per acre is clearly spelled out, how the boundaries of an acre are determined is not. There are many ways to partition an irregular piece of land into acre-sized chunks. Since this measure provides for lawsuits against owners not following its requirements, it is important that they be able to determine if they are in compliance. Even if clarified, all the trees in an area would have to be measured before any could be cut, resulting in time-consuming, unnecessary work.

Labor and safety problems: Measure 64 suggests that its passage would effect an increase in skilled labor due to a reduction in automation. The reverse is likely true along with a marked decrease in safety. Before the availability of machinery, maiming injuries were relatively common among workers preparing logs for transport. While it may seem appealing to employ more people and use fewer machines, it would be more costly and more workers would be put at risk for injury.

(This information furnished by Truman Collins Jr., Collins Pine Company.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Measure 64 is bad for Oregon's forests. This measure is not designed to enhance the sustainability of Oregon's forest. This measure will not lead to healthy forest ecosystems. It will only take the care and nurturing of our forests from scientists and trained professional foresters and transfer it into the court system.

Forests are unique, no two are alike. Many have differences which can be quite apparent or quite subtle. Differences in soils, species mix, topography, and climatic conditions can have varying degrees of impact upon any forest. It takes trained, experienced professionals to scientifically analyze conditions within any forest to determine how it should be managed. Sustainable forestry is the goal, the methods used to achieve that goal must be based upon scientific analysis, not legislation. Arbitrary standards ignore the uniqueness and individual characteristics of a forest. The number of trees required for a sustainable forest on one acre may be decidedly different on another. Sound science should determine this, not legislation.

Measure 64 does not allow the flexibility to properly care for the forest. A case in point would be when a forest is attacked by a bug infestation. A landowner, attempting to stop bug damage by harvesting the affected trees (as a surgeon might perform surgery to remove a cancer to save a life) could end up with fewer trees than prescribed in Measure 64, thus violating the law and risking loss of the forest. Sound science should determine what the landowner does, not legislation.

Measure 64 is not good for the people nor the forests of Oregon. It will not insure proper forest management, it will only add more regulation. Keep the care of the forests the responsibility of properly trained resource professionals. Use science, not legislation to conserve Oregon's precious forest resource.

Vote NO on Measure 64

(This information furnished by Lee Fledderjohann, Forester; Ken Kendrick, Forester.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

OREGON WOMEN FOR AGRICULTURE

Oregon Women for Agriculture is an all-volunteer group of Oregonians dedicated to educating ourselves and the public about the value of farming and ranching to the economy and the environment.

We strongly oppose Measure 64, the Anti-Logging measure on the November 1998 ballot for the following reasons:

1. The measure is an attempt at micro-management that has no place in public policy or state law. Its forest management provisions and requirements do not constitute responsible stewardship of the land and forests.

2. The unsound forestry practices outlined in the measure would actually cause harm to our forests.

3. The measure's requirements clearly constitute a taking of private property with no compensation.

4. The measure, if approved, would devastate the Oregon timber industry, decrease school funding and cause serious damage to all other segments of the Oregon economy.

5. The measure, if approved, would further damage timber families by taking away their right to log timber from family-owned lands.

We believe, and history shows, that free markets and protection of private property rights are the best way to preserve our land and forests.

We believe that our land and forests are best managed by those who are trained in forest and land management and whose livelihoods depend on that management.

We urge voters to vote no on this radical, unworkable, expensive, and useless measure.

OREGON WOMEN FOR AGRICULTURE
Working together to communicate the story of today's agriculture.

P.O. Box 481 - Dayton Oregon 97114 - 503-243-FARM
(243-3276)

(This information furnished by Jo McIntyre, Oregon Women for Agriculture.)

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ARGUMENT IN OPPOSITION

The Former Deans Committee

We believe some provisions of Measure 64 raise serious issues under the Supremacy Clause of the United States Constitution. States are limited by the United States Constitution from enacting laws in conflict with Federal laws. This Measure pertains to forest practices and water quality standards on a state wide basis.

To the extent Measure 64 changes, limits, or attempts to supersede federal laws pertaining to the forest practices on Federal lands and water quality standards, the measure may not be enforceable under the United States Constitution.

Additionally, Measure 64 is broadly worded, and the precise application of the measure would have to await court action. Thus, we believe the application of this Measure would be unpredictable. If this Measure passed there would be substantial litigation concerning the constitutionality of the Measure.

We provide this information to help fellow voters in understanding this measure. Our comments are designed only to provide objective and careful constitutional analysis of the measure. Collectively we take no position on the other merits of this measure.

Prof. Leroy Tornquist (Chair), Former Dean Willamette College of Law
Rennard Strickland, Dean University of Oregon Law School
Prof. Robert Misner, Former Dean Willamette College of Law
Prof. Emeritus Chapin Clark, Former Dean University of Oregon Law School
Prof. Maury Holland, Former Dean University of Oregon Law School
Robert Ackerman, Dean Willamette College of Law
David Frohnmayer, Former Dean University of Oregon Law School

(This information furnished by Bob Cannon, Treasurer, The Former Deans Committee.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

The Oregon State Grange Asks You to Vote NO on Measure 64

The Oregon State Grange is the largest grassroots, rural-based fraternal organization in Oregon and has been active in protecting Oregon for 125 years.

Grange members have always advocated good stewardship of our natural resources. However, Grangers recognize that good stewardship includes the wise use of our renewable resources, such as our forests.

Measure 64 is Bad Management for Oregon's Forests

Every year, Oregon landowners spend millions of dollars in improving the health of their forest and woodlands. Habitat for wildlife is created and maintained, watersheds are protected, and our economy benefits. Measure 64 will end these benefits.

Oregon already has some of the strongest laws in the Nation on forest management practices. Measure 64 will remove many of the benefits of these existing laws.

Measure 64 is Poor Stewardship of Our Forests

Federal and State Forests will be affected by Measure 64, and so will all private forests and woodlands regardless of size. Oregonians have depended on our forests for recreation, building materials, and jobs.

Measure 64 will stop us from protecting our Oregon forests for our children. The future of Oregon requires common sense protection of our natural resources, not radical measures.

Measure 64 Will Hurt Oregon

Read Measure 64 and you will agree with the 24,000 plus members of the Oregon State Grange and **vote "NO" on Measure 64**.

(This information furnished by Edward L. Luttrell, Oregon State Grange.)

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ARGUMENT IN OPPOSITION

Measure 64 will take away the incentive to invest in sustainable forest management on private lands.

In 1921, David T. Mason opened one of the first Pacific Northwest forestry consulting firms. He became an early and vigorous proponent of sustainable forest management. At his urging, a number of far-sighted private timberland owners made long-term investments to ensure that Oregonians would enjoy the benefits of a second generation of productive forests.

Forest investments differ from other investments in that they typically take a very long time to mature. A decision to plant new trees, for example, means investing money today that will not be repaid for fifty years. Long-term forestry investments on private property only make sense if the landowner has some certainty that the timber will be available for harvest when it matures. By limiting future timber management opportunities, Measure 64 removes that certainty, and private timberland owners will have no incentive to make the investments needed to support sustainable forest management.

In short, Measure 64 would take away the economic certainty, the management flexibility and the financial incentives required to practice sustainable forest management.

Seventy-seven years after David T. Mason first began practicing forestry, we at Mason, Bruce & Girard, Inc. remain proud advocates of sustainable, scientific forest management. We will vote NO on Measure 64, and urge you to do the same.

(This information furnished by Glenn A. Zane, Mark L. Rasmussen, David R. Cox, Kenneth M. Vroman, Bradford R. Seaberg; Mason, Bruce & Girard, Inc.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

VOTE NO ON MEASURE 64

Measure 64 is an attempt by radical extremists to destroy the wood products industry of Oregon. Measure 64 means more lost jobs and poor forest health. Here's why:

Measure 64 is more than a ban on clearcutting, it's a ban on almost all timber harvesting in Oregon

- No tree over 30 inches in diameter could be cut, even if it's dead.
- On average, no tree could be cut if it is further than 25 feet from another tree.

Measure 64 will keep private property owners from logging even one acre

- The ban applies equally to both public and private lands regardless of how small the acreage.
- The ban will cost Oregon's private landowners $1.93 billion a year in lost income and property value.

Measure 64 will cripple Oregon's economy

- Timber harvests in Oregon will drop more than 60 percent.
- At least 28,000 Oregonians will lose their jobs.
- The cost to Oregon's economy will exceed $1.6 billion a year.

Measure 64 bans the use of pesticides for any reason

- Oregonians will not be able to use pesticides in their forests even if there is a major epidemic of disease or insects - no exceptions.
- Wild fires will increase with more dead and dying trees to feed on.

Measure 64 will rob landowners of their private property rights

- All rivers and streams within forests, even streams that only run a few months out of the year, will be open to the public regardless of their location on private property.

Measure 64 will encourage endless lawsuits against private landowners

- Everyone is encouraged to sue private landowners for any reason because they will be immune from paying attorney fees or damages if they lose.
- Private landowners have no similar protection and will have to pay attorney fees and damages if a lawsuit is successful.

Measure 64 is bad for Oregon's citizens and bad for Oregon's environment

(This information furnished by Brad J. Harper, State Coordinator & Legal Counsel, Oregon Lands Coalition.)

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ARGUMENT IN OPPOSITION

Ed Schroeder
Oregon State Forester, retired
Chief Forester, Tillamook Burn
Rehabilitation Project

I've devoted my life to improving Oregon's forestlands and I'm proud of the role I played as State Forester overseeing the restoration of the Tillamook Burn, Oregon's most catastrophic wildfire. We mobilized an entire generation of young Oregonians to embrace the forests. We all can be proud of our accomplishment.

That's why I'm urging you to join me in voting NO on Measure 64.

Measure 64 poses a serious threat to the health of Oregon's forests and our economy. Harvest reductions caused by **the measure would cost 28,000 Oregonians their timber industry jobs** – nearly half of all those employed in the industry today. It is poor forest management that would undo all the good things the people of Oregon have done over the years.

One reason I am gravely concerned about Measure 64 is its ban on cutting any tree in the state that is over 30 inches in diameter, **even if it is diseased or dead**. It would impose a single statewide forestry formula, ignoring Oregon's tremendous diversity of sites, soils and conditions.

Measure 64 would take forest practices out of the hands of scientists, professional foresters and wildlife biologists and put them in the hands of bureaucrats and the courts.

In the name of banning clear cutting, Measure 64 actually bans much more.

It would ban the use of pesticides – even in cases of major forest epidemics or insect attacks. Tragically, it would allow forests to be devoured by insects that eat and kill trees, or destroyed by diseases that can be controlled. Moreover, banning the harvest of dead trees and brush-clearing pesticides would increase the size and intensity of wildfires.

The Tillamook Burn taught an earlier generation the price Oregon pays for poor forest management that increases fire danger.

Measure 64 is a virtual ban on all timber harvesting. More than 28,000 forest industry workers – men and women who have devoted their lives to nurturing and protecting Oregon's forest – would lose their jobs. Families who carefully have managed their forest lands for generations would suddenly be left with nothing.

That's not good for our forest lands and certainly not good for our state. **For the sake of Oregon's forests, I urge you to vote NO on Measure 64.**

(This information furnished by Ed Schroeder.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

The Oregon Small Woodlands Association is a non-profit organization with thousands of private landowner members who own and manage small tracts of forestland in Oregon. We strongly urge a NO vote on Measure 64.

According to the Oregon State University Extension Service, **43% of private forestland in Oregon is owned not by the big timber corporations, but instead by 166,000 individual private family woodland owners.**

Measure 64 is simply too extreme. It's not just a ban on clearcutting. It's actually a **ban on almost all timber harvesting** in Oregon. Measure 64 will destroy the life-long investments and savings of thousands of small private woodland owners in Oregon.

After years of investing in their property—working hard to plant trees, enhance wildlife habitat and protect water quality, **Measure 64 would make it impossible for family woodland owners to manage their own private property**—wiping out decades of personal sacrifice and hard work.

Measure 64 would allow outsiders to dictate what Oregon landowners can and cannot do on their own private property.

Measure 64 invites and encourages any person in the United States to file lawsuits against private family forestland owners. It makes it easy for those who sue to collect. But even if an Oregon small private woodland owner wins in court, that family likely would not be reimbursed even for their defense costs. **That's wrong! That's unfair.**

While we believe initial assessments are far too low—state officials estimate **harvests in Oregon will be reduced by a massive 60% to 65%.** That's too extreme. The measure 64 bullet shot at the timber industry by extreme preservationists will mortally wound tens of thousands of Oregon small woodland owner families.

The Oregon Small Woodlands Association urges you to vote

NO on Ballot Measure 64.

John Rounds, President
Oregon Small Woodlands Association

(This information furnished by John Rounds, President, Oregon Small Woodlands Association.)

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ARGUMENT IN OPPOSITION

Irv Fletcher
Oregon AFL/CIO

As representatives of Oregon's working men and women, the Oregon AFL/CIO strongly encourages you to vote NO on Measure 64.

Measure 64 is an extreme initiative that would hurt our economy and threaten the health of Oregon forests. It would hurt the working families of this state by taking away tens of thousands of jobs.

Measure 64 actually is a ban on almost all timber harvesting in Oregon, not just clearcutting.

Under the measure, state officials estimate harvests in western Oregon would be cut by 60 percent. In eastern Oregon, harvest would drop by 65 percent.

These harvest reductions would cost more than 28,000 Oregonians their forest industry jobs.

As a result of Measure 64, the economic struggles rural Oregon has been enduring for much of the past decade would get even worse. Since 1980, 213 sawmills and panel plants in Oregon have been closed permanently. If Measure 64 passes, even more would close.

The men and women who have devoted their lives to protecting and nurturing Oregon's forests would be left jobless.

But the consequences of Measure 64 would be felt in every community. Experts estimate the measure would cost Oregon's economy $1.6 billion dollars per year in lost payroll alone. That's money that will no longer be circulated at grocery stores, shopping centers or gas stations. Some families would miss their mortgage payments and risk losing their homes.

Unfortunately, the economic devastation caused by Measure 64 also would force many of Oregon's working families to pack up and move somewhere else in hopes of putting their lives back together.

Measure 64 takes forestry practices out of the hands of scientists, professional foresters and wildlife biologists and puts them in the hands of bureaucrats. Under the measure, pesticides could not ever be used in Oregon forests, even in times of a major insect epidemic. This would threaten the health of Oregon forestlands.

The consequences of Measure 64 are extreme. It would ruin the lives of tens of thousands of working men and women and hurt the state's economy. Vote NO on Measure 64.

(This information furnished by Irvin H. Fletcher, President, Oregon AFL-CIO.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Measure 64 directly attacks Oregon's economy, school funding and the livelihood of thousands of men and women.

The proponents of this ill-conceived measure obviously have no idea or care about forest science. They apparently don't care that Measure 64 would have a terrible impact on the health of Oregon's forests and would reduce funding for education by $42 million a year.

Measure 64 basically is a ban on almost all timber harvesting in Oregon, not just clearcutting. It virtually would put the entire forest industry out of business. A state analysis determined that harvests in western Oregon would be reduced by 60 percent. Harvests in eastern Oregon would be cut by 65 percent ... and that's just a beginning.

Those harvest reductions caused by Measure 64 would cause more than 28,000 Oregonians to lose their forest industry jobs. This measure impacts all of Oregon, particularly rural Oregon.

The statistics are staggering. Measure 64 would cost Oregon's economy $1.6 billion per year in lost income. State officials estimate state and local governments -- including schools -- would lose $74 million per year in tax revenue. That doesn't include the income taxes that would be lost.

The ripple effect of this measure also will negatively affect the broad business community and all who are employed therein. Under the measure, an additional 31,000 Oregon jobs outside the forest industry would be lost. For example: banking, insurance, auto sales, retailing, communications, and manufacturers, all would be hit hard by Measure 64.

This measure richly deserves a strong **NO on 64** vote from all voters throughout the state.

Submitted by:

Richard M. Butrick
President
Associated Oregon Industries

(This information furnished by Richard M. Butrick, President, Associated Oregon Industries.)

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ARGUMENT IN OPPOSITION

John Rossner – Farmer and President
Oregon Farm Bureau

More than 100,000 families in Oregon own forest lands and Measure 64 could change their lives.

Please vote NO on Measure 64.

Measure 64 takes away from private landowners their rights to cut and sell trees they have been growing on their land for decades.

The measure would prohibit these families from ever harvesting most of their timber which would cost them **$1.93 billion a year and cost Oregon's economy $1.6 billion a year in lost personal income.** Taking personal property without compensation is wrong.

They have worked hard to tend their forests and keep them healthy. For many families the forests are their life blood. For others, they are savings for college or retirement.

Measure 64 ignores the good forest practices already in place. We are already protecting Oregon's forests with stringent laws through Oregon's Forest Practices Act. Banning responsible forest practices risks harming the health and productivity of our forests.

Oregon forests would be in danger if Measure 64 passed. It takes forestry practices out of the hands of scientists, professional foresters and wildlife biologists and puts them in the hands of bureaucrats and the courts.

Pesticide use would be completely banned even in the case of a major infestation in which bugs are killing the forests.

Banning pesticides would increase the risk of wild fires. Dead and diseased trees couldn't be harvested and slash from harvests couldn't be burned on site. These factors increase the danger of forest fires by increasing fuel loading. In addition, the dramatic reduction in timber harvest revenues sharply reduces funding that landowners pay for fighting forest fires.

As if the loss of control of their land wasn't enough, Measure 64 actually encourages activists to file enforcement suits. Anyone, anywhere in the United States could bring a suit against a private land owner to enforce the measure and would not have to pay attorney fees – even if he or she loses. **It's unfair and it's lopsided.**

Measure 64 is unnecessary and has no benefit for Oregon.

Vote NO on Measure 64.

(This information furnished by John Rossner, President, Oregon Farm Bureau.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Neil Goldschmidt
Former Governor

As governor I worked to restore Oregon's fisheries and to keep Oregon's forest lands healthy. Creation of the watershed enhancement program, support for the volunteer led Salmon Trout Enhancement Program, passage of a new State Forestry Act mandating improved logging practices near streams and rivers were all things I was proud to have a part in.

I was just as proud of our effort, by overwhelming statewide ballot, to stop exporting logs from state owned lands to foreign countries.

There remains much to be done and current efforts by our Governor, legislature, public and private land owners will bring enormous resources to bear on opportunities to restore our fisheries.

Measure 64 masquerades as a supporter of that effort. But it is not.

Measure 64 would force harvest reductions of 60% in western Oregon.
Measure 64 would force harvest reductions of 65% east of the Cascades
Measure 64 would mostly take control of the private land of more than 100,000 citizens.
Measure 64 would cost 28,000 of our fellow citizens their jobs.
Measure 64 would cost Oregon's treasury over $200 million annually - funds needed for our local schools.

After these extreme invasive measures on state and private land, which ignore the existing restrictions on logging and requirements for re-forestation, and ignore the best environmental forestry research in the world, what does Measure 64 guarantee about the quality of our forests or the restoration of our fisheries?

Nothing. To the contrary, it would reduce forest diversity and sustainability of Oregon forests.

There is a better way for Oregonians - a way that doesn't put our neighbors out of work, doesn't destroy natural resource values or harm our ability to support our schools. Let's continue working with our scientists, foresters, and grass roots community leadership - with one another - to build our watersheds & fisheries back to health. It's the Oregon way.

Vote No on Measure 64 - its bad news for Oregon.

(This information furnished by Governor Neil Goldschmidt.)

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ARGUMENT IN OPPOSITION

Governor Vic Atiyeh

I am concerned about the impact Measure 64 would have on our state. **I urge you to vote NO.**

Measure 64 has serious economic consequences for Oregon. State officials estimate Measure 64 would force harvest reductions of 60 percent in western Oregon and 65 percent east of the Cascades.

The dramatic drop in harvests would cause more the 28,000 Oregonians who work in the forest products industry to lose their jobs. In addition, more than 100,000 families would lose control of the land they worked so hard to tend.

The measure would cost Oregon's economy:
- **$1.6 billion a year** in personal income
- **$127 million a year** in Oregon income taxes
- **$74 million a year** in Oregon harvest taxes which includes **$42 million** for schools

Measure 64 is portrayed as a ban on clearcutting by its proponents and the media. That seriously oversimplifies the scope and complexity of the measure and seriously understates its impact.

The measure goes far beyond merely prohibiting clearcutting. **Measure 64 is actually a ban on almost all timber harvesting,** including thinnings and salvage harvesting.

Additionally, **Measure 64 ignores what already is being done, including existing regulatory and voluntary protection.**

Oregon timber land is subject to state forest practices laws, regulations and monitoring. Already, forest land owners participate in Oregon's Coastal Salmon Restoration Initiative. Several land owners have developed Habitat Conservation Plans approved by federal agencies as a long-term commitment to protect and develop habitat for a wide variety of species.

There is no reason to believe Measure 64 would benefit forests, forest workers or our state, as purported by its proponents. To the contrary, it would certainly be harmful because its restrictions would reduce forest diversity, timber supplies and the sustainability of Oregon's valuable forest resources in the long run.

As governor, I worked hard to keep Oregon's economy and forest lands healthy. Measure 64 would hurt Oregon. **Vote NO on Measure 64.**

(This information furnished by Governor Vic Atiyeh.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

We need experienced foresters managing and guiding Oregon's forests. Measure 64 will NOT do the job. That's why I am opposed and asking you to review this bill carefully and then vote no.

Protection for rivers and streams, wildlife habitat and scenic buffers of trees along our highways has already been enacted into law by previous legislation.

Measure 64 goes too far. It reduces timber harvests in Oregon and would be a real hardship on desperately needed revenues for schools. Oregon schools would lose $42 million in direct revenue including losses to the Common School Fund.

Measure 64 goes far beyond dealing with clearcutting. It would also ban many of the responsible practices that have helped make Oregon forests among the healthiest and most productive in the world.

Furthermore, this measure absolutely prohibits the cutting of any tree over 30 inches in diameter on any acre of land in Oregon, even those trees that are diseased.

I do not like the leeway measure in Measure 64 which permits any person living anywhere in the United States to file lawsuits in Oregon courts against a timber land owner without the risk of paying attorney fees.

Measure 64 ignores the wisdom accrued through many years of experience managing forestlands. It would ban the use of some tools used to benefit the growth of trees.

I'm really concerned about the damage Measure 64 would do. Please vote NO.

Bob Straub
Former Oregon State Governor

(This information furnished by Bob Straub, Former Governor, Oregon.)

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ARGUMENT IN OPPOSITION

Woodworkers District Lodge 1
International Association of Machinists
and Aerospace Workers

As representatives of Woodworkers District Lodge 1, International Association of Machinists and Aerospace Workers who have devoted their lives to protecting and nurturing Oregon's forests, we are asking you to **vote NO on Measure 64.**

Measure 64 would cost more than 28,000 Oregonians their forest industry jobs. The measure would have its greatest negative impact on rural Oregon.

We know all too well how much it hurts Oregon's timber-dependent communities when an extreme initiative like Measure 64 is enacted. Since 1980, 213 sawmills and panel plants in Oregon have been closed permanently. Measure 64 would be the nail in the coffin for many of these communities.

More mills and plants would close. 28,000 men and women would lose their jobs. Thousands of Oregon families would be left to wonder how they would put their lives back together.

Oregon's timber-dependent communities would not be the only areas of the state to feel the pain inflicted by Measure 64. **Every Oregon community would feel it.** An examination of the economic impact of the measure revealed Oregon's economy would lose $1.6 billion dollars per year in lost payroll alone.

Measure 64 actually is a ban on almost all timber harvesting in Oregon, not just clearcutting.

State officials estimate harvests in western Oregon would be cut by 60 percent. In eastern Oregon, harvests would drop by 65 percent. And those estimates are low.

Measure 64 also would threaten the health of Oregon's forestlands. Under the measure, **pesticides could not ever be used in Oregon forests,** even in times of a major insect epidemic or emergency. It may sound impossible, but it's true. Measure 64 would make it illegal to fight back an insect epidemic with pesticides.

Measure 64 is an extreme initiative that would hurt our economy and threaten the health of Oregon forests. It would hurt the working families of this state by taking away tens of thousands of jobs.

Vote NO on Measure 64.

Chuck Macrae, President
Woodworkers District Lodge 1, IAM and AW

(This information furnished by Chuck Macrae, Woodworkers District Lodge 1, IAM and AW.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

How you vote on Measure 64 will dictate whether tens of thousands of Oregon workers will keep their jobs and the state's forests will remain healthy and vibrant, or almost all timber harvesting in Oregon will be banned forever.

Presented as a ban on clearcutting, Measure 64 actually bans much more. It's an extreme plan that would prohibit many of the responsible forest practices that protect and nurture the health and productivity of the forests.

Measure 64's definition of a clearcut is so broad that almost all timber harvesting in Oregon, not just clearcutting, would be banned. State officials estimate harvests in Western Oregon will be reduced by 60 percent. In eastern Oregon, harvests would drop by 65 percent. And those estimates are conservative.

Harvest reductions caused by Measure 64 would have a devastating impact on Oregon's economy and working families. It would cost more than 28,000 Oregonians their forest industry jobs -- about half of those employed in the industry today. All told, Measure 64 would cost Oregon's economy $1.6 billion per year in lost personal income.

The greatest negative economic impact would hit rural Oregon. Our rural communities would have to absorb the economic and emotional strain experienced by tens of thousand out-of-work families.

Additionally, Measure 64 would also threaten the health of Oregon forests by banning the responsible use of pesticides and prohibiting the harvest of any tree over 30 inches in diameter on any single acre of land, even if it's diseased or dead. As a result, insect epidemics would go unchecked and forest fires would increase in both size and intensity.

That's right, Measure 64 would dictate what private landowners can do and not do on their own property. It lets government bureaucrats come in and take away from private landowners the right to cut and sell trees they have been growing on their land for decades.

Take a careful look at Measure 64 -- and join us by voting NO and encouraging others to do the same.

Tim Wigley
President, Oregon Forest Industries Council

(This information furnished by Tim Wigley, Oregon Forest Industries Council.)

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ARGUMENT IN OPPOSITION

Terry Witt and Paulette Pyle,
Oregonians for Food and Shelter

Oregon forests are among the healthiest and most productive in the world thanks in part to the responsible use of pesticides. This is a technology we proudly play a role in and have knowledge about. Measure 64 bans all pesticide use on all forestland in Oregon.

"Pesticide" is an umbrella term covering any product used to control insects, vegetation, diseases, rodents or other pests. It even includes disinfectants and mosquito repellents. Banning use of these important tools will have serious consequences for all Oregonians, not just foresters.

Anyone who has traveled across Santiam Pass has seen how devastating an insect attack like the spruce budworm or pine beetle can be. Imagine what Oregon would look like if pesticides could no longer be used to control insect epidemics, tree diseases or invasive and poisonous weeds? Measure 64 takes these safeguards away from forestland managers, both public and private.

While many benefits will be lost if forest pesticides are banned, two that directly affect human lives should be mentioned. First, dead or dying trees from insects and disease create a heavy fuel load in forests. This promotes massive fires resulting in loss of property and lives. Second, utility rights-of-ways, like telephone and electric lines, depend on herbicides to maintain service access through forestlands. Lose these lifelines and again we lose lives.

Insects don't know the difference between forests, farms and your backyard. To them they're all food. With more than half of Oregon's land classified as forests, banning insecticide use will also provide safe harbor for pests like the Japanese beetle or Asian gypsy moth. These insects can plague a state, attacking private property from forests, to crops in rural agriculture, to roses and grass in residential areas.

A ban on pesticides doesn't make economic, environmental or common sense. **We urge you to vote no on Measure 64 -- it's senseless and extreme.**

(This information furnished by Terry Witt, Paulette Pyle; Oregonians for Food and Shelter.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

OREGON'S FAMILY-OWNED FOREST BUSINESSES URGE OREGONIANS TO VOTE NO ON BALLOT MEASURE 64!

The measure actually is a ban on almost all timber harvesting in Oregon, not just clearcutting; even on all private forest land.

State officials estimate harvests in western Oregon will initially be cut by 60 percent. In eastern Oregon, harvests will drop by 65 percent. And those estimates are conservative. Eventually, timber harvest in Oregon would approach zero.

Unnecessary: Oregon's industry operates under strict regulations. The Forest Practices Act limits the size of clearcuts and requires that trees be left to protect rivers and streams, supply wildlife habitat and provide buffers for highways. The Act also requires that the remaining harvested area is quickly reforested with at least 200 young trees per acre. **Oregon's forests are well-protected.**

Extreme: Measure 64 would define prime forests as clearcuts that couldn't ever be harvested. It also would:

- Cost more than 28,000 Oregonians their forest industry jobs;
- Ban forever the use of forest pesticides, even in the event of insect epidemics or emergencies;
- Absolutely prohibit the harvest of any tree over 30" in diameter on any acre of forest land in Oregon, even if it's diseased or dead;
- Allow any person in the United States to bring a lawsuit to enforce any provision of Measure 64 and generally not be liable for attorney fees; and
- Prohibit the type of clearing harvests that provide habitat for a healthy deer and elk population.

Vote "NO" to keep Oregon's forests healthy, productive and sustainable!

This statement has been endorsed by these family-owned Oregon forest businesses:

Bond Starker, Starker Forests, Inc. Corvallis
Larry and Nat Giustina, Giustina Land & Timber, Eugene
Dan Giustina, Giustina Resources, Eugene
Howard Sohn, Lone Rock Timber Co., Roseburg
Aaron and Marie Jones, Seneca Jones Timber, Eugene
Paul Cole, Rosboro Lumber, Springfield
Gordon Culbertson, Rosboro Lumber Springfield
Dan Dutton, Stimson Lumber Forest Grove/Portland
John Shelk, Ochoco Lumber Company, Prineville
Steve Swanson, Swanson Superior, Glendale/Noti
J.H. Gonyea II, Timber Products, Springfield
Joe Gonyea III, Timber Products, Springfield
Phil and Don-Lee Davidson, Davidson Ind., Mapleton
Lew Krauss, Rough & Ready Lumber Co., Cave Junction
Lynn Herbert, Herbert Lumber, Riddle
Donna Wooley, Eagle's View Management Co., Eugene

(This information furnished by B. Bond Starker, Starker Forests, Inc.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

You've never clear-cut anything. No one in your family works in the timber industry and you can go for months without seeing a 2 by 4. You don't know a Douglas Fir from a Japanese Maple, and don't really care. So why should you vote against Measure 64?

BECAUSE YOU DON'T HAVE TO WORK IN THE WOODS TO BE HURT BY MEASURE 64.

The measure absolutely prohibits cutting any tree over 30 inches in diameter on any single acre of land in Oregon, even if it's diseased or dead. Any tree, including that one that keeps threatening to blow down onto your garage. Or the one that is standing right where your new bedroom or deck would go. Or the one next to the road that the county needs to remove to put in a sidewalk.

Measure 64 actually is a ban on almost all timber harvesting in Oregon, not just clearcutting. State officials estimate harvests in western Oregon will be cut by 60 percent. In eastern Oregon, harvests will drop by 65 percent. And those estimates are conservative. If Measure 64 passes, Oregon will have to import most of its wood products from another country because we could no longer harvest and replant Oregon forests.

Importing lumber would cost you more money. It would cost more when you remodel your house, rents would be higher for the apartment your son or daughter will be moving into, and costs for construction of houses, schools, stores and offices will increase.

The measure requires that 70 11-inch diameter trees be left on every single acre (60 10-inch trees in eastern Oregon). In other words, before the highway department could widen a road, they'd have to figure out how to leave the necessary number of trees. The power company wouldn't be able to run its lines through the forests unless it could leave the minimum number of trees untouched.

And forget about any more farmland being created. Measure 64 essentially would prohibit taking the trees off so that crops could be planted.

The measure encourages the use of farmland for development. Active farms are about the only land in Oregon without trees. If Measure 64 passes, those active farms will be the first place to consider for new development, since there is no realistic way to clear land for housing while leaving 70 11-inch diameter trees on every acre (60 10-inch trees in eastern Oregon).

In a war, it's called collateral damage when innocent noncombatants are killed or wounded. Measure 64 will cause collateral damage in every part of Oregon.

Vote NO on Measure 64.

(This information furnished by Jon Chandler, Oregon Building Industry Association.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

The Oregon Chapter of the Association of Consulting Foresters of America urges you to vote "NO" on Measure 64. The Association is a national organization dedicated to promoting high professional and ethical standards in the management of forest lands. We find Measure 64 to be contrary to the prudent practice of forestry for the following reasons:

Measure 64 actually is a ban on almost all timber harvest methods, not just clearcutting. The measure's definition of clearcutting is so broad that methods such as shelterwood, group selection, sanitation salvage, and in many cases, thinning would be prohibited. These techniques all allow sunlight to reach the forest floor so that tree species with high light requirements, such as Douglas-fir and ponderosa pine, can reproduce. In addition, they often are used to slow insect and disease infestations. The ban will result in a severe decline in the health and productivity of Oregon's forests.

Measure 64 bans sound forest management practices that maintain forest health and productivity. Under this measure, for example, proven, safe chemical pesticides could not be used in Oregon's forests, even in an emergency. Farmers and homeowners use these tools to control damaging pests. However, Measure 64 would ban their use on forest lands to control outbreaks of harmful insects or to control weeds that compete with tree seedlings.

Measure 64 will stifle investment in forestry. The inability to use techniques that allow for growth of new trees and that control harmful insects and diseases will reduce incentive to invest in forestry. About 37 percent of Oregon's forest lands are privately owned. Of the private land, about one third is managed by small, non-industrial landowners. Without the prospect of adequate future returns, private owners will be unable to fund practices that protect and renew the forest.

As professional foresters, our goal is to safeguard the long-term productivity of Oregon's forests. Measure 64 will do just the opposite.

(This information furnished by Jerry Witler, Oregon Chapter, Association of Consulting Foresters of America, Inc.)

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ARGUMENT IN OPPOSITION

Doug Caffall, President and CEO, Caffall Brothers Forest Products
President, Pacific Rim Trade Association
Rolf Glerum, Executive Director, Pacific Rim Trade Association

Pacific Rim Trade Association is a Portland-based organization whose members are engaged in the export of forest products and agricultural commodities to the Pacific Rim. Our membership includes large and small timber companies, tree farmers, stevedoring and towboat operations, shipping companies, labor unions and other entities related to this vital segment of Oregon's economy.

So what is a trade association doing speaking out in opposition to Ballot Measure 64?
Oregonians are fair-minded people. We have a well-deserved reputation nationwide for our practical, middle-of-the-road approach to business and politics, healthcare and education, the environment and the workplace, and most other activities that involve our people.

Any reasonable person would have to agree that Ballot Measure 64 is simply not fair.
We'll leave it up to others more closely aligned with the timber industry to argue the more technical aspects of this measure. We would like, instead, to focus on two extremely important, but easily overlooked, provisions of Ballot Measure 64, and show how grossly unfair these provisions are.

1. **Private landowners would lose the right to manage their property for the greatest good.** No tree farmer in his right mind would intentionally injure, abuse or neglect the trees he harvests to make a living. The healthier they are when they are cut, the higher price they will command, and the more likely it will be that the farmer will replant and reinvest for the future. Measure 64 would dictate almost completely how a privately owned forest is to be managed. **This is simply not fair.**
2. **Oregon tree farmers can be sued by any other person in the U.S. to enforce this measure**. and not have to risk paying attorney fees -- even if he or she loses...but those sued can't recover the costs of defending themselves -- even when they win the case. **This is simply not fair.**

PLEASE JOIN US AND OTHER FAIR-MINDED OREGONIANS IN VOTING NO ON BALLOT MEASURE 64.

Pacific Rim Trade Association
526 NW Marlborough
Portland, OR 97210
(503) 241-4259
Rolf Glerum, Ex. Dir.

(This information furnished by Doug Caffall, President, Rolf Glerum, Executive Director; Pacific Rim Trade Association.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Measure 64 is an initiative that prohibits most forest practices and goes well beyond banning clear-cutting. Its severe restrictions on the number of trees harvested, ban on removing trees over 30", and lawsuit provision are bad for the environment and bad for Oregon's economy. On private lands in Oregon, about 8 billion board feet are over 30". Trees in this category are valued at $4 billion dollars, an appalling loss for private timber owners. Under 64, only 16% of the total non-federal timberland in eastern Oregon would be available for harvest. In western Oregon, about 24% would be available. Its passage will further reduce state and local government revenue, costing them a loss of $75 million/year, when county offices are already burdened with reduced staffs and shortened hours. Measure 64 goes far beyond banning what one normally thinks of as a clear-cut. By its definition, a clear-cut is any harvest in eastern Oregon that leaves fewer than 60 trees that measure 10" on any acre. In some eastern Oregon sites, timbered stands in this condition would actually be overstocked. It bans the use of all pesticides. No matter how dreadful the insect infestation, no use of pesticides would be allowed. Under Measure 64, anyone, living anywhere, could sue a timberland owner and risk nothing. Even if the claimant loses, he/she will not have to pay attorney or court fees. The landowner risks everything and cannot recover the cost of defending themselves, even if they win the case.

Not many people like the look of a recent clear-cut, but Measure 64 goes far beyond banning them. The size of clear-cuts is already regulated by the Oregon Forest Practices Act, and replanting is required within two years. Measure 64 will harm the health of our forests and valued resources such as fish, wildlife habitat, and water quality. Thousands of Oregonians will lose their jobs if this measure passes, resulting in even higher unemployment in rural areas. Vote No on 64.

PAID FOR BY WALLOWA COUNTY CHAMBER OF COMMERCE
PO BOX 427
ENTERPRISE, OR 97828

(This information furnished by Eve Sheehy, Wallowa County Chamber of Commerce.)

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ARGUMENT IN OPPOSITION

"In the first place, then, men should guard against the beginning of change, and in the second place they should not rely upon the political devices invented only to deceive the people, for they are proved by experience to be useless."

Aristotle, *POLITICS*, circa 320 b.c.

It has long been my observation that the best silviculture mimics natures as closely as possible. Thousands of acres of planted forests are indistinguishable in appearance, structure and composition from natural forest.

For the past decade in Western Oregon, we have been using what are called new forestry techniques. In a typical clearcut plenty of defective trees, snags and rotting logs remain for wildlife habitat.

One of the most objectionable results of a ban on clearcutting would be the adverse effects it would have on wildlife habitat. According to the requirements of this deceptive proposal, which is actually an attempt to stop all logging, only a small percentage of a stand would be eligible for harvest.

In fact, on a typical second growth stand, a forester would probably be able to make only one entry. On some stands no entry would be permitted, perhaps forever.

On those stands that could be entered, forest managers would have to partially cut 10 times the area of a single clearcut to get the same volume of timber. The first trees cut would be the defective trees, snags, windfalls and the suppressed trees. In effect, managers would be forced to remove all the best wildlife habitat, only from a much larger area.

Whereas on a clearcut, the best wildlife habitat is retained as an essential part of the composition of the new forest.

Robert Mahaffy
1987 Oregon Tree Farmer of the Year

(This information furnished by Robert Mahaffy.)

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CONTINUED

Measure No. 64

ARGUMENT IN OPPOSITION

Vote "No" on Measure 64

Oregon has the strongest Forest Practice Act of any place in the World! To commercially cut even one tree. . . you must get a permit from the State Forester. . . you will need that permit number when you sell that tree. . . you are required to do everything according to regulations. One of the strongest rules is, " it must be replanted" within two years. The State Forester monitors and enforces these rules. The slanderous charges about "cut and run" have no been true for many years now.

Douglas fir is the finest framing lumber in the world. It is the most desirable and brings a higher price than most other wood. Oregon is the best place in the world to grow Douglas fir. Douglas fir will not grow in the shade of other trees. Clear cutting is a vital tool in managing Douglas fir. We can grow a good merchantable crop of Douglas fir in 40 to 70 years, depending on the site. This is a very short time in the history of the world. Very much of our timber growing land is not suited for anything else.

The very base core of our economy starts with the "land" and what the "land" produces. . . agriculture, farming, cattle, mining, and timber. As valuable as "tees" are, it is the "land" that is forever. How we "manage" that land to "produce" is vital to our economy. The federal government owns or controls over 50% of Oregon land. The State of Oregon owns another 5% of Oregon. That means that less than 40% of Oregon is private property. With the Federal lands "producing" very little toward our economy, and the State lands cutting way back on their support of our economy, we are relying far more on private property. . . or if you will. . . 40% of our land to provide revenue enough to run Oregon ! This measure will be a death blow to private land owners who are managing timber growth.

Now. . . I am 71 years old. . . and no matter what you do, I earned enough from managing timber to live on until I die. But you young people out there. . . this is your future. How are you going to make a living? You are the ones who should be hostile! Get out there and vote!

Dan Kirkpatrick
4880 Shinglehouse Road
Coos Bay, Oregon 97420

(This information furnished by Dan Kirkpatrick.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

VOTE NO ON MEASURE 64

Measure 64 is wrong for Oregon. Claiming to restrict clearcutting and the use of herbicides and pesticides on forestlands, Measure 64 is really about taking away landowner rights and stopping timber harvesting on private lands. Measure 64:

- Prohibits the cutting of any tree over 30 inches and prohibits harvesting under a defined level of stocking. This means that 60% or more of the timber that could now be harvested in Oregon would no longer be harvestable.
- Prohibits the use of pesticides and herbicides on forestlands in Oregon. Currently, herbicides and pesticides are used sparingly as a management tool. In Western Oregon, herbicides are used for brush abatement. In Eastern Oregon, herbicides are used to fight invasion of noxious weeds into forestland. Eliminating the use of herbicides and pesticides prohibits landowners from effectively managing their timber.
- Deems all waters where timber harvest occurs or could potentially occur as navigable waters. While attempting to ensure the measure's requirements will apply to harvest on federal lands, it legalizes access of private land to anyone staying within the legal confines of the stream. In simple terms, Measure 64 legalizes trespass.
- Requires State agencies to seek approval of their management programs from the EPA for nonpoint source water pollution. This means that all timber harvesting and cattle grazing on private land in Oregon would come under the control of the Federal government.

Measure 64 takes forest management out of the hands of private landowners and professional foresters and puts it in the hands of bureaucrats. Brush and noxious weeds could not be cleared with herbicides. Logging slash could not be burned on site. Dead, damaged and diseased tress could not be harvested. These factors increase the danger of forest fires and contribute to an overall decline in forest health. Keep the management of Oregon's forest where it belongs, in the hands of the landowners and professional foresters. **Vote no on Measure 64.**

James Todd, Resource Manager
Woodward Companies, Prineville, Oregon

(This information furnished by James Todd, Resource Manager, Woodward Companies, Prineville, Oregon.)

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Measure No. 64

ARGUMENT IN OPPOSITION

Stan Bunn and Margaret Carter

Measure 64 would hurt Oregon's public schools.

Timber harvests and forest land taxes supply more than $125 million a year for Oregon local governments and schools. This measure risks cutting that revenue in half.

According to the official Estimate of Financial Impact from the Office of the Secretary of State, revenues to schools are estimated to decrease by more than $33 million per year. Additionally, revenues that contribute to the Common School Fund would be reduced by $8.7 million.

Our top priority is working to ensure that every public school student in Oregon has access to a top quality education. We cannot support a measure that cuts millions in funding for schools at a time when we are committed to raising academic standards.

####

(This information furnished by Representative Margaret Carter and Stan Bunn.)

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CONTINUED

Measure No. 65

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

65 AMENDS CONSTITUTION: CREATES PROCESS FOR REQUIRING LEGISLATURE TO REVIEW ADMINISTRATIVE RULES

RESULT OF "YES" VOTE: "Yes" vote creates process for petitioning legislature to require its review of administrative rules.

RESULT OF "NO" VOTE: "No" vote keeps system not requiring legislative approval for administrative rules to remain in effect.

SUMMARY: Amends constitution. Current law does not require legislative review of administrative rules. Measure allows voters to require legislative review of administrative rules at next regular session when petition, signed by specified number of voters, is filed listing affected rules. Rule remains effective until reviewed by legislature, but rule ceases to be in effect unless approved. If governor vetoes bill, rule is disapproved unless legislature overrides veto. If rule is not approved, state agency may adopt new rule on same issue, but legislative review is required.

ESTIMATE OF FINANCIAL IMPACT: No financial effect on state or local government expenditures or revenues.

TEXT OF MEASURE

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

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new section 34 to be added to and made a part of Article IV and to read:

SECTION 34. (1) The people reserve upon themselves the power to require that the Legislative Assembly review and approve any administrative rule in the manner provided by this section.

(2) The Legislative Assembly shall be required to review and approve an administrative rule upon the filing of a petition with the Secretary of State that has been signed by a number of qualified voters equal to two percent of the total number of votes cast for all candidates for Governor at the election at which a Governor was elected for a term of four years next preceding the filing of the petition. A petition filed under the provisions of this subsection shall specify the specific administrative rule or rules that the Legislative Assembly is required to review.

(3)(a) Upon receiving a petition that meets the requirements of subsection (2) of this section, the Secretary of State shall cause written notice to be given to the President of the Senate. The President of the Senate shall thereafter cause to be prepared and introduced at the next following regular session of the Legislative Assembly a bill approving the administrative rule or rules. If the petition is filed with the Secretary of State during a regular session of the Legislative Assembly, the bill required by this subsection must be introduced at the regular session of the Legislative Assembly next following the session during which the petition is filed.

(b) The Legislative Assembly may approve the administrative rule or rules specified in the bill introduced under this subsection by passing the bill. The Legislative Assembly by amendment of the bill may approve only some of the specified rules, or may approve only part of a specified rule. Any administrative rule or part of a rule not approved by the passage of the bill has no further force or effect after adjournment sine die of the legislative session in which the bill is introduced.

(4)(a) Disapproval of a rule or part of a rule under subsection (3) of this section does not prevent a state agency from thereafter adopting another administrative rule pertaining to the issue or issues addressed by the disapproved rule. If a state agency adopts an administrative rule or rules addressing the same issue that was the subject of a rule that was disapproved under subsection (3) of this section, the President of the Senate shall cause to be prepared and introduced a bill approving the administrative rule or rules. The bill shall be introduced at the next following regular session of the Legislative Assembly after the effective date of the rule. If the rule becomes effective during a regular session of the Legislative Assembly, the bill required by this subsection must be introduced at the regular session of the Legislative Assembly next following the session during which the rule becomes effective.

(b) The Legislative Assembly may amend a bill introduced under this subsection in the same manner as provided for bills introduced under subsection (3) of this section. Any administrative rule or part of a rule not approved by the passage of the bill has no further force or effect after adjournment sine die of the legislative session in which the bill is introduced. If an administrative rule or part of a rule is disapproved under the provisions of this subsection, any administrative rule adopted by a state agency that addresses the same issue that was the subject of the disapproved rule is of no force and effect until such time as the Legislative Assembly by law approves the rule.

(c) Any person may seek judicial review of a determination made by the President of the Senate on whether an administrative rule addresses the same issue that was the subject of a rule that was previously disapproved under subsection (3) of this section. Any person may seek a judicial determination as to whether an administrative rule adopted by a state agency after disapproval of a rule under this subsection addresses the same issue that was the subject of the disapproved rule. In any proceeding for judicial review under this subsection, the court shall liberally construe the language of a rule in favor of a finding that the rule addresses the same issue that was the subject of a previously disapproved rule. The Legislative Assembly shall by law provide a process for seeking judicial review under this subsection.

(5) Any bill introduced under this section is subject to veto by the Governor in the manner provided by section 15b, Article V of this Constitution. If the Governor vetoes a bill introduced under this section, the administrative rule or part or a rule specified in the bill shall be considered disapproved for the purposes of this section unless the Legislative Assembly overrides the veto in the manner provided by section 15b (2), Article V of this Constitution.

(6) Nothing in this section affects any right of a person to seek judicial review of any rule as otherwise provided for by law.

(7) As used in this section:

(a) "Administrative rule" means any state agency directive, standard, regulation or statement of general applicability that implements, interprets or prescribes law or policy, or that describes the procedures or practices of a state agency, but does not include:

(A) Executive orders; or

(B) State agency internal management directives, regulations or statements if those directives, regulations or statements do not substantially affect the interests of members of the public.

(b) "State agency" means any elected or appointed state officer, board, commission, department, agency or institution, except those in the legislative and judicial branches.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

CONTINUED

Measure No. 65

EXPLANATORY STATEMENT

This measure would amend the Oregon Constitution to create a review and approval process of state agency administrative rules by the Legislative Assembly. Currently, no such process exists. This process is triggered when a petition signed by a specified number of qualified voters is filed with the Secretary of State.

Administrative rules are rules and regulations adopted by state agencies, boards and commissions that generally have the full force and effect of law.

The number of qualified voters who must sign the petition is equal to two percent of the total number of votes cast for all candidates for Governor at the last gubernatorial election. The petition must specify the administrative rule or rules that the Legislative Assembly is required to review.

Upon being notified by the Secretary of State that a petition meeting the requirements of the measure has been filed, the President of the Senate must prepare a bill that would approve the administrative rule or rules specified in the petition. The President of the Senate must then introduce that bill at the next following regular session of the Legislative Assembly. If the petition is filed with the Secretary of State during a regular session, the bill must be introduced at the next following regular session.

After the introduction of the bill, the Legislative Assembly may amend the bill to approve only part of a specified rule. If the petition specifies more than one rule, the bill may be amended to approve fewer than all of the specified rules. Any rule or part of a rule that is not approved by the passage of a bill has no further force or effect after the session is adjourned.

Disapproval of a rule under the measure does not prevent an agency from adopting another rule pertaining to the same issue. However, if the agency does adopt another rule addressing the same issue, the President of the Senate must introduce a bill for approval of the new rule. Once again, the new rule will have no further force or effect after the end of the legislative session in which the bill is introduced if the bill is not passed. If the new rule or any part of the new rule once again fails to gain approval, the measure requires that any rule adopted thereafter by a state agency to address the same issue that was the subject of the disapproved rule must be approved by the Legislative Assembly before the rule can take effect. The measure authorizes judicial review of the question whether a new rule addresses the same issue that was the subject of a previously disapproved rule. The measure directs courts to interpret a new rule in favor of a finding that it addresses the same issue as a disapproved rule.

The measure provides that bills introduced under the measure's provisions are subject to veto by the Governor, and that any such veto may be over-ridden in the same manner provided for other bills.

Committee Members:	Appointed by:
Larry George	Chief Petitioners
David Hunnicutt	Chief Petitioners
Ron Cease	Secretary of State
Professor Bill Funk	Secretary of State
Professor Jim Huffman	Members of the Committee

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

ARGUMENT IN FAVOR

Did You Know That Unelected Government Officials Can:

* Raise fees and cost you money
* Allow polluters to foul our air and water
* Stop you from voting on local issue

The sad truth is that new rules are made every day.
And our elected officials are powerless to do anything about it.
They're called administrative rules.

Currently, numerous boards, commissions, and state agencies create administrative rules. The average voter doesn't know where they come from, who made them up, or even why we don't have some control over the agencies we created.

That's why we need to pass Measure 65.

Measure 65 is About Citizen Involvement

Measure 65 simply allows citizens to gather signatures on a petition. If enough signatures are gathered, the legislature is required to review administrative rules we think are unfair, unwise, too weak or too costly.

Like the rule that allow companies to dump toxic sludge in our rivers.
Or the one that says a barber can't let his dog lie in the corner of his shop.

Measure 65 Doesn't Change One Single Rule that Already Exists

But it does give citizens a voice . . .
A chance to tell the Legislature that our beliefs and feelings are being ignored . . .
A chance for average citizens to take control away from special interest groups.

Vote Yes on Measure 65
Vote Yes for More Citizen Involvement

(This information furnished by Lawrence B. George, Citizens for Accountability in Administrative Rules.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 65

ARGUMENT IN FAVOR

VOTE YES FOR CITIZEN INVOLVEMENT

Vote Yes on Measure 65:

* Accountability and Openness in State Government
* Citizen Involvement
* Reduce The Influence of Special Interests

What is Measure 65?
Simply stated, Measure 65 is a citizen involvement issue.

Numerous boards, commissions, and other state agencies can create administrative rules (laws) without the review and approval of our elected legislators. Measure 65 creates an initiative process which allows citizens to force their elected representatives to review state agencies' administrative rules.

What are Administrative Rules?
Administrative rules are laws passed by non-elected state agencies. They have the same force and effect as state laws passed by our elected officials. State agencies can impose regulations, raise fees (taxes), and levy fines through administrative rules.

Currently, there is no process for citizens to challenge administrative rules or to require elected officials to review and approve them. Ballot Measure 65 corrects this problem.

Why do we need Measure 65?
Over the last 30 years, state agencies have begun using administrative rules, not to implement actions of the legislature, but rather to create public policy themselves.

In contrast to the legislative system that is safeguarded by checks and balances, state agencies are empowered to adopt and implement administrative rules and regulations that have the full effect of law, as if adopted by the Legislature, but without review by the elected officials.

If you have any questions concerning Measure 65 please feel free to call Citizens For Accountability In Administrative Rules at (503) 620-0258.

(This information furnished by Lawrence B. George, Citizens for Accountability In Administrative Rules.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

FROM:

Senator Thomas Wilde - Democrat
Senator Bill Fisher- Republican

We are from different political parties, different parts of the state, represent very different constituencies, and have very different views on a number of issues.

However, both of us believe that Measure 65 is important to every Oregonian.

Whether you are Democrat, Republican, Independent, or a member of another party, having access to state government is vital.

Measure 65 gives more power to the voters, because it allows voters to require the legislature to review new laws adopted by state agencies. Measure 65 makes both the legislature and state agencies more accountable to the people of Oregon.

Measure 65 is not a partisan issue, it is about good government.

Only Voters Can Change This Process.

Measure 65 gives the citizens more power in state government, therefore Measure 65 must be a "constitutional amendment."

We strongly respect the integrity of Oregon's Constitution, and upon our thorough review, we believe Measure 65 deserves your support.

We urge you to vote yes and support Measure 65.

Sincerely,

Senator Thomas Wilde	Senator Bill Fisher
Democrat	Republican
Portland	Roseburg

(This information furnished by Senator Thomas Wilde (D - Portland), Senator Bill Fisher (R - Roseburg.))

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CONTINUED

Measure No. 65

ARGUMENT IN FAVOR

The Oregon State Grange Asks You To Vote Yes On Measure 65.

The Oregon State Grange is the largest grassroots, rural-based fraternal organization in the state with 245 local Granges. Grange members believe that an open and responsive state government is vital for good government and that is why we are urging you to vote yes on Measure 65.

No matter what issues you care about, the environment, education, or crime and punishment, Measure 65 gives average Oregonians more power through their state government.

Citizens Should Have The Right To Petition Their Government.

Oregon was the first state to give its citizens the right to circulate petitions to change state law. The Grange was the first organization to fight for this important right in Oregon. Direct democracy has been a proud Oregon tradition for over 90 years.

Over the past 30 years we have seen a substantial growth in "administrative rules". Administrative rules are laws passed by non-elected state bureaucrats who work in state agencies. Currently no process exists for citizens to petition their state government to change administrative rules. **Measure 65 corrects this problem.**

Measure 65 will require the Legislature to review "administrative rules" when citizens disagree with the actions of bureaucrats and then take action.

Measure 65 is about giving you more say over what happens in Salem. The Oregon State Grange urges your **"Yes" vote on Measure 65.**

(This information furnished by Edward L. Luttrell, Oregon State Grange.)

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ARGUMENT IN FAVOR

Help Protect The Family Farm Vote Yes on Measure 65

Measure 65 will help small farmers have a voice in state government, a voice we do not currently have.

Measure 65 creates a process that should already be the law and that most other states already adopted.

Measure 65 will help in several important ways:

1) Measure 65 would make state government more accountable to Oregonians
2) Measure 65 would counteract special interests' and lobbyists' influence
3) Measure 65 would open-up state government

Administrative rules are laws, just like those laws passed by a majority of our state senators, state representative, and eventually approved by the governor, except for one important requirement: administrative rules do not go through the careful "checks and balances" of the legislative process.

Simply put: state agencies are writing laws. State agencies are lobbied and influenced by special interests and there are very few ways that the average citizen can influence this process. Measure 65 fixes this problem.

Family farmers have found that state agencies react to special interest lobbying and protect moneyed interests, many times to our detriment.

Rules have even been written to specifically limit small family farms. This must stop. It is not fair, and it not good public policy. Measure 65 will help fix this problem.

Lane County Farm Bureau urges you to vote Yes on Measure 65.

(This information furnished by Lafona Jensen, Lane County Farm Bureau Federation.)

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CONTINUED

Measure No. 65

ARGUMENT IN FAVOR

FROM THE DESK OF STATE SENATOR GARY GEORGE

Dear Voter:

Measure 65 will fix a serious problem in our state government.

All too often we hear outrageous (but true) stories about problems with state government -- problems which illustrate a simple lack of common sense from government bureaucracies.

In fact, most of the calls I receive are from Oregonians seeking help solving problems they have with state agencies and bureaucratic administrative rules. Unfortunately, state legislators, like myself, are seldom able to effectively change these situations. Why? Because the problems are caused by **"administrative rules."** Literally thousands of these rules are created each year by the agencies themselves, and they **have the power of law.**

Measure 65 will empower citizens by giving Oregonians an effective tool to streamline state government by cleaning up or getting rid of the rules that create unnecessary problems.

Measure 65 will:

- **Give more power to the voter**
- **Make state agencies and legislators more accountable to the people**
- **Restore the "checks and balances" in state government**
- **Streamline state government**

Please join me in voting "Yes" on Measure 65.

Sincerely,

Gary George
State Senate, District 2

(This information furnished by Gary George, State Senator District 2.)

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ARGUMENT IN FAVOR

Vote Yes for Quality Education
Vote Yes for Ballot Measure 65

"Oregonians For Excellence In Education" was formed to be an advocate for constructive educational reform. Our goal is to allow parents to have more involvement in their child's education.

Measure 65 would give parents and local communities a stronger voice as Oregon reforms its educational system.

With the passage of Ballot Measure 5 in 1990, a greater portion of education funding now comes from the state, while local school districts have less control over how children are educated.

Measure 65 gives parents and local districts a tool to regain some local control of education lost with the passage of Measure 5.

Measure 65 simply creates a process where parents can be heard. Measure 65 is a constructive and positive way to actualize "excellence in education."

Measure 65 is important for our state's educational future and that is why we are asking you to vote yes on Measure 65.

(This information furnished by Richard Meinhard, Oregonians for Excellence in Education.)

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CONTINUED

Measure No. 65

ARGUMENT IN FAVOR

Don't Let Special Interests Mislead You

How can any ballot measure that gives the people the power to petition their state government be anything but good?

Measure 65 gives power back to the citizens

Measure 65 can save the taxpayers money

Measure 65 restores the checks and balances in state government

Measure 65 breaks the partisan "log-jam" in state government

Thirty-three other states have now adopted review of state agency laws, because it is good public policy.

Special interests know that Measure 65 would break their monopoly on state agency lawmaking. If you hear outrageous claims against Measure 65, remember, special interests have a great deal to lose when we allow and encourage **citizen involvement** in state government.

Please Vote Yes for Citizen Involvement
Please Vote Yes on Measure 65.

(This information furnished by Kay Finney.)

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ARGUMENT IN FAVOR

VOTE YES ON BALLOT MEASURE 65

Citizens for Accountability in Administrative Rules asks you to Vote Yes on Ballot Measure 65.

BALLOT MEASURE 65 WAS CAREFULLY PREPARED AND REVIEWED BY BOTH PRIVATE AND GOVERNMENT ATTORNEYS

Ballot Measure 65 was drafted and prepared jointly by both private and government attorneys. It was carefully reviewed for compliance with both the United States and Oregon Constitutions. Ballot Measure 65 complies with both the United States and Oregon Constitutions.

Other groups may argue that Ballot Measure 65 is unconstitutional. They have no legal authority to back those claims. Their claims may be interesting to talk about in law school, but they have no bearing in the real world.

IF YOU DISAGREE WITH A MEASURE, JUST COME OUT AND SAY IT

Other groups may claim that Ballot Measure 65 "clutters up" the Oregon Constitution. This is silly.

Ballot Measure 65 is an amendment to the Oregon Constitution because that is the only pace that the Measure could be located. It did not fit anywhere else.

We all respect the Oregon Constitution, and do not amend it lightly. Ballot Measure 65 will amend the Constitution in the same section where Oregonians reserve the right to challenge laws passed by our state legislature. **All Measure 65 asks is that average Oregonians be given the same right to challenge rules passed by unelected state government officials.**

If you want additional information on Ballot Measure 65, please call (503) 620-0258. We will be happy to answer all questions which you have about the Measure, including any legal questions.

(This information furnished by Dave Hunnicutt, Citizens For Accountability In Administrative Rules.)

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CONTINUED

Measure No. 65

ARGUMENT IN FAVOR

I'll bet that you didn't know that people who weren't elected can write laws in Oregon. Until recently, I didn't know it, either.

Administrative rules are laws written by unelected bureaucrats. These unaccountable bureaucrats sit in their offices and make up laws, and Oregonians have no recourse to challenge those laws. We can't vote the bureaucrats out. We can't refer the laws to the voters. We can't even demand that the Legislature intervene.

The private lives of Oregonians have become increasingly governed by administrative rule – rules that regulate everything from the kind of health care our insurance will pay for to the kinds of plants we can put in our yards.

Every healthy society recognizes the need for rules to protect its citizens' freedoms and safety. But on those occasions when government gets carried away and becomes overly-intrusive, Oregonians deserve to have some way of challenging those rules.

When unelected bureaucrats wrote rules that hindered parents from reviewing the curriculum being taught in the children's schools, parents had no way to force another look at those rules.

When unelected bureaucrats wrote rules that said the Oregon Health Plan might pay for sex change operations, but not for tonsillectomies, the public had no recourse.

Measure 65 is one of the most important government reforms we can make. It makes even unelected bureaucrats accountable to the citizens. It gives the citizens a process whereby they may force the Legislature to vote up or down on administrative rules.

Measure 65 is needed to protect the private lives and freedoms of Oregonians. Please vote YES on Measure 65.

(This information furnished by Becky Miller, Executive Assistant, Oregon Taxpayers United.)

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ARGUMENT IN OPPOSITION

The Former Deans Committee

We believe Measure 65 raises serious issues under the Oregon Constitution and Fourteenth Amendment to the United States Constitution. This Measure proposes to establish a Constitutional initiative process for review of Administrative Rules. Administrative Rules are made after the Legislature adopts a statute. Many times the Legislature does not have time or expertise to draft details of a statute, so the Legislature gives this authority to a State Board, Commission or Department to carry out the intention of the Legislature.

This proposal allows for an initiative petition to refer an Administrative Rule to the Oregon Legislature. If the Legislature, for any reason, takes no vote concerning the Administrative Rule during the legislative Session, the Administrative Rule is repealed. We believe the measure raises serious concerns under the Fourteenth Amendment to the United States Constitution for it may allow a small group of petitioners to frustrate the implementation of a statute.

We believe the Measure to be an unnecessary amendment to the Oregon Constitution. We believe this Measure would clutter the Constitution, and, if adopted at all, should be considered as a statute rather than amendment to the Constitution.

We provide this information to help fellow voters in understanding this measure. Our comments are designed only to provide objective and careful constitutional analysis of the measure. Collectively we take no position on the other merits of this measure.

Prof. Leroy Tornquist (Chair), Former Dean Willamette College of Law

Rennard Strickland, Dean University of Oregon Law School

Prof. Robert Misner, Former Dean Willamette College of Law

Prof. Emeritus Chapin Clark, Former Dean University of Oregon Law School

Prof. Maury Holland, Former Dean University of Oregon Law School

Robert Ackerman, Dean Willamette College of Law

David Frohnmayer, Former Dean University of Oregon Law School

(This information furnished by Bob Cannon, Treasurer, The Former Deans Committee.)

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CONTINUED

Measure No. 65

ARGUMENT IN OPPOSITION

WHAT COULD MEASURE 65 DO?

RUIN THE OREGON WE LOVE!

Oregon has the nation's strongest program to plan its growth. It protects farmland and forest lands. It stops urban sprawl. It helps guarantee public beaches and makes building affordable housing easier. All these statewide planning goals are administrative rules. (The Legislature itself decided to use rules instead of laws to assure good planning.) Measure 65 would make it easy for a small group of extremist to repeal these goals without a vote of the people or action by the Legislature.

MEASURE 65 ALLOWS A TINY, UNDEMOCRATIC, MINORITY TO OVERRULE THE MAJORITY OF VOTERS, WITHOUT AN ELECTION OR ANY ACTION BY THE LEGISLATURE.

The opponents of planning for growth tried to repeal Oregon's land use planning program by initiative three times and were decisively defeated each time. If Measure 65 passes, it would require only 25,000 people and a single State Senate Committee Chairman to repeal the planning goals that are the heart of the planning program.

MEASURE 65 WAS WRITTEN BY AN EXTREMIST ORGANIZATION THAT HAS NEVER BEEN ALE TO CONVINCE THE LEGISLATURE OR COURTS TO OVERTURN THE PLANNING RULES AND LAWS IT OPPOSES.

Oregonians In Action is working to weaken Oregon's land use planning laws. They tried to persuade the Legislature and Supreme Court to weaken, abolish, or invalidate land use planning rules and they failed. Now they are trying to create a special way to overturn all of the rules without a vote of the people, action by the Legislature or review by the courts.

LOVE OREGON? VOTE NO ON 65

Jackson County Citizens League
Friends of Linn County
Oregon Shores Conservation Coalition
Friends of Eugene
1000 Friends of Oregon
Friends of Yamhill County
Hood River Valley Residents Committee
Alliance for Responsible Land Use in Deschutes County

(This information furnished by Robert L. Liberty, 1000 Friends of Oregon.)

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ARGUMENT IN OPPOSITION

THE UNDERSIGNED FARMERS, RANCHERS AND TREE FARMERS RESPECTFULLY ASK OUR FELLOW OREGONIANS TO VOTE NO ON MEASURE 65 TO PROTECT OREGON'S FARMLANDS, RANCH LANDS, AND FOREST LANDS AND TO ALLOW US TO CONTINUE TO GROW FOOD, RAISE LIVESTOCK AND PRODUCE WOOD.

We are Oregonians who make our living by growing crops, livestock and timber. Oregon's land use planning rules are what has protected our land from urban sprawl and from rural homesite development. These laws has been essential to maintaining the basic livelihood of thousands of Oregon families who earn their living in agriculture and timber.

The sponsor of Measure 65 have made it very clear that they intend to use the Measure to weaken or repeal the rules that protect farm, range and forest lands.

Please vote no on Measure 65.

Bob & Ken Bailey
Cherries
Wasco County

Sydney & Richard Blaine
Pears, Cherries, Apples & Cattle
Hood River County

Judson & Diana Parsons
Pears, Timber
Jackson & Marion Counties

Donald Logan
Christmas Trees, Hay, Timber
Washington County

Gary L. Harris
Onion & Carrot Seeds
Jefferson County

Michael McCarthy
Cattle, Timber, Hay, Apples, Pears
Hood River County

Barb Iverson
Horticultural Products
Clackamas Counties

Lois and Clif Kenagy
Row Crops
Benton County

Ambrose & Susan McAuliffe
Cattle & Calves
Klamath County

David & Diana Lett
Wine Grapes
Marion County

Ron R. Olson
Grass Seed, Garlic, Mint
Jefferson County

(This information furnished by Robert L. Liberty, 1000 Friends of Oregon.)

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CONTINUED

Measure No. 65

ARGUMENT IN OPPOSITION

American Association of Retired Persons (AARP), Planned Parenthood, the Oregon State Council of Senior Citizens and others who care about health care say:

MEASURE 65 COULD BE HAZARDOUS TO YOUR HEALTH

There is a lot the supporters of Measure 65 won't tell you. Perhaps they are just interested in avoiding some of the rules they don't like. But in doing that, they will destroy a system that is absolutely critical for a safeguarding the health of Oregonians.

Just about everything to do with protecting health and safety in Oregon comes through the administrative rules process. There is a good reason for that: these rules must be developed by professionals in health care, public health and other specialties. But if Measure 65 passes, anyone can try to overturn rules such as:

- Communicable Disease Control in Day Care Facilities
- Rabies Control
- Which Diseases Must be Reported and to Whom
- Restaurant or Food Pushcart Inspections
- Tuberculosis Screening and Control
- Immunization Requirement
- Public Swimming Pool Regulations
- Certification of Public Drinking Water Systems
- Privacy of Medical Records

It is easy to imagine those who wish to increase their profits or reduce their responsibility challenging these rules and hundreds like them. It is also easy to imagine those with religious or ideological agendas using this measure to force their beliefs on others -- including trying to limit or disrupt access to family planning or other services that should be a matter between an individual and their doctor.

This is not a scare tactic: Measure 65 poses a direct threat to the system that protects the public's health in Oregon. It doesn't matter what the authors intended – this is what it actually could do.

Please don't be reckless with the health and safety of you and your neighbors.
Vote NO on Measure 65

James A. Davis, Oregon State Council of Senior Citizens
Marion Esty, American Association of Retired Persons (AARP)
Mary Nolan, Planned Parenthood of the Columbia Willamette

(This information furnished by James A Davis, OR State Council of Senior Citizens.)

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ARGUMENT IN OPPOSITION

From the desk of John A. Kitzhaber, M.D.

Dear Oregon Voter:

I am writing to ask you to oppose Measure 65--an unnecessary and burdensome measure which is really just a back-handed assault on Oregon's quality of life. Measure 65, like Measure 27 which we overwhelmingly defeated in 1996 by more than 70 percent, would allow the rejection of administrative rules. These rules are vital tools to protect kids, provide for clean air and water, preserve farm land, prevent sprawl and protect health and safety.

Let me cite a few examples of the kinds of rules which would be at risk:

- Rules which allow us to protect abused children
- Rules which set standards for clean air and clean drinking water
- Statewide planning rules which allow us to protect our beaches, manage growth and preserve farm and forest land by establishing urban growth boundaries
- Statewide health and safety rules which protect workers at the worksite
- Statewide building codes which protect the safety of our homes and commercial building

If passed, Measure 65 would allow any special interest which can pay to collect about 25,000 signatures (less than 1.3% of voters) to place any of these rules in jeopardy. Then, if the legislature simply fails to act on these rules they are rejected. That is not the right way to challenge rules implementing democratically passed legislation.

We all know how easy it is for a single powerful committee chair or a special interest to block a measure from even being considered. As I stated in 1996, that's not accountable. The legislature already has oversight over agency rulemaking. If the legislature doesn't like a rule, it can change or clarify a statue so the agency must correct its regulations.

Oregon faces many challenges in the coming year: juvenile crime prevention, education, managing growth. Let's focus on meeting these challenges instead of this unnecessary measure.

Please join me in voting no on Measure 65.

Sincerely,

John A. Kitzhaber, M.D.

(This information furnished by John A. Kitzhaber, M.D.)

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CONTINUED

Measure No. 65

ARGUMENT IN OPPOSITION

Oregon's Business Community Urges You to Vote NO on 65

As members of Oregon's business community, we are proud of our role in making Oregon work. Oregon succeeds when business, government and citizens can work in a partnership, creating an environment that makes our state a great place.

For business, a critical part of that environment is a stable, rational system for making rules we must follow on a day-to-day basis. That includes health and safety rules, tax accounting procedures, air and water pollution control, food growing and packaging standards, and just about anything to do with employees' insurance coverage.

Right now, these rules are made by Departments, Boards and Commissions that have expertise in their respective area. And there is a process for us to work with those officials as rules are drafted. We may not always agree with them. But there is also a process to appeal. Most important, the system is stable and predictable.

Without that stability, it could be difficult – or nearly impossible – to manage our businesses. And it's precisely that stability which Measure 65 would destroy. It is a threat to every Oregon business, those who are employed by them and those who depend on our products and services.

Imagine playing a game where the rules changed whenever someone decided they didn't like them. Imagine having to make massive investment decisions based on rules that could be put in limbo for almost two years. It would create an intolerable mess. It would also turn Oregon from a state with an attractive business environment and strong economy into a place in which any prudent person would have serious concerns about locating a business..

Whatever the proponents thought Measure 65 would do, it will harm Oregon's economy. We urge you to defeat this measure.

Vote NO on 65.
Bad for Business. Bad for Oregon.

Fred Miller, Senior Vice President
Portland General Electric

Ron E. Timpe Chairman, President and CEO
Standard Insurance Company

(This information furnished by Fred D. Miller, Portland General Electric.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

STATEMENT IN OPPOSITION BY FORMER OREGON APPELLATE JUDGES

MEASURE 65 IS UNNECESSARY:
COURTS CAN ALREADY TEST RULES FOR COMPLIANCE WITH LAWS PASSED BY THE LEGISLATURE

The Oregon Legislature often assigns to state agencies the task of interpreting and carrying out laws, sometimes by administrative rules. Agencies can adopt permanent rules only after public notice and giving any citizen the opportunity to comment on the proposed rule. An oral hearing must be held if requested by ten or more people or an association having at least ten members.

Anyone affected by a rule who believes that it is unauthorized or contrary to a law passed by the Legislature can have it reviewed in court.

We heard many challenges to rules when we were active judges. Oregon courts invalidate rules that are not authorized or are inconsistent with the law.

THE LEGISLATURE CAN ALREADY REPEAL OR AMEND AGENCY RULES

Anyone can ask the Legislature to repeal or amend any rule that departs from the Legislature's policies, without collecting 24,000 signatures.

A FEW PEOPLE SHOULD NOT BE ALLOWED TO STOP STATE AGENCIES FROM CARRYING OUT THE LAW

To permit a few people to stop agencies from administering existing statutes would be a radical and harmful departure from Oregon's constitutional separation of powers.

George M. Joseph
Chief Judge & Judge
Oregon Court of Appeals
1977-1992

Hans Linde
Justice
Oregon Supreme Court
1979-1990

William L. Richardson
Chief Judge & Judge
Oregon Court of Appeals
1976-1997

Betty Roberts
Justice
Oregon Supreme Court
1982-1986

Jacob Tanzer
Justice
Oregon Supreme Court
1980-1983

(This information furnished by Robert Liberty.)

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CONTINUED

Measure No. 65

ARGUMENT IN OPPOSITION

The Oregon Environmental Council
Urges You to Vote NO on Ballot Measure 65

With Measure 65 a few wealthy special interests are threatening Oregon's clean air and water. They think that developers and polluters shouldn't have to play by the same rules as the rest of us. Seventy five percent of Oregonians rejected a similar measure in 1996, but these special interests are at it again. Here is what's at stake:

Clean Water - Measure 65 threatens Oregon's rules that implement the Clean Water Act and Safe Drinking Water Act, limiting the pollution allowed into our rivers, streams, and even our household tap water. Under Measure 65, polluters could simply exempt themselves from these rules, taking us back to the days when our rivers flowed with raw sewage and toxic waste. Rules adopted to protect Oregon's declining runs of salmon and steelhead would be likely targets for repeal, as well.

Clean Air - Oregon's rules implementing the federal Clean Air Act and other clean air programs have successfully reduced field burning, toxic industrial emissions, and summer smog that can cause asthma, lung disease, and cancer. Under Measure 65, massive field burning could quickly return, along with a toxic stew of other pollutants like mercury, dioxin, and lead.

Clear Thinking - Oregon's rules to protect the environment are the result of years of research, thoughtful negotiation among all stakeholders, and public meetings. Measure 65 would allow any well-funded group with a bone to pick to destroy all that hard work and shift these decisions from experts to politicians. Throwing problems back to our citizen legislators, who already have over 3,000 bills to review when they meet every other year, will add nothing but delay, confusion and bad law.

Measure 65 is a back-door attempt to let special interests re-write the rules that protect Oregon's clean air, clean water, and quality of life for their own private benefit.

Don't let them do it! Please vote no on Measure 65.

This message furnished by the Oregon Environmental Council and is supported by the Oregon League of Conservation Voters.

(This information furnished by Jeff Allen, Executive Director, The Oregon Environmental Council.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

A MESSAGE FROM OREGON LEAGUE OF WOMEN VOTERS

Measure 65: A Recipe for Legislative Chaos

The Oregon League of Women Voters is dedicated to making sure our political process is open, fair and effective. For that reason, we urge Oregonians to vote NO on Measure 65.

The time and resources of the legislature are already strained by efforts to deal with the critical issues facing Oregon, such as education, public safety and others. Measure 65 would make it easy for groups or individuals to literally paralyze the legislative process by referring large numbers of administrative rules.

There are good reasons that we have an administrative rules system. Please Vote NO on Measure 65.

A MESSAGE FROM OREGON PUBLIC EMPLOYEES UNION AND AMERICAN ASSOCIATION OF UNIVERSITY WOMEN

Measure 65: Unnecessary and Dangerous

Oregon's administrative rules system is based on a sound principle: those with expertise in an issue should make the rule governing it. And there is nothing wrong with improving it.

But Measure 65 doesn't seek to improve the system: it will destroy it. That poses a serious threat to Oregonians.

Any organization or individual, no matter how extreme, can put any rule into the hands of politicians to decide. That means politicians deciding technical, detailed rules about:

- How your medical doctor treats you.
- Whether water is safe for you to drink.
- Building and fire safety codes.
- The curriculum of your local schools.
- What textbooks your children are allowed to use.
- What kind of medicines can be prescribed for you.

This is just a sample of rules that could be decided by politicians in the legislature instead of experts.

The people who put Measure 65 on the ballot may only be trying to take control of Oregon's land use planning system. But whether or not it's their intention, their measure is reckless, and a recipe for legislative chaos. It is a bad idea that would be an even worse reality.

VOTE NO ON MEASURE 65

(This information furnished by Alice M. Bartelt, Oregon - American Association of University Women; Paula Krane, League of Women Voters of Oregon.)

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Measure No. 65

ARGUMENT IN OPPOSITION

HUMAN SERVICES COALITION OF OREGON OPPOSES MEASURE 65

MEASURE 65 ENDANGERS CITIZEN PROTECTIONS

Many Oregon rules exist because citizens have asked their legislators for laws that protect abused children, safeguard the developmentally disabled, provide services to the mentally ill, expand health care services to the working poor, establish patients' rights and create standards for child care. If any of these or other rules receive the required number of signatures under Measure 65 and the legislature fails to act, the rule implementing the law loses its force and effect. Inaction by the legislature could also mean inaction by the state in protecting and serving our most vulnerable citizens.

MEASURE 65 DISCOURAGES CITIZEN INVOLVEMENT

Oregon has a history of citizen involvement in its rule making process. There are public notices and hearings with opportunity for written comments. Also many agencies have citizen boards and commissions that are responsible for adopting the rules. History demonstrates that this citizen involvement does result in rule modification. Measure 65 could well encourage special interests who don't want a rule to wait and channel their energies into petition gathering rather than reshaping the rules during the adoption process.

MEASURE 65 DISTORTS SEPARATION OF POWERS

Measure 65 doesn't meet the tests for constitutional integrity. It doesn't distribute power among the branches of state government with equity. Rather legislators are being placed in the position of being micro-manager. Oregon law currently provides for court challenges if a rule is thought to violate legislative intent. And if the legislature believes a rule is inappropriate, it can change the enabling statute.

CURRENT LAW DISTRIBUTES POWER WITH EQUITY PLEASE VOTE NO ON MEASURE 65

(This information furnished by Ellen C. Lowe, Human Services Coalition of Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 66

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

66 AMENDS CONSTITUTION: DEDICATES SOME LOTTERY FUNDING TO PARKS, BEACHES; HABITAT, WATERSHED PROTECTION

RESULT OF "YES" VOTE: "Yes" vote dedicates 15 percent lottery funding to parks, beaches; salmon, wildlife habitat, watershed protection.

RESULT OF "NO" VOTE: "No" vote retains system restricting state lottery funding to job creation, economic development, public education.

SUMMARY: Amends constitution. State lottery proceeds currently limited to job creation, economic development, public education. Measure dedicates 15 percent of net lottery proceeds to new fund for parks, beaches; salmon, wildlife habitat, watershed protection. Dedicates half of fund to create, maintain state parks, ocean shores, public beach access areas, historic sites, recreation areas. Dedicates other half for single agency to administer funds to protect native salmon, wildlife habitat, watersheds, using at least 65 percent for capital expenditures. Requires biennial audits, voter renewal in 2014. Other provisions.

ESTIMATE OF FINANCIAL IMPACT: An estimated $46.2 million of state lottery proceeds will be directed each year to parks and natural resources until the year 2014, when there is an automatic revote. Currently the Oregon legislature allocates those funds to a variety of programs including, but not limited to, education, economic and community development, natural resources and transportation. This estimate is based on 1999-2001 projections of lottery proceeds.

TEXT OF MEASURE

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

PARAGRAPH 1. Section 4, Article XV of the Constitution of the State of Oregon, is amended, and the Constitution of the State of Oregon is amended by creating new sections 4a and 4b to be added to and made a part of Article XV, such sections to read:

Sec. 4. (1) Except as provided in subsections (2), (3), (4), [*and*] (5) **and (6)** of this section, lotteries and the sale of lottery tickets, for any purpose whatever, are prohibited, and the Legislative Assembly shall prevent the same by penal laws.

(2) The Legislative Assembly may provide for the establishment, operation, and regulation of raffles and the lottery commonly known as bingo or lotto by charitable, fraternal, or religious organizations. As used in this section, charitable, fraternal or religious organization means such organizations or foundations as defined by law because of their charitable, fraternal, or religious purposes. The regulations shall define eligible organizations or foundations, and may prescribe the frequency of raffles, bingo or lotto, set a maximum monetary limit for prizes and require a statement of the odds on winning a prize. The Legislative Assembly shall vest the regulatory authority in any appropriate state agency.

(3) There is hereby created the State Lottery Commission which shall establish and operate a State Lottery. All proceeds from the State Lottery, including interest, but excluding costs of administration and payment of prizes, shall be used for any of the following purposes: creating jobs, furthering economic development, [*or*] financing public education in Oregon **or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats.**

(4)(a) The State Lottery Commission shall be comprised of five members appointed by the Governor and confirmed by the Senate who shall serve at the pleasure of the Governor. At least one of the Commissioners shall have a minimum of five years experience in law enforcement and at least one of the Commissioners shall be a certified public accountant. The Commission is empowered to promulgate rules related to the procedures of the Commission and the operation of the State Lottery. Such rules and any statutes enacted to further implement this article shall insure the integrity, security, honesty, and fairness of the Lottery. The Commission shall have such additional powers and duties as may be provided by law.

(b) The Governor shall appoint a Director subject to confirmation by the Senate who shall serve at the pleasure of the Governor. The Director shall be qualified by training and experience to direct the operations of a state-operated lottery. The Director shall be responsible for managing the affairs of the Commission. The Director may appoint and prescribe the duties of no more than four Assistant Directors as the Director deems necessary. One of the Assistant Directors shall be responsible for a security division to assure security, integrity, honesty, and fairness in the operations and administration of the State Lottery. To fulfill these responsibilities, the Assistant Director for security shall be qualified by training and experience, including at least five years of law enforcement experience, and knowledge and experience in computer security.

(c) The Director shall implement and operate a State Lottery pursuant to the rules, and under the guidance, of the Commission. The State Lottery may operate any game procedure authorized by the commission, except parimutuel racing, social games, and the games commonly known in Oregon as bingo or lotto, whereby prizes are distributed using any existing or future methods among adult persons who have paid for tickets or shares in that game; provided that, in lottery games utilizing computer terminals or other devices, no coins or currency shall ever be dispensed directly to players from such computer terminals or devices.

(d) There is hereby created within the General Fund the Oregon State Lottery Fund which is continuously appropriated for the purpose of administering and operating the Commission and the State Lottery. The State Lottery shall operate as a self-supporting revenue-raising agency of state government and no appropriations, loans, or other transfers of state funds shall be made to it. The State Lottery shall pay all prizes and all of its expenses out of the revenues it receives from the sale of tickets or shares to the public and turnover the net proceeds therefrom to a fund to be established by the Legislative Assembly from which the Legislative Assembly shall make appropriations for the benefit of any of the following public purposes: creating jobs, furthering economic development, [*or*] financing public education in Oregon **or restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitats.** Effective July 1, 1997, 15% of the net proceeds from the State Lottery shall be deposited, from the fund created by the Legislative Assembly under this paragraph, in an education endowment fund. Earnings on moneys in the education endowment fund shall be retained in the fund or expended for the public purpose of financing public education in Oregon as provided by law. Moneys in the education endowment fund shall be invested as provided by law and shall not be subject to the limitations of section 6, Article XI of this Constitution. The Legislative Assembly may appropriate other moneys or revenue to the education endowment fund. The Legislative Assembly shall appropriate amounts sufficient to pay lottery bonds before appropriating the net proceeds from the State Lottery for any other purpose. At least 84% of the total annual revenues from the sale of all lottery tickets or shares shall be returned to the public in the form of prizes and net revenues benefiting the public purpose.

(5) Effective July 1, 1999, 15% of the net proceeds from the State Lottery shall be deposited in a parks and natural resources fund created by the Legislative Assembly. Of the moneys in the parks and natural resources fund, 50%

CONTINUED

Measure No. 66

shall be distributed for the public purpose of financing the protection, repair, operation, and creation of state parks, ocean shore and public beach access areas, historic sites and recreation areas, and 50% shall be distributed for the public purpose of financing the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats and water quality in Oregon. The Legislative Assembly shall not limit expenditures from the parks and natural resources fund. The Legislative Assembly may appropriate other moneys or revenue to the parks and natural resources fund.

[*(5)*] **(6)** Only one State Lottery operation shall be permitted in the State.

[*(6)*] **(7)** The Legislative Assembly has no power to authorize, and shall prohibit, casinos from operation in the State of Oregon.

SECTION 4a. Any state agency that receives moneys from the parks and natural resources fund established under section 4 of this Article for the public purpose of financing the protection, repair, operation, creation and development of state parks, ocean shores and public beach access areas, historic sites and recreation areas shall have the authority to use the moneys for the following purposes:

(1) Maintain, construct, improve, develop, manage and operate state park and recreation facilities, programs and areas.

(2) Acquire real property, or interest therein, deemed necessary for the creation and operation of state parks, ocean shores public beach access areas, recreation and historic sites or because of natural, scenic, cultural, historic and recreational values.

(3) Operate grant programs for local government entities deemed necessary to accomplish the public purposes of the parks and natural resources fund established under section 4 of this Article.

SECTION 4b. Moneys disbursed for the public purpose of financing the restoration and protection of wild salmonid populations, watersheds, fish and wildlife habitats and water quality from the fund established under Section 4 of this Article shall be administered by one state agency. At least 65% of the moneys will be used for capital expenditures. These moneys, including grants, shall be used for all of the following purposes:

(1) Watershed, fish and wildlife, and riparian and other native species, habitat conservation activities, including but not limited to planning, coordination, assessment, implementation, restoration, inventory, information management and monitoring activities.

(2) Watershed and riparian education efforts.

(3) The development and implementation of watershed and water quality enhancement plans.

(4) Entering into agreements to obtain from willing owners determinate interests in lands and waters that protect watershed resources, including but not limited to fee simple interests in land, leases of land or conservation easements.

(6) Enforcement of fish and wildlife and habitat protection laws and regulations.

SECTION 4c. Any state agency that receives moneys from the parks and natural resources fund established under section 4 of this Article shall secure an independent audit, pursuant to section 2, Article VI of this Constitution, to measure the financial integrity, effectiveness and performance of the agency receiving such moneys. Each agency shall submit the audit to the Legislative Assembly as part of a biennial report to the Legislative Assembly.

SECTION 5a. The Legislative Assembly shall submit to a vote of the people at the November 2014 general elections the question of continuation of this amendment. This Section is repealed on January 1, 2015.

NOTE: **Boldfaced** type indicates new language; [*brackets and italic*] type indicates deletions or comments.

EXPLANATORY STATEMENT

Ballot Measure 66 amends the Oregon Constitution to allow money from the State Lottery to be used for restoring and protecting Oregon's parks, beaches, watersheds and critical fish and wildlife habitat.

Currently, lottery money may be used only for creating jobs, furthering economic development and financing public education in Oregon.

This measure requires that 15 percent of net proceeds from the State Lottery be deposited in a newly-created parks and natural resources fund. The money in the fund will be divided equally with half of the money spent for creating, protecting and operating state parks, ocean shore and other natural recreation areas and half of the money spent for restoring and protecting native salmon runs, watersheds, water quality and fish and wildlife habitat.

The money for state parks and other natural recreation areas may be allocated and spent by a variety of state and local agencies. However, the measure requires that the money for restoring and protecting native salmon runs, watersheds, water quality and fish and wildlife habitat must be administered by a single state agency. That state agency must spend at least 65 percent of the money available to the agency for capital expenditures.

The state agencies that administer or receive money from the parks and natural resources fund are directed by this measure to spend the money for specified activities, including but not limited to creating and improving state parks, providing grants to local government for parks and natural resource programs, assessing, managing and monitoring habitat conservation activities, implementing watershed and water quality improvement plans, obtaining interest in private property from willing owners to protect watersheds, and for enforcing fish and wildlife and habitat protection laws.

The Legislative Assembly may not limit expenditures from the parks and natural resources fund, under this measure.

Periodic audits of the effectiveness and performance of agencies receiving money from the parks and natural resources fund are required.

The measure requires the legislature to submit to a vote of the people at the November 2014 general election the question of keeping the provisions of this measure in the Oregon Constitution.

Committee Members:	**Appointed by:**
Pat Amedeo**	Secretary of State
Patricia McCaig**	Secretary of State
Harold Haugen*	Secretary of State
Mike McArthur*	Secretary of State
Jim Ross	Members of the Committee

*Member dissents (does not concur with explanatory statement)

**Proponents of measure appointed by Secretary of State because chief petitioners did not make appointments by deadline.

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

For many years, we Oregonians have been creating parks and open spaces - protecting places that inspire and enrich our lives. Parks, wild and scenic rivers, trails and greenways have fostered a set of values that we treasure as Oregonians: appreciation of the outdoors, caring for our natural and cultural heritage, providing opportunities for personal challenge and adventure, conserving our environment, and bringing together families and communities to foster mutual understanding and respect.

These values, these benefits, are not trivial additions to the course of our lives. If the gates of every park, beach and boat launch were closed, if families were unable to use a favorite picnic grove or campground, we would as a state feel an overwhelming sense that an essential part of our lives was being lost.

Recreation and parks are essential to quality of life. Parks are significant economic generators - they attract businesses to the state as prime economic development and relocation magnets. And, of course, parks are major attractions that draw tourism, one of Oregon's top industries. Parks, open space and natural areas are essential to ecological survival. Outdoor recreation is one of the best approaches to environmental education -a key to long term sustainability.

As Oregon's economy has boomed, support for our natural heritage has stagnated since 1980 when gasoline tax revenues were discontinued for state parks funding. Now, our parks system is in distress. Critical repairs and vital operations have been delayed or discontinued for many parks.

Measure 66 does not create a new tax, but shares our existing lottery resources to fund the repair and restoration of our parks and to prevent closures. Measure 66 will also help restore threatened fish runs, protect wildlife habitat and improve water quality in our rivers and streams--all things that make Oregon one of the last great places.

Vote YES on Measure 66 to protect our parks and wildlife!

(This information furnished by Frank Jagodnik, Executive Director, Oregon Recreation & Park Association.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

It is time for us to protect Oregon's legacy.

Oregon has a great history of bold action to save our natural heritage. From Oswald West claiming our beaches as a treasure belonging to all Oregonians in 1914, to Tom McCall and other leaders passing the bottle bill, land use planning and cleaning up the Willamette River in the 60's and 70's, Oregonians have risen to the challenge.

Today, we need to rise to perhaps the greatest challenge of all.

Our state parks, our fish and wildlife and the watersheds and waterways we all depend on are in trouble. A combination of the pressures of growth and a lack of adequate investment, has brought us near a point of no return. We haven't opened a new park or campground in 28 years, and 65 of the ones we have are threatened with closure. Fish and wildlife are becoming threatened and endangered at an alarming rate, while 30,000 miles of Oregon streams and rivers, including the Willamette, are polluted or degraded.

These are some of the reasons we have joined the Campaign for Parks and Salmon, and are urging our fellow Oregonians to vote Yes on Ballot Measure 66. We believe the measure's dedication of 15% of the lottery is fair, accountable and will make a tremendous difference. And it will not increase taxes of any kind.

But beyond the specific problems, and the details of the solution Measure 66 provides are far more basic questions:

- Will we honor the legacy entrusted to us by those who came before us?
- Will we pass that legacy to our children and grandchildren?
- Will we protect the things that make Oregon special?

Earlier we said that it is time to protect Oregon's legacy. In fact, it is past time. Please join us in voting Yes on Ballot Measure 66.

Senator Mark Hatfield Governor Neil Goldschmidt

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

MESSAGE TO VOTERS

As the Chief Petitioners of Measure 66 we are proud to have worked together with over 144,000 Oregonians who signed our initiative to put this measure on the November ballot. Like so many of you, we are committed to preserving Oregon's unique qualities. This measure provides an excellent and rare opportunity to do so. **Measure 66 provides a dedicated source of funding for the repair, maintenance and operation of our state parks, and the protection of our water quality, fish and wildlife habitat.** This measure does not call for any new taxes; it does require an independent audit every two years, and in 15 years the measure will be returned to you, the voters, to decide if it should continue.

The measure sets aside 15% of lottery proceeds to:

- Prevent the possible closure of state parks;
- Make urgent repairs to deteriorating parks and improve maintenance;
- Improve and maintain access to ocean beaches;
- Acquire and protect critical fish and wildlife habitat, new park land, and beach access;
- Protect and improve water quality;
- Reduce illegal hunting, fishing and poaching by restoring cuts to Oregon State Police Fish and Wildlife officers;
- Increase educational and recreational opportunities.

Measure 66 provides an opportunity to leave a legacy to our children and grandchildren: and Oregon with clean, safe and open parks; public beaches with convenient access; clean air and water; and healthy and abundant fish and wildlife. We hope that you will join us in supporting Measure 66.

Brian Booth
State Parks Commission, Former Chair

L.L. "Stub" Stewart
Parks Commissioner

Geoff Pampush
Oregon Trout, Director

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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ARGUMENT IN FAVOR

What does the Parks and Salmon measure do?

If passed, the measure will:

- Prevent the closure of state parks;
- Make urgent repairs to deteriorating parks and improve maintenance;
- Improve and maintain access to ocean beaches;
- Acquire and protect critical fish and wildlife habitat and/or new park land;
- Reduce illegal hunting, fishing and poaching by restoring cuts to Oregon State Police Fish and Wildlife Officers;
- Protect and improve water quality;
- Increase educational and recreational opportunities.

Where does the money to do this come from?

The Oregon Lottery. The Parks and Salmon measure dedicates 15% of lottery proceeds, approximately 1% of the state budget, to the purposes outlined above.

How much will the measure raise?

Using current estimates, the measure will raise between $35 - $45 million a year.

How will the money be distributed?

- Half the money (the part dedicated to parks) will be distributed and overseen by the Oregon Parks Commission.
- Half the money (the part dedicated to fish, wildlife and water quality) will be distributed through grants to non-profit organizations, watershed councils, local governments, local park providers, soil and water conservation districts, and others involved in fish and wildlife habitat protection.

What accountability is there for how the money is spent?

The measure requires an independent audit every two years. Additionally, voter approval will be required again in 15 years.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

TEN GOOD REASONS TO SUPPORT MEASURE 66:

1. Public ocean beaches and beach access.
2. Improved park facilities.
3. New parks to preserve scenic places and provide recreation.
4. Hiking, biking and horseback trails.
5. Access for fishing, boating, canoeing and windsurfing.
6. Historic sites and lighthouses.
7. Protected fish and wildlife habitat.
8. Camping sites and picnic areas.
9. Wildlife viewing areas.
10. Clean streams.

HELP SAVE THE BEST OF OREGON FOR FUTURE GENERATIONS

PLEASE VOTE YES ON MEASURE 66

Brian Booth
Gwyneth Gamble Booth

Portland

(This information furnished by Brian Booth, Gwyneth Gamble Booth.)

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ARGUMENT IN FAVOR

During my time as Oregon's State Park Director, from 1964 to 1992, the Oregon Legislature acted to eliminate dedicated state support for Oregon's parks. As a result of a 1980 ballot referral, state parks stopped receiving money from the gas tax and state funding virtually disappeared.

Although the Legislature promised general fund replacement dollars, the money was never allocated and today state parks receive just one tenth of one percent of the state budget. As a result of this lack of funding Oregon's parks are suffering.

The following illustrate a few examples of how parks are being effected:

- We haven't added a new campground in 30 years;
- We haven't added a significant new park in 28 years;
- We have over 110 million dollars in deferred maintenance needs;
- We have been forced to impose new day use fees in a number of parks over the last 10 years;
- Many of our park facilities are 30 to 40 years old and are faced with dry rot, leaky sewers, and corroded electrical systems.

In Central Oregon, where I live, many state parks are in need of additional resources for basic maintenance and repairs.

- Smith Rock State Park: Improve trail system for climbers.
- LaPine State Recreation Area: Complete renovation of campground and day use areas;
- Deschutes River Recreation Area: Repair river recreation access areas and repair river trail system;
- The Cove Palisades State Park: Renovate and add camping areas to reduce over-crowding.

With up to 65 state parks on the brink of closure and over 41 million visitors each year, it's time to make the investment necessary to preserve Oregon's Parks.

Dave Talbot
Former Oregon State Parks Director
Chair, State Parks Trust

(This information furnished by David G. Talbot, Oregon State Parks Trust.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

MEASURE 66 PROTECTS OUR WATER QUALITY

Oregon is the last great place in the lower 48 states where salmon are still caught downtown in our largest city. It's a place where anyone can experience the quiet solitude of a free flowing river within a 30 minute drive. It's a place where salmon are as much a part of our history and culture as our forests or Mt. Hood.

But for those statements to remain true, we must act now. And the best thing we can do is to pass Measure 66.

Measure 66: Preserving our Rivers, Streams and Watersheds

Oregon has approximately 100,000 miles of river. Right now, nearly 30,000 miles are polluted. The good news is that we know how to solve the problem. Small, strategic investment -- one watershed at a time -- can reverse this trend. There is no question that we can clean up our water.

The only question is, are we willing to do it? Passing Measure 66 will provide the desperately needed funds to make it happen.

Measure 66: Protecting Our Fish

Our native salmon, trout and steelhead are in trouble through their entire range in Oregon. That is not only an ecological crisis, it is an economic one as well. Oregon's commercial and sport-fishing industry forms the livelihood of thousands of Oregonians. Beyond that, the survival of our native fish is much like the "canary in the coal mine" the extinction of a salmon run is an indicator of things to come.

Once again, there are many things we can do to stop the destruction of the fish and wildlife that are so much a part of Oregon's identify. But Measure 66 is the only thing on the horizon that offers a way to accomplish it.

PROTECT OUR WATER. SAVE OUR FISH.
VOTE YES ON 66!

(This information furnished by Jason O. McKain, Oregon Trout.)

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ARGUMENT IN FAVOR

POTENTIAL PROJECTS

OREGON COAST

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- BEVERLY BEACH: Repair and maintenance; improve recreational opportunities.
- DEVIL'S PUNCH BOWL STATE NATURAL AREA: Repair and maintenance; improve recreational opportunities.
- FOGARTY CREEK STATE RECREATION AREA: Repair and maintenance.
- FORT STEVENS: Repair and maintenance.
- GLENEDEN BEACH STATE RECREATION SITE: Repair and maintenance.
- JESSIE M. HONEYMAN: Repair and maintenance; improve recreational opportunities.
- LOST CREEK STATE RECREATION SITE: Repair and maintenance
- OREGON COAST TRAIL: Acquisition.
- SOUTH BEACH STATE PARK: Acquisition.
- TIERRA DEL MARK, CAPE BLANCO, SISTERS ROCK, YOAKUM POINT, SOUTH BEACH, FLORAS LAKE: Acquisition.
- YACHATS STATE RECREATION AREA: Repair and maintenance.
- YAQUINA BAY STATE RECREATION SITE: Repair and maintenance.

For additional projects in your area please contact the Campaign for Parks & Salmon at 503-279-8343.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

POTENTIAL PROJECTS

MULTNOMAH COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- BLUE LAKE PARK (local park): Improve recreational opportunities.
- BROUGHTON BEACH (local park): Improve recreational opportunities.
- CROWN POINT/VISTA HOUSE (Columbia Gorge): Improve recreational access; acquisition; repair and maintenance.
- LEWIS AND CLARK: Repair & maintenance; improve recreational opportunities.
- OXBOW REGIONAL PARK (local park): Improve recreational opportunities.
- ROOSTER ROCK STATE PARK: Repair & maintenance.
- SAUVIE ISLAND: Protect & restore fish and wildlife habitat.
- TRYON CREEK: Repair & maintenance; improve recreational opportunities.
- TUALATIN RIVER (local park): Improve recreational opportunities.
- WILLAMETTE ISLAND LANDING: Create recreational access.

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ARGUMENT IN FAVOR

POTENTIAL PROJECTS

WASHINGTON COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- BANKS-VERNONIA: Repair & maintenance.
- BROWNS FERRY PARK (local park): Improve recreational opportunities; acquisition.
- CHERRY GROVE: Protect and restore fish & wildlife.
- GALES CREEK: Protect and restore fish & wildlife habitat.
- HAGG LAKE (local park): Improve recreational opportunities; protect and restore fish & wildlife habitat.
- HAZLEBROOK/JURGENS PARK (local park): Improve recreational opportunities.
- METZGER PARK (local park): Improve recreational opportunities.
- TUALATIN RIVER (local park): Improve recreational opportunities; acquisition.
- TUALATIN RIVER GREENWAY (local park): Acquisition.
- TUALATIN RIVER NATIONAL WILDLIFE REFUGE: Protect and restore fish & wildlife habitat; acquisition.

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

POTENTIAL PROJECTS

CLACKAMAS COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- CLEAR CREEK: Protect & restore fish and wildlife habitat.
- COOKS BUTTE PARK, WALUGA PARK, FREEPONS PARK, IRON MOUNTAIN (local parks) Protect & restore fish and wildlife habitat; improve recreational opportunities.
- KELLOGG LAKE/WILLAMETTE RIVERFRONT (local park): Create recreational access.
- MARY S. YOUNG BUFFER PROPERTIES: Create recreational access.
- MAUD WILLIAMSON: Repair & maintenance; improve recreational opportunities.
- MILO McIVER: Repair & maintenance; improve recreational opportunities.
- MOLALLA RIVER STATE PARK: Repair & maintenance; improve recreational opportunities.
- PARK PLACE PARK (local park): Improve recreational opportunities.
- SPRINGBROOK CREEK: Protect & restore fish and wildlife habitat.
- WILLAMETTE GREENWAY (between Lake Oswego and West Linn): Acquisition.
- WILLAMETTE MERIDIAN LANDING: Create recreational access.

For additional projects in your area please contact the Campaign for Parks & Salmon at 503-279-8343.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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ARGUMENT IN FAVOR

POTENTIAL PROJECTS

MARION COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- CHAMPOEG STATE PARK: Repair & maintenance; improve recreational opportunities.
- DETROIT LAKE STATE PARK: Repair & maintenance.
- ELDRIDGE BAR LANDING: Repair & maintenance; create recreational access.
- HALL'S FERRY ACCESS: Create recreational access.
- NORTH SANTIAM STATE REST AREA: Repair & maintenance.
- SIDNEY LANDING ACCESS: Protect and restore fish & wildlife habitat.
- SILVER FALLS STATE PARK: Repair & maintenance; improve recreational opportunities; acquisition.
- WILLAMETTE MISSION STATE PARK: Repair & maintenance; improve recreational opportunities; protect & restore fish & wildlife habitat.

For additional projects in your area please contact the Campaign for Parks & Salmon at 503-279-8343.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

POTENTIAL PROJECTS

LANE COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- BAKER PARK (local park): Repair & maintenance; improve recreational opportunities.
- CARL G. WASHBURNE MEMORIAL STATE PARK: Repair & maintenance; create recreational opportunities.
- ELIJAH BRISTOW: Repair & maintenance; improve recreational opportunities. Protect & restore fish and wildlife habitat.
- FERN RIDGE WILDLIFE AREA: Protect & restore fish & wildlife habitat.
- HECETA HEAD LIGHTHOUSE: Repair & maintenance; improve recreational opportunities.
- HOWARD BUFORD RECREATION AREA (local park): Protect and restore fish & wildlife habitat; create recreational opportunities.
- JESSIE M. HONEYMAN: Repair & maintenance; improve recreational opportunities.
- MCKENZIE RIVER: Protect and restore fish & wildlife habitat.
- RICHARDSON PARK (local park): Improve recreational opportunities
- STONEFIELD BEACH: Repair & maintenance; improve recreational opportunities.
- JASPER PARK: Create recreational opportunities.

For additional projects in your area please contact the Campaign for Parks & Salmon at 503-279-8343.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

POTENTIAL PROJECTS

JACKSON COUNTY

Measure 66 provides a source of funding – 15% of the lottery -- for the repair, maintenance and operation of our parks; and the protection of our water quality, fish and wildlife habitat. Local parks and communities are eligible to apply for grants. Following is a partial list of projects eligible for funding if Measure 66 passes.

- CASEY STATE RECREATION SITE: Repair & maintenance; improve recreational opportunities.
- EMIGRANT LAKE & UPPER ROGUE REGIONAL & CENTRAL BUCKLEY (local park): Improve recreational opportunities.
- GIVAN PARK (local park): Acquisition; improve recreational opportunities.
- JOSEPH H. STEWART STATE RECREATION AREA: Repair & maintenance.
- PROSPECT STATE SCENIC VIEWPOINT: Repair & maintenance.
- ROGUE RIVER VALLEY: Protect and restore fish & wildlife habitat.
- TOU VELLE STATE RECREATION SITE: Repair & maintenance.
- UPPER ROGUE REGIONAL PARK (local park): Repair & maintenance; acquisition.
- VALLEY OF THE ROGUE: Repair & maintenance.

For additional projects in your area please contact the Campaign for Parks & Salmon at 503-279-8343.

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

A message from The Nature Conservancy:

VOTE YES ON MEASURE 66
PROTECT OREGON'S LAST GREAT PLACES

MEASURE 66 IS THE ANSWER . . .

. . . to many of Oregon's most urgent habitat protection needs:

- Restore wetlands, native grasslands, streams, rivers and other priority habitats for migratory and nesting birds, fish and other wildlife.
- Acquire, from willing sellers, the most important parks and natural areas for long-term protection of Oregon's natural diversity.
- Help ranchers, farmers and other private owners voluntarily restore salmon spawning areas, control invasive weeds, protect streams.
- Provide practical, site-specific research on Oregon's most endangered habitats – and the most cost-effective means to protect and restore them.

MEASURE 66 IS A POSITIVE SOLUTION. . .

. . . because it is non-regulatory, voluntary, cooperative, provides full accounting for funds, and imposes no new taxes.

PROTECTING OREGON'S NATURAL HERITAGE . . .

. . . is something we owe to future generations. With Measure 66, we all benefit, because preserving biological diversity:

- keeps ecosystems healthy, including our air and drinking water
- improves farm and forest products
- provides new and useful products, including many medicines
- enriches our lives through connection with nature.

THE NATURE CONSERVANCY . . .

. . . is a non-profit membership organization that safeguards the natural diversity of native plants, animals and ecosystems. In cooperation with partners and communities, we buy and manage natural areas and restore habitats to prevent extinctions and to preserve Oregon's outstanding natural diversity. Please join us in support of Measure 66!

- Russell Hoeflich, Vice President and Oregon Director
- Robert L. Ridgley, Chair, Board of Trustees

(This information furnished by Stephen Anderson, The Nature Conservancy of Oregon.)

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ARGUMENT IN FAVOR

If You Love the Great Outdoors
Measure 66 is for You!

A big part of what makes Oregon great can only be seen outside of four walls. As Oregon sportsmen and sportswomen, we believe that is the best reason to vote for Measure 66.

There are so many great experiences to share in Oregon's great outdoors:

- Backpacking through a forest.
- Fly fishing on a pristine river.
- Camping on the high desert.
- Rafting down roaring rapids.
- Hunting elk in the first chill of autumn.
- Even enjoying a picnic with family and friends in one of Oregon's wonderful state parks.

Because these things are so much a part of what we understand to be Oregon, we tend to assume they will always be there. But unless we act today, we could lose them sooner than you could imagine.

If you enjoy—or hope to enjoy—any of those activities, Measure 66 may be the most important vote you cast this year.

You cannot open a newspaper without reading about a park that is threatened with closure, a species of fish or wildlife that is in trouble, or a river that is becoming polluted. As people who spend an important part of our lives outdoors, we can testify that it is all true. Measure 66 is the best chance in decades to protect the Oregon we all love—and that we want to pass on.

Please join us in saving what's best about Oregon. Vote Yes on the Parks and Salmon Measure.

The Oregon Sportsmen's Political Victory Fund

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

With all of the noise and confusion of competing ballot measures and campaign rhetoric, it's easy to lose sight of what some of these issues are really all about.

Measure 66 is about saving parks and salmon and natural areas to support Oregon's native wildlife. But more than that, it's about saving some of the things that make Oregon special.

The Western Meadowlark, our state bird, was once a common sight in the fields of western Oregon. Salmon and steelhead were abundant and fishing was a way of life for many Oregonians. Our state parks were a point of pride, and we felt sorry for residents of other states that had shown less foresight in protecting part of their natural heritage.

Over the past few decades, Oregon has lost much that we once took for granted. Some of the changes, like the loss of the meadowlark in the Willamette Valley, occurred so gradually that most of us never noticed. Other changes, like the explosion of suburbs into former farmlands, seemed to happen overnight.

Measure 66 will help protect key pieces of our natural heritage that are rapidly slipping away.

We have in place many of the elements needed for a concerted effort to restore Oregon's salmon and watersheds, rebuild our parks and protect habitat for native wildlife. Private land owners, government agencies and industry and conservation groups are working together to begin to reverse the decline of our natural ecosystems.

But good intentions won't be enough. We need to back them up with real money and a commitment to long-term investment in habitat for fish and wildlife, parks and healthy watersheds.

Measure 66 asks us to choose: do we care enough about Oregon to act now -- before it's too late?

Please join us in voting YES on 66.

SARA VICKERMAN

Defenders of Wildlife
1637 Laurel Street
Lake Oswego, OR 97034
503/697-3222

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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ARGUMENT IN FAVOR

INVESTING IN THE OREGON COAST & CREATING A LEGACY...

THE COAST & DEVELOPMENT...

The future of the Oregon Coast will depend on the immediate preservation of additional coastal land before it disappears through increasing development. What we value about the coastal experience may be lost forever if we don't do something now! Let's keep the coast for everyone!

We need to fund parks now to preserve a legacy for future generations.

BEACHES & TRAILS...

The Oregon Coast Trail gives the public access to explore and enjoy the entire coast. It stretches across our beaches and through many of our coastal parks. Thank you Oswald West and Tom McCall for giving us the beaches of Oregon!

Now it's your turn to create another legacy by funding parks and salmon.

ECONOMIC & COMMUNITY DEVELOPMENT...

Parks provide value-added attractions for tourism and their presence generated $560 million to Oregon's local economies in 1996 alone! Acquiring new park land and developing new facilities for recreation means investing in sustainable economic development, job creation, and enhancing the quality of life for everyone.

Measure 66 gives you the opportunity to invest in Oregon by funding parks and salmon.

PUBLIC EDUCATION & THE OUTDOORS...

Education takes place both inside and outside of the classroom. Education not only includes reading books, using computers, and studying at desks. It also means walking barefoot along a sandy beach, watching seagulls dive, and visiting a historic lighthouse. It's one thing to read about salmon swimming upstream -- its another to actually see them leap out of the water! The educational value of such experiences is immeasurable.

We need to fund parks and salmon!

THE FUTURE & MEASURE 66...

Let's keep and restore enough of Oregon's natural beauty as a legacy for future generations. Measure 66 is the best route we've got right now to ensure a future for parks and salmon.

Vote to fund Parks and Salmon!

Submitted by the
National Coast Trail Association

(This information furnished by Al LePage, Executive Director, National Coast Trail Association (NCTA).)

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CONTINUED

Measure No. 66

ARGUMENT IN FAVOR

ORGANIZATIONS ACROSS OREGON SUPPORT MEASURE 66

In the last 20 years Oregon's population has grown 22%. And in the next 15 years, it is expected that another 500,000 people will be added to the Portland metro area alone. As Oregon experiences the stresses of growth – more people, more subdivisions, more highways, more cars and traffic, we are losing opportunities to preserve Oregon's quality of life: clean water; access to ocean beaches; parks that are safe, clean and open; rivers filled with salmon and abundant with fish and wildlife.

Measure 66 is our opportunity to invest in Oregon, preserving our natural heritage for the next generation.

Join us in supporting Measure 66 for Oregon's parks and salmon.

1000 Friends of Oregon
Association of Northwest Steelheaders
Audubon Society of Portland
Defenders of Wildlife
Friends of Kellogg Creek
Friends of the Columbia Gorge
Friends of Tryon Creek State Park Staff
National Coast Trail Association
The Nature Conservancy
Oregon Building Industry Association
Oregon Chapter, American Fisheries Society
Oregon Environmental Council
Oregon Forests Industry Council
Oregon League of Conservation Voters
Oregon Natural Desert Association
Oregon Natural Resources Council Action
Oregon Recreation and Park Association
Oregon Sportsman Political Victory Fund
Oregon Trout
Oregon Wetlands Joint Venture
Pacific Rivers Council
Sierra Club of Oregon
Trust for Public Land
Tualatin Riverkeepers

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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ARGUMENT IN FAVOR

Teach Your Children Well. Protect our Parks.
By Jim Schuld

What does it mean to educate our children?

As a father, grandfather and former teacher, I have an opinion about that, and it is why I urge you to vote Yes on Measure 66.

When you get to the heart of it, education is about preparing our kids to be successful adults.

- To be good citizens.
- To exemplify the best values of our community.
- And to be good stewards of the natural treasures that define Oregon as one of the great places on earth.

Obviously, strong schools are vital. But education means much more than what happens inside a classroom. Young people are molded by every moment of their experience, whether in a classroom, at the family dinner table, or out among Oregon's forests, streams and beaches.

The loss of any of these educational opportunities hurts our children and our future. That is why I believe it is so important of Oregon voters to approve Ballot Measure 66 - the Campaign for Oregon's Parks and Salmon.

The ability to directly experience the natural world is indispensable in teaching our children to protect it. Our system of sate parks, public beaches and the vitality of our fish and wildlife are irreplaceable features of how we encounter the natural world - and they are under tremendous pressure. The good news is that a relatively modest investment -- 15% of lottery revenues -- can turn this situation around. That is what Measure 66 is all about.

What we get for that money is priceless. And no one has more of a stake in this measure than kids in school today and tomorrow. Dedicating these funds will help save an invaluable part of their education.

So if you care about how we educate our children, help pass Ballot Measure 66. There are things we must teach them that you can't learn from a book.

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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Measure No. 66

ARGUMENT IN FAVOR

Stop Poaching and Enforce the Law

One of the critical parts of preserving fish, wildlife and water quality is to enforce the laws that protect them. Right now, that enforcement is in crisis.

There has never been a time in the history of Oregon when fish and wildlife law enforcement has been more important. The Fish and Wildlife Division of the Oregon State Police is the single entity designated by law to protect these resources, and they have a big job, enforcing laws for:

- Poaching
- Commercial fishing
- Environmental protection
- Land use
- Boating
- Livestock
- Forest practices

But while Oregon's population has increased, and the need to closely monitor and enforce the law has become critical, and there have been devastating funding cuts to the Fish and Wildlife Officers responsible.

In fact, in the last year alone there have been 14 officer vacancies that haven't been filled for lack of money.

We have reached a point where it is impossible to adequately enforce the law—with a terrible impact. No matter what kind of programs we pursue to enhance our fish and wildlife, it will be lost if we cannot protect them.

Measure 66 will provide desperately needed funding to restore our ability to enforce the law and stop poachers, polluters and other who destroy or steal our precious natural resources. Without the passage of Measure 66, the cuts will continue, and likely even get worse.

Fish and wildlife law enforcement may not be the best known part of our efforts to protect what's best about Oregon. But if we don't fix this problem now, we will see the results the results in the forests, rivers and beaches of Oregon.

Lee Roy Hyder, Oregon State Police Major, (Retired)
Fish and Wildlife Division Director

(This information furnished by Patricia McCaig, Friends of Parks and Salmon.)

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ARGUMENT IN OPPOSITION

ISN'T IT TIME FOR OREGON TO TAKE THE HIGH ROAD AGAIN?

Vote NO on Measure 66!

For 25 years I have lived on the Clackamas River. I love this river, and from my travels throughout Oregon I know why it is important to protect Oregon's watersheds. I am also a member of the Clackamas River Basin Council, and I understand the desperate need to adequately fund watershed councils. I agree with Governor Kitzhaber:

> "If we are to restore our watersheds and the salmon, steelhead and trout dependent on healthy watersheds, **it will take the participation of every Oregonian.**" (12/18/97 letter to Oregon Plan Partners. Emphasis added.)

The goals of Measure 66 are noble, but do these noble ends justify the means? Measure 66 further legitimizes state run gambling. Not only does it provide added justification for preying on those addicted to gambling, but gambling revenue is becoming a major addiction for Oregon. According to a *Time* Magazine article entitled **"They call it Video Crack"**:

> "In Oregon, between 1995 and 1997, the state budget relied for 9% of its revenue on the lottery system, most of it from video poker. An effort to get rid of video gambling there evaporated this year. 'The state is overwhelmingly dependent' says Peter Bragdon, a lawyer who helped the Governor study the problem." (*Time*, 6/1/98)

Regardless of whether Measure 66 passes or fails, we will still have state run gambling. But, if we are truly serious about repairing our parks and restoring fish and wildlife habitat, then financing must come from all Oregonians, not from Oregon's gamblers.

> **To prey on the weak is to abdicate the moral responsibility of all citizens to protect the precious gift of our life support systems and our community. We send the wrong message to ourselves and our children by using gambling to finance government. I urge all Oregonians to vote no on Measure 66 and continue the noble effort to stop state run gambling.**

Respectfully,

Lloyd Marbet
Oregon Conservancy Foundation
cnsrvncy@teleport.com

(This information furnished by Lloyd Marbet.)

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CONTINUED

Measure No. 67

Proposed by initiative petition to be voted on at the General Election, November 3, 1998.

BALLOT TITLE

67 ALLOWS MEDICAL USE OF MARIJUANA WITHIN LIMITS; ESTABLISHES PERMIT SYSTEM

RESULT OF "YES" VOTE: "Yes" vote allows medical use of marijuana within specified limits; establishes state-controlled permit system.

RESULT OF "NO" VOTE: "No" vote retains Oregon criminal, civil forfeiture laws prohibiting possession, delivery and production of marijuana.

SUMMARY: Oregon statutes currently prohibit possession, delivery, production of marijuana. Measure allows engaging in, assisting medical use of marijuana, within specified limits.

Requires medical use be necessary to mitigate symptoms, effects of debilitating medical condition, including cancer, glaucoma, AIDS, HIV, multiple sclerosis, others. Establishes state permit system requiring physician's written proof. Within specified limitations, exempts permit holder or applicant from marijuana criminal statutes; authorizes criminal charge defense for medical use without permit.

Limits amounts of usable marijuana, number of plants that may be possessed. Other provisions.

ESTIMATE OF FINANCIAL IMPACT: Direct annual state expenditures are estimated at $147,000, based on the assumption that 500 applicants will register with the Oregon Health Division per year. Some or all of these costs may be offset by fees to be established by the Health Division as provided in the measure.

TEXT OF MEASURE

The Oregon Medical Marijuana Act

SECTION 1. Sections 1 through 19 of this Act shall be known as the Oregon Medical Marijuana Act.

SECTION 2. The people of the state of Oregon hereby find that:

(1) Patients and doctors have found marijuana to be an effective treatment for suffering caused by debilitating medical conditions, and therefore, marijuana should be treated like other medicines;

(2) Oregonians suffering from debilitating medical conditions should be allowed to use small amounts of marijuana without fear of civil or criminal penalties when their doctors advise that such use may provide a medical benefit to them and when other reasonable restrictions are met regarding that use;

(3) Sections 1 to 19 of this Act are intended to allow Oregonians with debilitating medical conditions who may benefit from the medical use of marijuana to be able to discuss freely with their doctors the possible risks and benefits of medical marijuana use and to have the benefit of their doctor's professional advice; and

(4) Section 1 to 19 of this Act are intended to make only those changes to existing Oregon laws that are necessary to protect patients and their doctors from criminal and civil penalties, and are not intended to change current civil and criminal laws governing the use of marijuana for nonmedical purposes.

SECTION 3. As used in sections 1 to 19 of this Act:

(1) "Attending physician" means a physician licensed under ORS chapter 677 who has primary responsibility for the care and treatment of a person diagnosed with a debilitating medical condition.

(2) "Debilitating medical condition" means:

(a) Cancer, glaucoma, positive status for human immunodeficiency virus or acquired immune deficiency syndrome, or treatment for these conditions;

(b) A medical condition or treatment for a medical condition that produces, for a specific patient, one or more of the following:

(i) Cachexia;

(ii) Severe pain;

(iii) Severe nausea;

(iv) Seizures, including but not limited to seizures caused by epilepsy; or

(v) Persistent muscle spasms, including but not limited to spasms caused by multiple sclerosis; or

(c) Any other medical condition or treatment for a medical condition adopted by the division by rule or approved by the division pursuant to a petition submitted pursuant to section 14 of this Act.

(3) "Delivery" has the meaning given that term in ORS 475.005.

(4) "Designated primary caregiver" means an individual eighteen years of age or older who has significant responsibility for managing the well-being of a person who has been diagnosed with a debilitating medical condition and who is designated as such on that person's application for a registry identification card or in other written notification to the division. "Designated primary caregiver" does not include the person's attending physician.

(5) "Division" means the Health Division of the Oregon Department of Human Resources.

(6) "Marijuana" has the meaning given that term in ORS 475.005.

(7) "Medical use of marijuana" means the production, possession, delivery, or administration of marijuana, or paraphernalia used to administer marijuana, as necessary for the exclusive benefit of a person to mitigate the symptoms or effects of his or her debilitating medical condition.

(8) "Production" has the same meaning given that term in ORS 475.005.

(9) "Registry identification card" means a document issued by the division that identifies a person authorized to engage in the medical use of marijuana and the person's designated primary caregiver, if any.

(10) "Usable marijuana" means the dried leaves and flowers of the plant Cannabis family Moraceae, and any mixture or preparation thereof, that are appropriate for medical use as allowed in sections 1 to 19 of this Act. "Usable marijuana" does not include the seeds, stalks and roots of the plant.

(11) "Written documentation" means a statement signed by the attending physician of a person diagnosed with a debilitating medical condition or copies of the person's relevant medical records.

SECTION 4. (1) Except as provided in sections 5 and 11 of this Act, a person engaged in or assisting in the medical use of marijuana is excepted from the criminal laws of the state for possession, delivery or production of marijuana, aiding and abetting another in the possession, delivery or production of marijuana or any other criminal offense in which possession, delivery or production of marijuana is an element if the following conditions have been satisfied:

(a) The person holds a registry identification card issued pursuant to this section, has applied for a registry identification card pursuant to subsection (9) of this section, or is the designated primary caregiver of a cardholder or applicant; and

(b) The person who has a debilitating medical condition and his or her primary caregiver are collectively in possession of, delivering or producing marijuana for medical use in the amounts allowed in section 7 of this Act.

(2) The division shall establish and maintain a program for the issuance of registry identification cards to person who meet the requirements of this section. Except as provided in subsection (3) of this section, the division shall issue a registry identification card to any person who pays a fee in the amount established by the division and provides the following:

(a) Valid, written documentation from the person's attending physician stating that the person has been diagnosed with a

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Measure No. 67

debilitating medical condition and that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition;

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

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

(d) The name and address of the person's designated primary caregiver, if the person has designated a primary caregiver at the time of application.

(3) The division shall issue a registry identification card to a person who is under eighteen years of age if the person submits the materials required under subsection (2) of this section, and one of the person's parents or legal guardians signs a written statement that:

(a) The person's attending physician has explained to the person and to one of the person's parents or legal guardians the possible risks and benefits of the medical use of marijuana;

(b) The parent or legal guardian consents to the use of marijuana by the person for medical purposes;

(c) The parent or legal guardian agrees to serve as the person's designated primary caregiver; and

(d) The parent or legal guardian agrees to control the acquisition of marijuana and the dosage and frequency of use by the person.

(4) A person applying for a registry identification card pursuant to this section may submit the information required in this section to a county health department for transmittal to the division. A county health department that receives the information pursuant to this subsection shall transmit the information to the division within five days of receipt of the information. Information received by a county health department pursuant to this subsection shall be confidential and not subject to disclosure, except as required to transmit the information to the division.

(5) The division shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within thirty days of receipt of the application.

(a) The division may deny an application only for the following reasons:

(i) The applicant did not provide the information required pursuant to this section to establish his or her debilitating medical condition and to document his or her consultation with an attending physician regarding the medical use of marijuana in connection with such condition, as provided in subsections (2) and (3) of this section; or

(ii) The division determines that the information provided was falsified.

(b) Denial of a registry identification card shall be considered a final division action, subject to judicial review. Only the person whose application has been denied, or, in the case of a person under the age of eighteen years of age whose application has been denied, the person's parent or legal guardian, shall have standing to contest the division's action.

(c) Any person whose application has been denied may not reapply for six months from the date of the denial, unless so authorized by the division or a court of competent jurisdiction.

(6)(a) If the division has verified the information submitted pursuant to subsections (2) and (3) of this section and none of the reasons for denial listed in subsection (5)(a) of this section is applicable, the division shall issue a serially numbered registry identification card within five days of verification of the information. The registry identification card shall state:

(i) The cardholder's name, address and date of birth;

(ii) The date of issuance and expiration date of the registry identification card;

(iii) The name and address of the person's designated primary caregiver, if any; and

(iv) Such other information as the division may specify by rule.

(b) When the person to whom the division has issued a registry identification card pursuant to this section has specified a designated primary caregiver, the division shall issue an identification card to the designated primary caregiver. The primary caregiver's registry identification card shall contain the information provided in subsection 4(6)(a)(i)-(iv).

(7)(a) A person who possesses a registry identification card shall:

(i) Notify the division of any change in the person's name, address, attending physician or designated primary caregiver; and

(ii) Annually submit to the division:

(A) updated written documentation of the person's debilitating medical condition; and

(B) the name of the person's designated primary caregiver if a primary caregiver has been designated for the upcoming year.

(b) If a person who possesses a registry identification card fails to comply with this subsection, the card shall be deemed expired. If a registry identification card expires, the identification card of any designated primary caregiver of the cardholder shall also expire.

(8) A person who possesses a registry identification card pursuant to this section and who has been diagnosed by the person's attending physician as no longer having a debilitating medical condition shall return the registry identification card to the division within seven calendar days of notification of the diagnosis. Any designated primary caregiver shall return his or her identification card within the same period of time.

(9) A person who has applied for a registry identification card pursuant to this section but whose application has not yet been approved or denied, and who is contacted by any law enforcement officer in connection with his or her administration, possession, delivery or production of marijuana for medical use may provide to the law enforcement officer a copy of the written documentation submitted to the division pursuant to subsections (2) or (3) of this section and proof of the date of mailing or other transmission of the documentation to the division. This documentation shall have the same legal effect as a registry identification card until such time as the person receives notification that the application has been approved or denied.

SECTION 5. (1) No person authorized to possess, deliver or produce marijuana for medical use pursuant to sections 1 to 19 of this Act shall be excepted from the criminal laws of this state or shall be deemed to have established an affirmative defense to criminal charges of which possession, delivery or production of marijuana is an element if the person, in connection with the facts giving rise to such charges:

(a) Drives under the influence of marijuana as provided in ORS 813.010;

(b) Engages in the medical use of marijuana in a public place as that term is defined in ORS 161.015, or in public view;

(c) Delivers marijuana to any individual who the person knows is not in possession of a registry identification card; or

(d) Delivers marijuana for consideration to any individual, even if the individual is in possession of a registry identification card.

(2) In addition to any other penalty allowed by law, a person who the division finds has willfully violated the provisions of sections 1 to 19 of this Act or rules adopted under sections 1 to 19 of this Act may be precluded from obtaining or using a registry identification card for the medical use of marijuana for a period of up to six months, at the discretion of the division.

SECTION 6. (1) Except as provided in sections 5 and 11 of this Act, it is an affirmative defense to a criminal charge of possession or production of marijuana, or any other criminal offense in which possession or production of marijuana is an element, that the person charged with the offense is a person who:

(a) Has been diagnosed with a debilitating medication condition and been advised by his or her attending physician the medical use of marijuana may mitigate the symptoms or effects of that debilitating medical condition;

(b) Is engaged in the medical use of marijuana; and

(c) Possesses or produces marijuana only in the amounts allowed in section 7 (1) of this Act, or in excess of those amounts if the person proves by a preponderance of the evidence that the greater amount is medically necessary to mitigate the symptoms or effects of the person's debilitating medical condition.

(2) It is not necessary for a person asserting an affirmative defense pursuant to this section to have received a registry

CONTINUED

Measure No. 67

identification card in order to assert the affirmative defense established in this section.

(3) No person who claims that marijuana provides medically necessary benefits and who is charged with a crime pertaining to such use of marijuana shall be precluded from presenting a defense of choice of evils, as set forth in ORS 161.200, or from presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition, provided that the amount of marijuana at issue is no greater than permitted under section 7 of this Act.

SECTION 7. (1) A person who possesses a registry identification card issued pursuant to section 4 of this Act may engage in, and a designated primary caregiver of such a person may assist in, the medical use of marijuana only as justified to mitigate the symptoms or effects of the person's debilitating medical condition. Except as allowed in subsection (2) of this section, a registry identification cardholder and that person's designated primary caregiver may not collectively possess, deliver or produce more than the following:

(a) If the person is present at a location at which marijuana is not produced, including any residence associated with that location, one ounce of usable marijuana; and

(b) If the person is present at a location at which marijuana is produced, including any residence associated with that location, three mature marijuana plants, four immature marijuana plants and one ounce of usable marijuana per each mature plant.

(2) If the individuals described in subsection (1) of this section possess, deliver or produce marijuana in excess of the amounts allowed in subsection (1) of this section, such individuals are not excepted from the criminal laws of the state but may establish an affirmative defense to such charges, by a preponderance of the evidence, that the greater amount is medically necessary to mitigate the symptoms or effects of the person's debilitating medical condition.

(3) The Health Division shall define by rule when a marijuana plant is mature and when it is immature for purposes of this section.

SECTION 8. (1) Possession of a registry identification card or designated primary caregiver identification card pursuant to section 4 of this Act shall not alone constitute probable cause to search the person or property of the cardholder or otherwise subject the person or property of the cardholder to inspection by any governmental agency.

(2) Any property interest possessed, owned or used in connection with the medical use of marijuana or acts incidental to the medical use of marijuana that has been seized by state or local law enforcement officers shall not be harmed, neglected, injured or destroyed while in the possession of any law enforcement agency. No such property interest may be forfeited under any provision of law providing for the forfeiture of property other than as a sentence imposed after conviction of a criminal offense. Marijuana and paraphernalia used to administer marijuana that was seized by any law enforcement office shall be returned immediately upon a determination by the district attorney in whose county the property was seized, or his or her designee, that the person from whom the marijuana or paraphernalia used to administer marijuana was seized is entitled to the protections contained in sections 1 to 19 of this Act. Such determination may be evidenced, for example, be a decision not to prosecute, the dismissal of charges, or acquittal.

SECTION 9. No attending physician may be subjected to civil penalty or discipline by the Board or Medical Examiners for:

(1) Advising a person whom the attending physician has diagnosed as having a debilitating medical condition, or a person who the attending physician knows has been so diagnosed by another physician licensed under ORS chapter 677, about the risks and benefits of medical use of marijuana or that the medical use of marijuana may mitigate the symptoms or effects of the person's debilitating medical condition, provided the advice is based on the attending physician's personal assessment of the person's medical history and current medical condition; or

(2) Providing the written documentation necessary for issuance of a registry identification card under section 4 of this Act, if the documentation is based on the attending physician's personal assessment of the applicant's medical history and current medical condition and the physician has discussed the potential medical risks and benefits of the medical use of marijuana with the applicant.

SECTION 10. No professional licensing board may impose a civil penalty or take other disciplinary action against a licensee based on the licensee's medical use of marijuana in accordance with the provisions of sections 1 to 19 of this Act or actions taken by the licensee that are necessary to carry out the licensee's role as a designated primary caregiver to a person who possesses a lawful registry identification card issued pursuant to section 4 of this Act.

SECTION 11. Nothing in sections 1 to 19 of this Act shall protect a person from a criminal cause of action based on possession, production, or delivery of marijuana that is not authorized by sections 1 to 19 of this Act.

SECTION 12. (1) The division shall create and maintain a list of the persons to whom the division has issued registry identification cards pursuant to section 4 of this Act and the names of any designated primary caregivers. Except as provided in subsection (2) of this section, the list shall be confidential and not subject to public disclosure.

(2) Names and other identifying information from the list established pursuant to subsection (1) of this section may be released to:

(a) Authorized employees of the division as necessary to perform official duties of the division; and

(b) Authorized employees of state or local law enforcement agencies, only as necessary to verify that a person is a lawful possessor of a registry identification card or that a person is the designated primary caregiver of such a person.

SECTION 13. (1) If a person who possesses a registry identification card issued pursuant to section 4 of this Act chooses to have a designated primary caregiver, the person must designate the primary caregiver by including the primary caregiver's name and address:

(a) On the person's application for a registry identification card;

(b) In the annual updated information required under section 4 of this Act; or

(c) In a written, signed statement submitted to the division.

(2) A person described in this section may have only one designated primary caregiver at any given time.

SECTION 14. Any person may submit a petition to the division requesting that a particular disease or condition be included among the diseases and conditions that qualify as debilitating medical conditions under section 3 of this Act. The division shall adopt rules establishing the manner in which the division will evaluate petitions submitted under this section. Any rules adopted pursuant to this section shall require the division to approve or deny a petition within 180 days of receipt of the petition by the division. Denial of a petition shall be considered a final division action subject to judicial review.

SECTION 15. The division shall adopt all rules necessary for the implementation and administration of sections 1 to 19 of this Act.

SECTION 16. Nothing in sections 1 to 19 of this Act shall be construed to require:

(1) A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana; or

(2) An employer to accommodate the medical use of marijuana in any workplace.

SECTION 17. The division may take any actions on or before the effective date of this Act that are necessary for the proper and timely implementation and administration of sections 1 to 19 of this Act.

SECTION 18. Any section of this Act being held invalid as to any person or circumstance shall not affect the application of any other section of this Act that can be given full effect without the invalid section or application.

SECTION 19. All provisions of this Act shall apply to acts or offenses committed on or after December 3, 1998, except that sections 4, 12 and 14 shall become effective on May 1, 1999.

CONTINUED

Measure No. 67

EXPLANATORY STATEMENT

This measure changes current law to allow a person with a debilitating medical condition, verified by written proof from a physician, to engage in the medical use of marijuana. Current law prohibits possession, delivery or production of marijuana. This measure allows for the medical use, possession, delivery and production of limited amounts of marijuana, without pharmaceutical control (due to federal regulation), to alleviate the symptoms or effects of debilitating medical conditions, including cancer, glaucoma, AIDS, HIV, and other conditions.

This measure establishes a state registration system that issues cards to persons eligible to use marijuana for medical purposes. This measure also allows a person who qualifies to use marijuana for medical purposes to designate as a primary caregiver a person who has significant responsibility for managing his or her care. A designated primary caregiver is authorized to assist the qualified person in the use, possession, delivery and production of limited amounts of marijuana for authorized medical purposes. The designated primary caregiver must be identified on the identification card provided to the qualified person. For minors the designated primary caregiver must be a parent or guardian.

Current criminal penalties for the possession, delivery or production of marijuana, and for aiding and abetting another in the possession, delivery or production of marijuana, remain in effect. A person who qualifies or has applied for medical use of marijuana is excepted from these state laws. This measure creates an affirmative defense to state criminal charges of possession or production or marijuana for a person who is diagnosed with a debilitating medical condition, is engaged in the medical use of marijuana and possesses marijuana in an amount permitted under this measure.

A person authorized to engage in the medical use of marijuana under this measure remains subject to criminal prosecution if he or she drives under the influence of marijuana, engages in the medical use of marijuana in a public place or in public view, delivers marijuana to any person not in possession of an identification card or delivers marijuana to any person for money or other consideration.

This measure also prohibits any professional licensing board from taking disciplinary action against or imposing a civil penalty upon a licensee based upon the licensee's authorized medical use of marijuana or actions taken by the licensee as the designated primary caregiver of a person authorized to use marijuana for medical purposes. It also prohibits penalizing or disciplining any attending physician for advising a person diagnosed by a physician as having a debilitating condition about the risks, benefits and possible effects of the medical use of marijuana if the advice is based upon the physician's personal assessment of the person's medical history and current condition. In addition, this measure prohibits penalizing or disciplining any attending physician for providing the written documentation necessary for issuing a registry identification card under this measure.

This measure does not require governmental medical assistance plans or private health insurers to reimburse a person for the costs resulting from the medical use of marijuana.

Committee Members:	**Appointed by:**
George Eighmey	Chief Petitioners
Todd Olson	Chief Petitioners
Sheriff Dan Noelle*	Secretary of State
Dr. Cornilia Taylor	Secretary of State
Representative Lane Shetterly	Members of the Committee

*Member dissents (does not concur with explanatory statement)

(This committee was appointed to provide an impartial explanation of the ballot measure pursuant to ORS 251.215.)

ARGUMENT IN FAVOR

My name is Stormy Ray. I am a grandmother of five. One day in 1985, my legs stopped working. I sat down in the street and dragged myself to my car.

I endured nearly a year of frantic testing before doctors diagnosed my multiple sclerosis. To treat my fatigue, nerve pain, and digestive problems, my doctor prescribed numerous drugs.

For years, I lived my life in a haze from all of the different drugs. I could not function. My self-esteem plummeted and I became bedridden, a recluse from life for six years. After 31 years of a healthy, active lifestyle, I felt my life was over.

By 1991, I was dying. Doctors were unable to treat the chronic migraine headaches that were killing me. My constant pain caused severe vomiting. This led to numerous trips to the emergency room where I was pumped full of morphine, Demerol, and other mind-altering drugs.

Medical marijuana is the only medicine that has helped to restore my dignity and quality of life.

If not for medical marijuana, I would be residing in a nursing home-unable to function, suffering unbearable pain.

Now, I face a dilemma. The choice is to live in unbearable pain or fear arrest if I use marijuana as medicine.

That's not a choice I should have to make.

I have a lot to live for...my daughter... my family... all my hopes and dreams. Medical marijuana may be the only medicine that gives me a fighting chance.

I am not alone. There are thousands of patients like me-- people suffering from cancer, AIDS, glaucoma, epilepsy, and a host of other diseases or illnesses that threaten their lives.

Patients should have the right to use any medical means necessary to control our diseases. We should be able to talk to our doctors about whether or not marijuana will help us.

Please vote YES on MEASURE 67.

Stormy Ray
Chief Petitioner

(This information furnished by Stormy Ray, Oregonians for Medical Rights.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 67

ARGUMENT IN FAVOR

"The examination room is a sanctuary...the war on drugs does not belong there."

—Richard E. Bayer, M.D., FACP

I have seen many patients benefit from the medical use of marijuana. If it were legal to do so, physicians would recommend marijuana to suffering patients, many of whom are terminally ill.

Today, the law prevents us from helping patients who could benefit from this treatment option. The examination room is for treating patients–it should not serve as the battlefield for the war on drugs. The decisions of dying and suffering patients should be respected.

That's why I am a chief petitioner of **Measure 67–The Oregon Medical Marijuana Act.** This moderate proposal exempts patients with serious illnesses from Oregon criminal law when using marijuana under doctor supervision.

Patients with cancer find marijuana controls their vomiting, allowing them to continue chemotherapy. Patients find marijuana helps the "wasting syndrome" that often characterizes AIDS. Patients with spinal injuries and multiple sclerosis find relief from severe muscle spasms (spasticity) that complicate nerve damage. Patients with glaucoma have derived benefit from marijuana when conventional treatments have failed.

Dying and suffering patients should not be arrested for using medical marijuana under doctor supervision. This simple statement can be agreed upon by most of you, who like me, are not experts in the "politics of marijuana" or "drug policy reform," and do not support the legalization of marijuana for recreational use.

Measure 67 is about the rights of dying and suffering patients. Patients and their physicians should be able to discuss every treatment option. Measure 67 simply allows patients with debilitating illnesses to use a medicine that may help their condition–free from fear of arrest and incarceration.

Measure 67 is a moderate law with clear safeguards designed to protect dying and suffering patients and allow the use of medical marijuana under a doctor's care.

Please join me in Voting YES on 67.

Richard E. Bayer, M.D., FACP
Chief Petitioner

(This information furnished by Richard E. Bayer, M.D., Oregonians for Medical Rights.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

FACTS ABOUT THE OREGON MEDICAL MARIJUANA ACT:

Protect Patients... Vote Yes on Measure 67

The Oregon Medical Marijuana Act allows patients suffering from cancer, glaucoma, AIDS, multiple sclerosis, and other serious diseases–with physician written approval–to use marijuana to relieve their symptoms.

Measure 67 Requires Physician Approval to Use Medical Marijuana

Not just anyone can use marijuana and claim a medical need. To use medical marijuana legally in their treatment, patients must get their medical doctor's approval in writing. Such approval entitles patients to receive a permit from the state health division.

This permit will also inform law enforcement officials that the patient has a legitimate medical need for marijuana, preventing unnecessary arrests of dying and suffering patients.

What the Oregon Medical Marijuana Act Does Not Allow:

- **DOES NOT** allow medical use of marijuana in a public place or in public view.
- **DOES NOT** allow the sale of marijuana under any circumstances.
- **DOES NOT** allow minors to use for medical purposes without the written consent of a parent or guardian.
- **DOES NOT** change any other existing criminal laws with regard to the illegal use of marijuana.

VOTE YES ON MEASURE 67
Protect Dying and Suffering Patients.

(This information furnished by Amy K. Klare, Oregonians for Medical Rights.)

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CONTINUED

Measure No. 67

ARGUMENT IN FAVOR

New England Journal of Medicine Supports the Medical Use of Marijuana

"The advanced stages of many illnesses and their treatments are often accompanied by intractable nausea, vomiting, or pain. Thousands of patients with cancer, AIDS, and other diseases report they have obtained striking relief from these devastating symptoms by smoking marijuana."

"...I believe that a federal policy that prohibits physicians from alleviating suffering by prescribing marijuana for seriously ill patients is misguided, heavy-handed, and inhumane."

"...It is also hypocritical to forbid physicians to prescribe marijuana while permitting them to use morphine and meperidine to relieve extreme dyspnea and pain."

"...Federal authorities should rescind their prohibition of the medical use of marijuana for seriously ill patients and allow physicians to decide which patients to treat. The government should change marijuana's status.....and regulate it accordingly."

" ...Some physicians will have the courage to challenge the continued proscription of marijuana for the sick. Eventually, their actions will force the courts to adjudicate between the rights of those at death's door and the absolute power of bureaucrats whose decisions are based more on reflexive ideology and political correctness than on compassion."

REFERENCE:Editorial by *New England Journal of Medicine* Editor Dr. Jerome Kassirer, Jan. 30, 1997

(This information furnished by Geoff Sugerman, Oregonians for Medical Rights.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN FAVOR

VOTE YES ON MEASURE 67!
IT'S A REASONABLE RESPONSE TO AN UNREASONABLE SITUATION

Did you know that under current state and federal law marijuana is classified as a Schedule I controlled substance and may not be prescribed for medical use by doctors? Did you know that more dangerous drugs—such as morphine, cocaine and amphetamines—**are** available for medical use because they are classified as Schedule II controlled substances or lower?

Despite mounting evidence that marijuana can help patients with glaucoma, AIDS, cancer, multiple sclerosis, and other conditions, the federal Drug Enforcement Administration continues to block research on the beneficial effects of marijuana. Oregon can't change federal law, but we can decide how state and local law enforcement officials will treat the medical use of marijuana.

MEASURE 67 WILL EASE HARASSMENT OF PATIENTS

Patients whose medical conditions are eased by marijuana should not be arrested and sent to jail. That's why the American Civil Liberties Union (ACLU) of Oregon helped write Measure 67. And that's why we urge you to support this initiative.

MEASURE 67 IS A SAFE, MODERATE LAW

Here are some of the important safeguards included in Measure 67:

- The exceptions for medical use of marijuana will only be available for patients who need it [See Section 3(2), definition of "debilitating medical condition"];
- While Measure 67 will allow medical use of marijuana, it will not allow anyone to sell marijuana [See Section 5(1)(d)]; this is intended to prevent the type of "cannabis buyers' clubs" which have popped up in California since the approval of a medical marijuana measure there;
- Measure 67 will not affect Oregon laws that already make it a crime to drive a motor vehicle while under the influence of marijuana [See Section 5(1)(a)];
- Measure 67 specifically prohibits any medical use of marijuana in a public place or within public view {See Section 5(1)(b)].

VOTE YES ON MEASURE 67!
IT'S A REASONABLE RESPONSE TO AN UNREASONABLE SITUATION

(This information furnished by Jann Carson, American Civil Liberties Union (ACLU) of Oregon.)

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CONTINUED

Measure No. 67

ARGUMENT IN FAVOR

Nurses Stand by Their Patients By Supporting Measure 67

Nurses are compassionate healers who care deeply for our dying and suffering patients. We are also advocates for our patients' medical needs.

That is why many nurses support Measure 67.

There Are Volumes of Data That Prove Medical Marijuana Works.

A vast and ever-expanding body of medical knowledge details the many medicinal benefits of marijuana. Many more volumes speak of widespread, safe use by patients with the quiet understanding and tacit approval of doctors and nurses everywhere.

Unfortunately, science and ethics have taken a back seat to political posturing. Patients and their families are the losers when politics replaces public policy.

Today, Our Patients Must Live in Fear.

Today, dying and suffering patients live in fear. Under current law, medical marijuana patients are arrested, prosecuted, fined and even jailed for using a safe medicine which relieves pain, spasticity, nausea and a host of other debilitating conditions. **This is wrong!**

As nurses, we stand beside our patients by supporting Measure 67 to allow dying and suffering patients the right to use medicinal marijuana.

Measure 67 Ends the Injustice Patients Face

Measure 67 begins to address this tragic social injustice by allowing seriously ill Oregonians the right to legally use marijuana as medicine if they register with the Oregon Health Division and are under the care of a physician. By passing Measure 67, voters will acknowledge that this safe and effective medicine should be available for medical use.

It also represents an awareness by the people of Oregon that turning patients into criminals is inconsistent with the ethics we live by.

For the sake of our patients, please join nurses across Oregon in supporting the Oregon Medical Marijuana Act.

Please Vote Yes on Measure 67.

Edward Glick, RN
Donna Heavrin, RN
Karen Daley, RN
Dianne Cassidy, RN
Karen Hughes, RN
Cameron Lowder, RN
Linda Lindsey, RN
Dana McGlohn, RN
Kerry Self, RN
Bruce Penner, RN

(This information furnished by Edward Glick, RN.)

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ARGUMENT IN FAVOR

Physicians Support Measure 67

As medical professionals, we support the rights of our patients to use medicines that might help them treat their debilitating illnesses. That's why we urge you to vote YES on Measure 67, the Oregon Medical Marijuana Act.

For many centuries, patients have used marijuana (cannabis) as medicine, achieving positive results for the treatment of a variety of conditions. Even as medical technology has improved, many dying and suffering patients are afflicted with debilitating conditions for which the responsible use of marijuana as medicine might help.

Many patients with cancer, glaucoma, AIDS, multiple sclerosis, spinal cord injuries and other serious illnesses report significant relief from their symptoms by using marijuana as medicine.

Numerous articles in respected medical journals such as the *New England Journal of Medicine* and the *Journal of the American Medical Association* point to the same conclusions: Marijuana as medicine works for many patients (see Measure 67, Oregon Medical Marijuana Act, web site at http://www.teleport.com/~omr).

However, at this time, the federal government has classified marijuana as a substance that cannot be prescribed by physicians...even though we can prescribe powerful drugs such as morphine. The editor in chief of the *New England Journal of Medicine* (1/30/97), Dr. Jerome Kassirer wrote "a federal policy that prohibits physicians from alleviating suffering by prescribing marijuana for seriously ill patients is misguided, heavy-handed and inhumane." We agree.

Measure 67, the Oregon Medical Marijuana Act, allows dying and suffering patients the right to use marijuana as medicine under doctor supervision. It does not change other drug laws. Measure 67 simply provides a safe harbor to protect seriously ill patients from arrest if their physician states marijuana "might help" their debilitating condition.

Please join us in voting yes on Measure 67.

Charles M. Grossman, M.D.
David M.. Smith, M.D.
Michael J. Veverka, M.D.
Richard E. Bayer, M.D.
Stephen R. Enloe, M..D.
Euan Horniman, M.D.

(This information furnished by Richard E. Bayer, M.D., Oregonians for Medical Rights.)

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CONTINUED

Measure No. 67

ARGUMENT IN FAVOR

In 1982, I was diagnosed with multiple sclerosis.

For 12 years the disease remained in remission, allowing me to continue my work as a nurse, a profession I had worked in for 20 years.

I used those 12 years to enjoy life – climbing mountains, rafting Oregon's rivers, living an active life – because I knew any day things could change.

In 1994, my disease worsened.
I began to lose the ability to function free from pain and the crippling spasms of MS.
I had to quit my job and go on social security disability.

It was during this time I began to use medical marijuana. The benefits were immediate.
It was the only medicine I could take that significantly relieved the muscle spasms.

As a nurse and a patient, I can tell you with certainty that the debilitating conditions of my disease would be unbearable if I did not use marijuana as medicine.

I am not alone.
I have known many other patients who have successfully used this medicine to help control their disease or illness.

I hope Oregonians pass Measure 67, if only to send a message to the federal government: **Doctors should be allowed to prescribe medical marijuana to their patients.**

I do not want to live in fear of arrest or prosecution because the government has political reasons to arbitrarily outlaw the medical use of marijuana.

I don't want to have to buy the only medicine that helps me from underground drug dealers in back alleys.

Please Vote Yes on Measure 67.
Patients like me are counting on your support.

Thank you.

Jeanelle Bluhm

(This information furnished by Jeanelle Bluhm, Oregonians for Medical Rights.)

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ARGUMENT IN OPPOSITION

"Medical Marijuana Scam"
focc.org/

Who's lying? Snake-oil salesmen, wanting to get high, ...or us?

"Adults" confuse children calling smoked marijuana, "medicine", implying it's good for you.

Speaking of legalizing marijuana for chemotherapy patients, Keith Stroup, founder, twice executive director of National Organization for the Reform of Marijuana Laws, said:

"we'll be using the issue as a red herring to give marijuana a good name.

interview (2/6/79) with the *"Emory Wheel"*, ("Normal Chairman Keith Stroup on Pot Issues)

Dick Cowen, National Director of NORML, while at a conference celebrating the anniversary of LSD, stated:

"The key to it [legalization of marijuana, for personal use] is medical access. Because, once you have hundreds of thousands of people using marijuana medically under medical supervision, the whole scam is going to be bought .... then we'll get medical, then, we'll get full legalization."

Videotape, *"Medical Marijuana: A Smokescreen"*
GO Media Companies, P.O. Box 32786, Phoenix, AZ 85064

- Synthetic marijuana, Marinol, is already available.
- Proposition 200 ("medical marijuana") Arizonans believe it created dangerous, unintended consequences. Polls show 60% of registered voters support repealing it.
- Glaucoma - wide fluctuations in intraocular pressure, and numerous other factors affect the course of this disease; doctors agree: using marijuana as a treatment is likely to mask problems increasing the risk of blindness.
- Fetal Marijuana Symptoms are similar to those of Fetal Alcohol Syndrome, both, preventable.
- Mental Illness - marijuana has long been known to 'trigger' mental illnesses, such as bipolar (manic-depressive) psychosis and schizophrenia. Marijuana users are six times more likely to develop schizophrenia than non-users.
- Benzopyrene, a carcinogen, is more prevalent in marijuana than tobacco. Holding smoke in, 4 joints equal 30 cigarettes. Smoke is not a medicine; it damages the brain, heart, lungs and immune systems, impairs white blood cells' fighting infection, as well as resistance to diseases like AIDS.

Don't Legitimize Marijuana! Vote NO!

(This information furnished by John E. English, Director, For Our Children's Children.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 67

ARGUMENT IN OPPOSITION

My name is Stanley Fields and I am a recovering Addict. I've been in recovery for over 13 years and we, that have have attained long term recovery from addiction, understand this issue as good, if not better than most Oregonians. I was almost dead at the age of 27 from chronic substance abuse.

It started with marijuana and I was a frequent marijuana smoker for more than a decade ... It robbed me of everything good in life. Some say that marijuana is a soft drug and it really doesn't cause much harm and I say how would you feel about the airline pilot, flying your plane, that just smoked a little harmless marijuana? Or the bus driver taking your children to school? The message I received, as a kid was that drugs like marijuana, were illegal and they would mess up my life. The people that gave me that message were dead right ... schoolteachers and leaders in my community all sent that message and unfortunately I didn't listen.

This measure sends the message to our children that smoking marijuana is ok, that it's a harmless herb used for centuries and that it has medicinal use. **Not one credible scientific organization has deemed marijuana useful. Can you think of one medically useful drug that has ever had to go to a vote of the people for approval?** There are some well meaning but severely misguided people who believe that we should legalize drugs and they are using the medical issue to further that cause. **If drugs would have been legal when I was growing up I would be dead now.**

Don't let marijuana rob our children's growing and developing minds the opportunity to be as healthy as they can be. Don't be fooled by a well-financed campaign of misinformation. I urge you to vote NO on Measure 67.

Stanley Fields
Recovering Addict

(This information furnished by Stanley Fields.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

MEASURE 67 WOULD PREVENT POLICE AND PROSECUTORS FROM DOING THEIR JOB – FIGHTING CRIME.

- Measure 67 would make it easier for children and adults to possess and use marijuana. **This measure would make marijuana growers practically immune from prosecution.** It will be difficult to determine whether a person is growing marijuana for "medicinal" or illegal purposes. Suddenly, possession of a dangerous drug would be none of the police force's business.

MEASURE 67 IS NOT ABOUT SICK PEOPLE OR WHETHER MARIJUANA QUALIFIES AS MEDICINE. IT IS AN ATTEMPT TO LEGALIZE A VERY DANGEROUS DRUG. OUT-OF-STATE BACKERS WHO WANT TO LEGALIZE ALL DRUGS ARE PLAYING UPON OREGON'S COMPASSION FOR SERIOUS ILLNESS.

UNDER MEASURE 67, YOUR NEXT DOOR NEIGHBOR WOULD BE ALLOWED TO GROW MARIJUANA FOR SELF-MEDICATION. THIS IS NOT ABOUT A MARIJUANA PRESCRIPTION FROM THE PHARMACY. THERE ARE NO EFFECTIVE LIMITS OR CONTROLS ON HOW MUCH MARIJUANA IS GROWN.

- The permit system outlined in Measure 67 is nothing more than a ruse. With a doctor's recommendation, people can apply for the permit. The simple act of completing the application makes users and growers immune from prosecution.
- Children will be allowed to smoke marijuana for pain, leading to dependency and addiction at an early age. This will drastically affect their achievement levels and overall quality of life.

TODAY'S MARIJUANA IS MUCH STRONGER THAN POT SMOKED IN THE 60's or 70's.

- The THC content in marijuana today is **10 times greater** than in 1960. It is a highly addictive, mind-altering drug that needs to be taken seriously.

MEASURE 67 INCLUDES PROTECTION FOR USERS IN THE WORK PLACE AND IN SCHOOLS.

- Employees will have freedom to smoke marijuana wherever and whenever they want. It will be discriminatory to tell employees they can't use their "prescription" in the workplace. When employees are on drugs, they have poor judgment. This leads to more work-related accidents, increased absenteeism and lowered productivity on the job.

I BELIEVE THAT MARIJUANA IS BAD MEDICINE FOR OREGON.
VOTE NO ON MEASURE 67.

(This information furnished by Dan Noelle, Multnomah County Sheriff.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 67

ARGUMENT IN OPPOSITION

MEASURE 67 — NO LIMITS, NO CONTROLS

- **Measure sets no age limitation on smoking marijuana. Children will have access to marijuana and be allowed to smoke it under this measure.** Do Oregonians want a law that allows juveniles to get illegal street drugs in the name of medicine? The answer is NO.
- Do you know that **your neighbors will be growing pot?** Measure 67 allows people to grow marijuana in their home for "medicinal" use. The measure requires no prescription and no trip to the pharmacy. **What "medical supervision" will there be for the children climbing over the fence?**

We do not want our neighbors next door growing pot for the whole family. This is unacceptable. Measure 67 is unacceptable. Marijuana is a dangerous drug and we should treat it accordingly.

- **Medicine is not smoked.** We do not need to allow our children to smoke marijuana to treat medical conditions when there are myriad prescription medicines approved by the FDA and proven safe and effective.

We do not want children becoming dependent on drugs — legally or otherwise.

Measure 67 sends the wrong message to our children. How do we tell children marijuana is bad when we label it medicine?

- **From 1995 to 1996 trial use of marijuana doubled among elementary school children aged nine to 12 --** increasing from 230,000 children experimenting with marijuana in 1995 to 460,000 in 1996 (Partnership Attitude Tracking Study).
- **From 1996 to 1997 use of marijuana by the same group increased by another third.** The number of 12-15 year olds using marijuana increased from 7.1% in 1996 to 9.4% in 1997 (1997 National Household Survey on Drug Abuse).

SMOKING MARIJUANA INHIBITS BOTH INTELLECTUAL AND PHYSICAL GROWTH IN YOUNG PEOPLE.

- The 1996 Oregon Public School Drug Survey reported that drug use not only affects a student's scholastic performance but is often related to their willingness to remain in school.

LEGALIZING MARIJUANA IS BAD FOR OREGON.

ENCOURAGING YOU TO DO IT IN THE NAME OF MEDICINE IS DECEPTIVE.

IT IS NOT ABOUT MEDICINE, IT IS ABOUT LEGALIZING DRUGS!

VOTE NO ON MEASURE 67

(This information furnished by Terry Hensley, Save Our Society from Drugs.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

THE STRAIGHT FACTS ABOUT MARIJUANA.

- Marijuana is addictive and affects the brain in ways similar to heroin, cocaine, tobacco, or alcohol. Teenagers are twice as likely as adults to become addicted to marijuana.
- Children born to women who use marijuana during pregnancy are apt to have lower birth weight, lower intelligence, more behavior problems, and a ten times greater chance of developing leukemia.
- Using marijuana damages health, thinking, memory, learning, and self management abilities. Marijuana smokers should not drive because marijuana erodes their driving abilities much as alcohol does.
- Teenagers who use marijuana are:
  - 6 times more likely to bring guns to school.
  - 4 times more likely to attack another person to hurt them.
  - 3 times more likely to engage in sex (and far more likely to do so without protection against disease and pregnancy).
  - 2 times more likely to attempt suicide.
  - 85 times more likely to use cocaine.
- Marijuana use by Oregon 8th graders has tripled since 1990 and is 36% above the national average. Measure 67 would allow Oregon children to smoke marijuana legally.
- Out-of-state marijuana promoters paid for Measure 67 in hopes of making marijuana more available. Marijuana promoters want to eliminate all restrictions on drug use.
- The main active ingredient in marijuana is available in synthetic form with a doctor's prescription (brand name Marinol). Research shows it is safe and effective for appetite stimulation and nausea reduction.
- Smoked marijuana has never been shown to be safe and effective treatment for any medical condition. Twenty-five years of scientific research and more than 12,000 published studies confirm only harm and health damage from smoked marijuana.

SMOKING MARIJUANA CIGARETTES IS NOT GOOD MEDICINE FOR ANYONE.

VOTE NO ON MEASURE 67.

(This information furnished by Roger Burt, MS.)

(This space purchased for $300 in accordance with ORS 251.255.)

The printing of this argument does not constitute an endorsement by the State of Oregon, nor does the state warrant the accuracy or truth of any statement made in the argument.

CONTINUED

Measure No. 67

ARGUMENT IN OPPOSITION

Oregonians care about people; they are compassionate. But Measure 67 is not about compassion and marijuana is not medicine.

Oregon voters can show they care for those who are suffering without voting to legalize marijuana. Voting against Measure 67 doesn't mean you don't care. Voting against Measure 67 means YOU DO CARE ABOUT:

OUR SCHOOLS:

Marijuana use by Oregon 8th graders has **tripled** since 1990, and is **36%** above the national average. Research shows marijuana users have more problems with learning, memory, concentration, and behavior.

Measure 67 will make marijuana even more available to Oregon's youth.

OUR CHILDREN AND FAMILIES:

Measure 67 allows children to smoke marijuana. Smoking marijuana affects the brain and leads to impaired short-term memory, perception, judgement and motor skills. Research in Oregon shows **marijuana is now the #1** drug of abuse for teenagers entering drug treatment programs.

Measure 67 will increase everyone's access to marijuana, young and old alike.

OUR WORKPLACES:

The #1 reason Oregon employees fail drug tests is marijuana. Currently **73%** of all users of illegal drugs, including marijuana, are employed.

Measure 67 will increase drug use in the workplace creating significant safety hazards.

OUR HEALTH:

Lung damage from smoking one marijuana cigarette is equal to the damage from 14 tobacco cigarettes. The American Lung Association reports that marijuana contains at least **50% more** cancer causing agents than cigarettes. FDA approved prescription medications are proven safer and more effective than marijuana for treating any medical condition.

Measure 67 allows people to smoke marijuana in any amount, any potency, any time, without a written prescription.

IF YOU REALLY CARE, VOTE NO ON MEASURE 67

(This information furnished by Jennifer Hudson, Oregonians Against Dangerous Drugs.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

ARGUMENT IN OPPOSITION TO MEASURE 67

The Board of Directors for Southern Oregon Drug Awareness (SODA) oppose Measure 67 for the following reasons:

1. There are over 400 chemicals in marijuana, many of them harmful. Scientific research has found only one, THC, has any medicinal value.
2. Synthetic THC, Marinol, is already available and can be prescribed by physicians. SODA has no problem with medically sound drugs. For example, Oregon has a high per capita use of prescribed morphine. This means we are working to relieve pain. As a drug, marijuana has no similar scientific validity. Marijuana has been rejected as medicine by several noted health organizations including the American Medical Association, American Cancer Society and the Multiple Sclerosis and Glaucoma Societies.
3. The measure permits 3 mature and 4 immature plants, much more than what would be necessary for the use of one person, medicinal or otherwise. On the average, one plant produces 3-4 pounds; one joint is one-half gram. 28 grams equal 1 ounce for a potential 896 joints per pound.
4. The THC content of marijuana is 1400% stronger today than the 1960s. Smoked marijuana interferes with functions in the brain causing memory, learning, perception and judgment problems.
5. Research documents that when a drugs use is perceived as being high risk, usage of the drug goes down. When a drugs use is perceived as being low risk, usage of the drug goes up. We want to decrease use by kids; passage of Measure 67 would send the wrong message to youth.
6. Research shows that among the conditions which put youth at-risk for drug use are community standards which are tolerant of use and adult attitudes that are favorable toward use. Passage of Measure 67 would send the wrong message to youth.

Measure 67 isn't good public health policy. It isn't good medicine. It isn't good social policy. SODA opposes Measure 67.

(This information furnished by Stephanie Soares Pump, Executive Director, Southern Oregon Drug Awareness.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Measure No. 67

ARGUMENT IN OPPOSITION

OREGON POLICE CHIEFS FOR SAFER COMMUNITIES URGE YOU TO REJECT MARIJUANA AS THE DANGEROUS DRUG THAT IT IS, BY VOTING NO ON BALLOT MEASURE 67.

- **Measure 67 would change Oregon law, making it legal for people with "debilitating medical conditions" to grow their own marijuana for self-medication, with minimal medical supervision.** "Debilitating medical conditions" is not strictly defined, but would include persistent back spasms.

MARIJUANA IS A NOT MEDICINE.
MARIJUANA IS A DANGEROUS DRUG.

- Measure 67 requires that marijuana be exempt from the approval of the U.S. Food and Drug Administration, which governs all prescription drugs.

VOTE NO ON 67 TO MAINTAIN SAFE, LIVABLE COMMUNITIES

- Common sense tells us that if cultivation and possession of marijuana is allowed for medical use, illegal use will increase as well. **Law enforcement officials and medical professional overwhelmingly reject measures such as this, which will increase young people's access to dangerous drugs.**
- Measure 67 actually allows a legal defense for persons who use, deliver and grow marijuana without possessing a state permit if they claim to suffer from a debilitating medical condition. **With the exception of large commercial operations, it will be impossible to prosecute persons who use, deliver or grow marijuana for illegal purposes.**

OREGON DOES NOT NEED MARIJUANA AS MEDICINE.

JOIN OREGON POLICE CHIEFS FOR SAFER COMMUNITIES IN TELLING THOSE OUT-OF-STATE MILLIONAIRES THAT OREGON WON'T STAND FOR LEGALIZING DANGEROUS DRUGS.

VOTE NO ON MEASURE 67.

(This information furnished by Mike Cahill, Oregon Police Chiefs For Safer Communities.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Oregonians have always been concerned with providing good medicine to meet the medical needs of its citizens. **However, ballot measure 67 which attempts to legalize marijuana as a medicine does not meet the medical needs of Oregonians nor does it qualify as good medicine.**

Claims of benefits pale when compared to real data. The NIH Institute on Allergy and Infectious Disease doesn't feel marijuana is effective due to problems with drug absorption from smoking, present of carcinogenic compounds and contamination due to salmonella and fungal spores. The National Eye Institute reports, "there is no scientifically verifiable evidence that marijuana or its derivatives are safe and effective in the treatment of glaucoma." Their research shows no evidence that it can safely lower intraocular pressure in order to prevent optic nerve damage.

President Harmon J. Eyre of the American Cancer Society has commented regarding treatment of nausea from cancer treatment with marijuana. He states that there is "no reason to support the legalization of marijuana for medical use." Joanne Schellenback of the American Cancer Society says that, "there are ample legal pharmaceuticals available... which don't present the medical problems caused by inhaling."

In a 1994 study published in *Clinical Pharmacology and Therapeutics*, multiple sclerosis patients who smoked a single marijuana cigarette experienced increased posture problems, decreased response speed and further impaired posture and balance. The National Institute of Neurological Disorders and Stroke stated, "There is no evidence that marijuana is effective in modifying the course of MS."

The biggest mistake of this policy is that it ignores the many resources and valid treatments available to Oregonians for their medical pain and suffering. Ballot Measure 67 attempts to replace sound and effective therapies with a mythological substitute.

What Oregonians want is real medicine for their real medical problems. We urge all Oregonians to pursue good treatments from the time tested halls of medicine. Let's not make the mistake of using the ballot box to fashion bad medicine.

VOTE NO ON BALLOT MEASURE 67

(This information furnished by Mike Howden, Oregon Physicians Resource Council.)

(This space purchased for $300 in accordance with ORS 251.255.)

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Measure No. 67

ARGUMENT IN OPPOSITION

OREGON PEACE OFFICERS ASSOCIATION URGES YOU TO REJECT MARIJUANA AS THE DANGEROUS DRUG THAT IT IS BY VOTING NO ON BALLOT MEASURE 67.

Measure 67 would change Oregon law, making it legal for people with "debilitating medical conditions" to grow their own marijuana for self-medication, with minimal medical supervision. "Debilitating medical conditions" includes anything that constitutes severe pain or persistent muscle spasms.

Marijuana is not medicine. Marijuana is a dangerous drug. Measure 67 requires that marijuana be exempt from the approval of the U.S. Food and Drug Administration, which governs all prescription drugs. This would set a very dangerous precedent, undermining the FDA's safe and effective guarantee system that Americans have relied upon for decades.

Common sense tells us that if cultivation and possession of marijuana is allowed for "medical" use, illegal use will increase as well. **Law enforcement officials and medical professionals overwhelmingly reject measures such as these, which will increase young people's access to dangerous drugs.**

Measure 67 actually allows a legal defense for persons who use, deliver and grow marijuana without possessing a state permit if they claim to suffer from a debilitating medical condition. With the exception of large commercial operations, it will be impossible to prosecute marijuana violations.

67 is a poorly drafted measure which appears to set rules and limits as to the possession, delivery, and cultivation of marijuana, however there are broad exceptions written into key provisions of the measure. These exceptions, some of which are detailed above, cancel out the rules and limits, thereby making enforcement of any marijuana laws not only impractical, but virtually impossible.

MEASURE 67 DOESN'T MAKE SENSE. DON'T LET THE OUT-OF-STATE PRO-LEGALIZATION MOVEMENT MAKE ITS MARK IN OREGON.

VOTE NO ON MEASURE 67.

(This information furnished by Pat Harmon, Oregon Peace Officers Association.)

(This space purchased for $300 in accordance with ORS 251.255.)

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ARGUMENT IN OPPOSITION

Measure 67 is not about caring for sick and dying people
Measure 67 is about legalizing dangerous drugs

Oregon must just say "No" to this ill-conceived concept. When you read the measure, you won't be fooled.

Oregon wants to fight crime. So why create an environment where drugs will be readily available for "medicinal" and other uses? Instead of stopping crime, Measure 67 would be encouraging criminal activity and eroding the fabric of our society.

It is not a question of compassion. Oregonians care deeply about our neighbors and friends. There is no question that we want critically ill patients to get the best care available. That is why we must reject Measure 67, for the fact that there are FDA approved safe and affective drugs on the market to treat pain. None of these need to be smoked. Since when does the responsibility fall on voters to decide which drugs work?

Just look at the supporters of this measure. The majority of their money is from out-of-state donors who are known drug legalization advocates (per state C & E reports). They will be spending millions of dollars, and in the process destroying lives and families.

We cannot afford to gamble with our children's future by making drugs more accessible.

SAVE OUR CHILDREN, SAVE OUR FAMILIES, SAVE OUR WAY OF LIFE.

VOTE "NO" ON MEASURE 67

(This information furnished by Lou Beres, Executive Director, Christian Coalition of Oregon.)

(This space purchased for $300 in accordance with ORS 251.255.)

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CONTINUED

Absent Voter

APPLYING FOR ABSENTEE BALLOT

You may apply for an absentee ballot from your county clerk if:

1. You are a registered voter; and
2. You have reason to believe you will be unable, for any reason, to vote at the polling place on election day.

Your application must be in writing and must include:

1. Your signature. (This is required, for comparison to your voter registration card.)
2. Your residence address.
3. The address to which the ballot should be mailed, if different from your residence address.

While you may apply for and receive an absentee ballot up to 8:00 p.m. on election day, if your application is received by the county clerk after October 30, 1998, the county clerk is not required to mail your ballot. If your ballot is not mailed, you must obtain it in person from the county clerk. Therefore, if you apply for an absentee ballot by mail, you must allow enough time to receive the ballot, vote, and return the ballot to the county clerk by 8:00 p.m. on election day.

If you wish to become a permanent absentee voter, you can do so by checking the appropriate box on the absentee ballot application form. If you check the permanent absentee voter box, you are considered a permanent absentee voter for every subsequent election until you notify your county clerk or you move out of the county.

LONG TERM ABSENT VOTER

You may apply for long term absent voter status with your county clerk or the Secretary of State if:

1. You are a resident of this state, absent from your place of residence; and
2. You are serving in the armed forces or merchant marine of the United States; or
3. You are temporarily living outside the territorial limits of the United States and the District of Columbia; or
4. You are a spouse or dependent of a long term absent voter. A spouse or dependent of a long term absent voter, not previously a resident of this state who intends to reside in this state, is considered a resident for voting purposes and may vote in the same manner as a long term absent voter.

Your application must be in writing and must include:

1. Your name and current mailing address.
2. A statement that you are a citizen of the United States.
3. A statement that you will be 18 or older on the day of the election.
4. A statement that your home residence has been in this state for more than 20 days preceding the election, and giving the address of your last home residence.
5. A statement of the facts that qualify you as a long term absent voter.
6. A statement that you are not requesting a ballot from any other state and are not voting in any other manner than by absentee ballot.
7. A designation of your political affiliation if you wish to vote in a primary election.

The U.S. Department of Defense provides standard form 76 that complies with these requirements. It is recommended that long term absent voters use this form—available at embassies and military installations—whenever possible.

Special absentee voting instructions and a ballot return envelope will accompany each absentee ballot.

Special Absentee Ballots: Any long term absentee voter may obtain a special absentee ballot for a primary or general election if the voter believes that:

1. The voter will be residing, stationed or working outside the territorial limits of the United States and the District of Columbia; and
2. The voter will not be able to receive, vote and return a regular absentee ballot by normal mail delivery within the period provided for absentee voting.

If you feel you may need a special absentee ballot, you should contact your county elections officer for details.

REMEMBER, YOUR VOTED ABSENTEE BALLOT MUST BE RECEIVED IN YOUR COUNTY ELECTIONS OFFICE BY 8:00 P.M. THE DAY OF THE ELECTION, NOVEMBER 3, 1998.

ABSENTEE BALLOT APPLICATION

PRECINCT NAME/NUMBER

TODAY'S DATE | ELECTION DATE

PRINT YOUR NAME CLEARLY

RESIDENCE STREET ADDRESS

CITY | COUNTY | ZIP

X

SIGNATURE OF APPLICANT (HANDWRITTEN)

☐ IF YOU WISH TO BECOME A PERMANENT ABSENTEE VOTER, CHECK THIS BOX.

MAIL BALLOT TO:

STREET ADDRESS

CITY | STATE | ZIP

MAIL THIS APPLICATION TO THE COUNTY CLERK OF THE COUNTY IN WHICH YOU MAINTAIN YOUR HOME RESIDENCE

Absent Voter

Baker
Julia Woods
Baker County Clerk
1995 3rd St. Suite 150
Baker City, OR 97814-3398
541-523-8207 TDD 541-523-8208

Benton
James Morales
Elections Division
120 NW 4th St.
Corvallis, OR 97339
541-757-6756 TDD 541-757-5646

Clackamas
John Kauffman
Clackamas County Clerk
Elections Division
825 Portland Ave.
Gladstone, OR 97027-2195
503-655-8510

Clatsop
Lori Davidson
Clatsop County Clerk
PO Box 178, 749 Commercial
Astoria, OR 97103-0178
503-325-8605 TDD 503-325-9307

Columbia
Elizabeth (Betty) Huser
Columbia County Clerk
Courthouse
St. Helens, OR 97051-2089
503-397-3796, Ext. 8444
TDD 503-397-7246, Ext. 8445

Coos
Dorothy Taylor
Coos County Clerk
Courthouse
Coquille, OR 97423-1899
541-396-3121, Ext. 301
TDD 1-800-735-2900

Crook
Deanna (Dee) Berman
Crook County Clerk
300 E. Third, Room 23
Prineville, OR 97754-1919
541-447-6553 TDD 541-447-6553

Curry
Renee Kolen
Curry County Clerk
PO Box 746
Gold Beach, OR 97444
541-247-7011, Ext. 223
TDD 541-247-6440

Deschutes
Mary Sue (Susie) Penhollow
Deschutes County Clerk
Deschutes Services Bldg.
1340 NW Wall St.
Bend, OR 97701
541-388-6546 TDD 541-385-3203

Douglas
Doyle Shaver, Jr.
Douglas County Clerk
PO Box 10
Roseburg, OR 97470-0004
541-440-4252 TDD 541-440-6092

Gilliam
Rena Kennedy
Gilliam County Clerk
PO Box 427
Condon, OR 97823-0427
541-384-2311

Grant
Kathy McKinnon
Grant County Clerk
201 S. Humbolt St. #290
Canyon City, OR 97820
541-575-1675 TDD 541-575-1675

Harney
Maria Iturriaga
Harney County Clerk
Courthouse, 450 N. Buena Vista
Burns, OR 97720
541-573-6641

Hood River
Sandra Berry
Dir. Assess/Rec.
Courthouse, 309 State St.
Hood River, OR 97031-2093
541-386-1442

Jackson
Kathy Beckett
Jackson County Clerk
Courthouse, 10 S. Oakdale Ave.
Medford, OR 97501-2902
541-776-7181 TDD 541-774-6719

Jefferson
Elaine L. Henderson
Jefferson County Clerk
Courthouse, 75 SE "C" St.
Madras, OR 97741
541-475-4451 TDD 541-475-4451

Josephine
Georgette Brown
Josephine County Clerk
PO Box 69
Grants Pass, OR 97528-0203
541-474-5243
TDD 1-800-735-2900

Klamath
Bernetha G. Letsch
Klamath County Clerk
305 Main St.
Klamath Falls, OR 97602
541-883-5134 TDD 541-883-5157

Lake
Karen Swank
Lake County Clerk
513 Center St.
Lakeview, OR 97630-1579
541-947-6006 TDD 541-947-6007

Lane
Annette Newingham
Chief Deputy County Clerk
135 E. 6th Ave.
Eugene, OR 97401-2671
541-682-4234 TDD 541-682-4320

Lincoln
Dana Jenkins
Lincoln County Clerk
225 W. Olive St., Room 201
Newport, OR 97365
541-265-4131 TDD 541-265-4193

Linn
Steven Druckenmiller
Linn County Clerk
300 SW 4th
Albany, OR 97321
541-967-3831 TDD 541-967-3833

Malheur
Deborah R. DeLong
Malheur County Clerk
251 "B" St. W., Suite 4
Vale, OR 97918
541-473-5151 TDD 541-473-5157

Marion
Alan H. Davidson
Marion County Clerk
Elections Division
4263 Commercial St. SE, #300
Salem, OR 97302-3987
503-588-5041 / 1-800-655-5388
TDD 503-588-5610

Morrow
Barbara Bloodsworth
Morrow County Clerk
PO Box 338
Heppner, OR 97836-0338
541-676-9061 TDD 541-676-9061

Multnomah
Director of Elections
1040 SE Morrison
Portland, OR 97214-2495
503-248-3720
Fax 503-248-3719

Polk
Linda Dawson
Polk County Clerk
Courthouse, Room 201
Dallas, OR 97338-3179
503-623-9217 TDD 503-623-7557

Sherman
Linda Cornie
Sherman County Clerk
PO Box 365
Moro, OR 97039-0365
541-565-3606
Fax 541-565-3312

Tillamook
Josephine Veltri
Tillamook County Clerk
201 Laurel Ave.
Tillamook, OR 97141
503-842-3402

Umatilla
Patti Chapman
Director of Elections
PO Box 1227
Pendleton, OR 97801
541-278-6254 TDD 541-278-6257

Union
R. Nellie Bogue-Hibbert
Union County Clerk
1001 4th St. Ste "D"
LaGrande, OR 97850
541-963-1006

Wallowa
Charlotte McIver
Wallowa County Clerk
101 S. River St., Rm 100, Door 16
Enterprise, OR 97828-1335
541-426-4543, Ext. 15

Wasco
Karen LeBreton
Wasco County Clerk
Courthouse, 511 Washington St.
The Dalles, OR 97058
541-296-6159 TDD 541-296-6159

Washington
Ginny Kingsley
Elections Division
150 N. 1st Ave., MS3
Hillsboro, OR 97124
503-648-8670 TDD 503-693-4598

Wheeler
Marilyn Garcia
Wheeler County Clerk
PO Box 327
Fossil, OR 97830-0327
541-763-2400 TDD 541-763-2401

Yamhill
Charles Stern
Yamhill County Clerk
Courthouse, 535 NE 5th St.
McMinnville, OR 97128-4593
503-434-7518 TDD 503-434-7519

ABSENTEE BALLOT APPLICATION

PRECINCT NAME/NUMBER

TODAY'S DATE | ELECTION DATE

PRINT YOUR NAME CLEARLY

RESIDENCE STREET ADDRESS

CITY | COUNTY | ZIP

X
SIGNATURE OF APPLICANT (HANDWRITTEN)

☐ IF YOU WISH TO BECOME A PERMANENT ABSENTEE VOTER, CHECK THIS BOX.

MAIL BALLOT TO:

STREET ADDRESS

CITY | STATE | ZIP

MAIL THIS APPLICATION TO THE COUNTY CLERK OF THE COUNTY IN WHICH YOU MAINTAIN YOUR HOME RESIDENCE

Voter Registration

The National Voter Registration Act of 1993 requires states to meet new standards of accessibility in election administration, making it easier for citizens to register and to vote. Now, citizens who are already registered to vote may update information on their registrations, such as residence address, through election day and still be able to cast a ballot.

Additionally, the Act is designed to increase the number of Americans registered to vote by requiring many public agencies to provide registration opportunities to their clients simultaneously with other services.

You may register to vote if:

1. You are a citizen of the United States;
2. You will be at least 18 years old by November 3, 1998; and
3. You are a resident of Oregon.

To register to vote:

Your completed voter registration card must be received or postmarked by October 13, 1998.

If you are currently registered to vote in Oregon, you must update your registration by filling out a new voter registration card if:

1. You change your residence address;
2. You change your mailing address;
3. Your name is changed by marriage or court order;
4. You want to change your political party affiliation; or
5. Your registration has been canceled.

Where to Obtain a Voter Registration Card:

Voter registration cards can be obtained from any county elections office, most banks and post offices, some state agencies and many telephone directories.

If you have moved to a new residence within the same county where you are currently registered, your new voter registration card must be received by October 26, 1998, in order for you to be eligible to vote a full ballot. If you do not complete a new registration card by this deadline and wish to vote on election day, you may go to your county elections office or to your polling place to receive a ballot containing federal and statewide offices and statewide measures only.

If you have moved to a new residence in a different county than where you are currently registered, your new voter registration card must be received or postmarked by October 13, 1998. If you fail to meet this deadline, you must go to the elections office in your new county by election day to be eligible to vote.

If you are changing your political party affiliation, you must complete a new voter registration card and mail it to your county elections office. A card that contains a change in political party affiliation must be received or postmarked by October 26, 1998.

IMPORTANT! Even if there is no record of your voter registration at your polling site on election day, you can be issued a ballot containing federal and statewide offices and statewide measures only. The county elections office will then review your registration information and determine your voting eligibility.

Disabled Voters:

If you are unable, because of a disability, to sign your name on your voter registration card or other election document (such as an absentee ballot), you may use a signature stamp or other device to represent your signature. In order to use a signature stamp you must complete a form attesting to the fact that you are disabled and cannot sign your name by hand. This form must be filed before, or at the same time as, your voter registration card. The form may be obtained from any county elections office.

SECRETARY OF STATE
Phil Keisling
State Capitol
Salem, Oregon 97310-0722

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VOLUME 1 OF 2

MEASURES

State of Oregon
General Election
November 3, 1998

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