

# Wasco County Board of Commissioners'

# TOWN HALL

**JOIN US FOR A CONVERSATION  
REGARDING THE  
NEW MARIJUANA LEGISLATION!**

**FOR MORE INFORMATION VISIT [WWW.CO.WASCO.OR.US](http://WWW.CO.WASCO.OR.US)**

**Thursday, Sept. 17, 2015**

**6:00 p.m.**

**Dufur School Cafeteria  
802 NE 5th Street  
Dufur, OR**

**Monday, Sept. 21, 2015**

**5:30 p.m.**

**Mosier Senior Center  
501 East 2nd Street  
Mosier, OR**

**Ask  
Questions**

**Share  
Ideas**

**Express  
Concerns**

**The Dufur Town Hall will be followed by  
South Wasco Alliance Meeting  
Beginning at 7:00 p.m.**



WASCO COUNTY BOARD OF COMMISSIONERS  
TOWN HALL – DUFUR, OR  
SEPTEMBER 17, 2015

PRESENT: Scott Hege, Commission Chair  
Rod Runyon, County Commissioner  
Steve Kramer, County Commissioner

STAFF: Tyler Stone, Administrative Officer  
Kathy White, Executive Assistant  
Angie Brewer, Planning Director

Chair Hege opened the Town Hall at 6:00 p.m. He explained that the purpose of the Town Hall is to give the public some information regarding the new marijuana legislation and take in public comment on the subject.

Ms. Brewer reviewed the information in her presentation (attached).

Commissioner Runyon announced that all the material gathered by the County has been placed on the front page of the County website. He said he had with him a copy of the bill should anyone want to refer to it.

Chair Hege opened the floor to public comment beginning with those who had signed up to speak.

Dr. David Wehrly read his comments into the record:

“Once again Wasco County has the opportunity to hang out its '*KICK ME*' sign.

Having largely forgotten the Rajneeshee terrorism of the 1980's, Wasco has become an uncontrolled mass gathering magnet, it harbors illegals as a '*sanctuary county*' and now is moving to violate Federal drug laws, [Yes despite Oregon's legislation, marijuana like heroin, LSD and Ecstasy, is federally classified as a Schedule-1 controlled substance, and the County is not indemnified from Federal actions should they choose to exercise them.]

From an infrastructure impact perspective - water requirements for pot growth are immense - with a growth cycle of approximately 150 days, you are looking at between 120 and 150-thousand gallons per 50 plant crop. Double that for just two 50 plant crops in a single year. How will these huge new water demands be met? And at the expense of what other established users?

In addition there would be enormous new power requirements that in rural Wasco, are beyond the current capacity of the CoOp, without significant additional, and unplanned capital expenditures, which in turn would result in higher electric bills for everyone.

One needs only to look at the ever growing problems and economic shortfalls that Colorado is experiencing, with Washington close behind, to understand that pot is not the economic boom promised. In these states there have been significant unintended and negative consequences, both social and criminal, along with their associated cost to the taxpayer.

The Wasco County commissioners need to finally stand up for the citizens of the unincorporated parts of the County that elected them, and pass an ordinance against all six elements of the marijuana legislation. The voters will then say at the polls in November 2016, to both Salem, and the Commissioners, we "will not sell our souls, or community for those Biblical '*thirty pieces of silver*'". Dr. Wehrly concluded his comments.

Mike Davis of Tygh Valley said that he looks at this from a business perspective. He pointed out that there is no choice about home growing; look at alcohol prohibition and this follows that same path. He stated that if the commercial market is not allowed, it encourages black market growth which is almost impossible to regulate – Wasco County does not have the staff to do that.

Mr. Davis said the County should embrace commercialization; if you look at the OLCC regulations, there will not be waves of marijuana – the maximum outdoor growth is small and the maximum greenhouse size is 90x40 feet. Since an indoor system is the most efficient way to grow marijuana, it will probably be the most common. He observed that if there is a moratorium, a year from now processors will be set up outside of Wasco County and we will lose that business which will mean that local growers will not have a place to take their crop for processing; this will put Wasco County 1-1.5 years behind the rest of the State. He said we should be educated and embrace the business.

Leslie Kasmer said that studies show marijuana is not a gateway drug; a 2000-2011 study of high school students reported that 2/3 of the marijuana users did not go on to use other drugs. She said that the study found that alcohol is usually the first drug. She went on to say that states with medical marijuana have lower rates of abuse.

Ms. Kasmer continued by saying there are 80,000 deaths each year from alcohol; 300,000 deaths if you include alcohol related traffic fatalities. She stated that no one has died from marijuana poisoning – it takes 1,000 times the effective dose of marijuana to cause death. She said that we have wines and microbreweries – why not marijuana? We need the jobs and tax revenue.

Debby Jones, Youth Think Prevention Coordinator stated that the Youth Think Board has discussed this issue and would like to encourage the Board of County Commissioners to push the pause button. She said that she has listened to hours of OLCC meeting recordings and commends them for their serious look at the new legislation but what is in place now from the OLCC are recommendations, not regulations – there is much more to know. She said that a moratorium would give the citizens 13 months in which to educate themselves – there are good points on both sides of the issue. She expressed her appreciation for this opportunity to publicly share her views – there are many questions and the public needs the time to be informed.

Ms. Jones went on to report that she spent the last two days with middle schoolers to discover what their perceptions are and how those perceptions compare to reality. She stated that the students were asked what percentage of adults get drunk once a week – they believe it is over 50%. She went on to say that they were asked the same question regarding marijuana use and the number was even higher. She pointed out that

whatever we decide to do, we need to talk to our children and we need to stand together to do that.

Liz Turner said that she wants to talk about the new legislation from the standpoint of land use. She noted that there are a lot of complicated rules in the bill and a lot of it will change – some of it is impossible to do . . . how do you judge moral character?

Ms. Turner said that there is no limit on immature plants. Rules say they will regulate every ounce traded, sold or moved; all growers will have to be licensed and keep track. The State wants to collect the tax so it will be difficult for people to sneak around. She stated that all of the money will go to the OLCC and OHA – if we do not get the money, how will we pay for enforcement? It also says that OLCC and OHA cannot be held accountable for not doing their job – if they don't send enforcement, we have no recourse. OLCC and OHA regulations supersede any other laws – there is no template for local control – we have to go with what they give us.

Ms. Turner cautioned that the bill does not restrict medical marijuana by zone which means it can be anywhere – if it is in the agricultural zone, they have to have a water source but medical marijuana is not tied to water laws and could run everyone else out of water.

Ms. Turner went on to say that HB3400 only says that commercial growing cannot be in a residential zone which means it can be anywhere else. It says we have to be reasonable; but who defines reasonable? She stated that this can go on the ballot in 2016 which will buy us time to determine what we want to do and see what happens in other counties – OLCC doesn't know what they are doing yet. She said that we had turned down a warehouse that had 130 job and that was probably a mistake, but she believes the smartest thing to do is wait to get more answers – a lot will change.

Owen Papworth encouraged everyone to do some research and educate themselves objectively – marijuana is here to stay and the County should benefit from the tax. He pointed out that the County can work on regulations to address local concerns. He agreed that this bill is probably not the best we could have, but if we place a moratorium, we are just burying our head in the sand. He added that the water usage is overstated and can be regulated – look at Colorado and Washington to see what they have done.

Bob Durham stated that he agrees with the idea of a pause button. He said that he has been involved with youth through 4-H and he thinks there is too much we don't know; the moratorium will give us time to become educated. He pointed out that Washington has not gotten the revenue they anticipated. We need time to develop regulations and get answers; how does indoor growing fit our zones? Can Wasco Electric provide the necessary power? We need to do make sure this fits us and do what is good for Wasco County.

Ms. Brewer said that right now you need a building permit for an agricultural building. If you want to change what is being grown in an existing building you do not need a permit from Wasco County for that change; however, if you are pursuing an OLCC permit, then you have to come to planning to be confirmed.

Kathleen Cantrell said that she has not taken the time to read the bill and asked if it is a fact that the original bill has been changed. Commissioner Runyon replied that that is what we have been told. Ms. Jones concurred saying that it is still evolving.

Ms. Cantrell asked if the OLCC supersedes our own regulations. Ms. Turner responded that the County would have to adopt the OLCC program. Ms. Cantrell said that her concern is water. We use water from aquifers that serve Washington, Idaho and Oregon. We have agencies that regulate and protect their interests. This is a drought year and she hopes the County will consider that. Domestic wells – the state says you can have a 1.2 acre garden but no commercial growth. She pointed out that there are places in Wasco County where there are no more wells permitted.

Kathy Jans stated that she has seizure issues as a result of a brain aneurism; the medications that control the seizures cause severe depression. She reported that cannabis has saved her from having to take more serious, addictive medications. The world could be saved if you used hemp instead of trees. We need to get educated.

Chair Hege asked if anything being discussed in the moratorium has anything related to medical grows. Ms. Brewer replied that it is a grey area; there is some assumption in the law that moving forward with recreational marijuana might make the medical regulations unnecessary. She said that as growing becomes more universal, it will change.

Michelle Halle said that current medical growers will be grandfathered into the system and there will be many as long as they just want to continue to grow for their patients; if they want to grow for recreation they will have to go through the process. The tracking system is only for those growing for others, not for those growing for themselves.

Ms. Turner said that she does not think there is anyone present who wants to keep people from getting their medication; the issues are with recreational, commercial growth. She said that we might get \$5,000 from the State which is not enough to hire even one additional officer for enforcement.

Dr. Wehrly concurred with Ms. Turner saying that schedule one controlled substances have provisions for medical uses.

Ms. Cantrell agreed saying that she supports medical use but sees no reason to mix medical use with recreational use.

Chris Schanno observed that a lot of what is being said is conjecture; the OLCC already regulates all the liquor enterprises . . . that won't fall onto sheriffs. He pointed out that we cannot pay for our roads and this will be an \$80 to \$100 million business that we are not going to stop with a moratorium. He said that we passed up on wind income and other things that would have generated revenue; farmers are trying to make a viable living and this could bring hundreds if not thousands of jobs to the County – not just for the recreational marijuana, but hemp oil, organic insecticide, and other byproducts.

Mr. Schanno went on to say that the water use issue is overstated; we have water rights and must live by them – that is true of any crop being cultivated. Wasco County is agricultural. He said the same is true of the power concerns. He pointed out that Azure farms has a green house and uses significant power for their operation which provides jobs in the community. This is a farm crop like any other – the grey area is medical producers who want to go commercial. He said that this is an opportunity to increase jobs and income for schools and he does not want to see fear cause us to turn it down – it is legal in the State. If we wait we will be in the same situation as with the windmill industry – it will pass us by.

WASCO COUNTY BOARD OF COMMISSIONERS  
TOWN HALL  
SEPTEMBER 17, 2015  
PAGE 7

Someone in the audience pointed out that marijuana does not require a combine to harvest and asked if Mr. Schanno would be able to grow it in places where he cannot grow a crop now. Mr. Schanno replied affirmatively.

Mr. Davis added that the crop can also be and is used as feed for cattle and to make extracts.

Ms. Turner pointed out that there are no set asides for this crop – how do we make sure the crop is safe for spraying?

Ms. Jones said that there is committee that is specifically looking at the use of pesticides – they are trying to do what is best. She encouraged people to listen to the OLCC meeting audios.

Chair Hege thanked everyone for their comments and closed the Town Hall at 7:13 p.m.

WASCO COUNTY BOARD  
OF COMMISSIONERS



---

Scott Hege, Commission Chair



---

Rod Runyon, County Commissioner



---

Steve Kramer, County Commissioner



# Marijuana Laws & Wasco County

## An Overview

- In November 2014, Oregon voters passed Ballot Measure 91 legalizing recreational marijuana. The legislature has provided local jurisdiction opt-outs.
- Marijuana can be grown commercially on Exclusive Farm Use and other resource zones that list “farm use” as a use allowed without review (no permit required).
- Commercial growing on non-resource lands will depend on the uses allowed in that zone by the Wasco County Land Use and Development Ordinance. This will also be true for the processing, selling, wholesaling and distribution of marijuana and products that contain marijuana.
- Under current rules and regulations, the time place and manner of marijuana processing and retailing can be regulated for impacts to the community and resources just as any business, home occupation or cottage industry would be in the applicable land use zone.
- OLCC license process will include a Land Use Compatibility Statement that must be signed by the applicable planning department to verify the use is allowed in that zone.
- Under HB3400 Opt Out Option 2, Wasco County may opt out of permitting marijuana businesses by enacting an ordinance identifying which, if any, of the following businesses to prohibit:
  - Medical Marijuana processing sites
  - Medical Marijuana dispensaries
  - Recreational Marijuana producers
  - Recreational Marijuana processors
  - Recreational Marijuana wholesalers
  - Recreational Marijuana retailers
  - Or any combination of the businesses described above
- If Wasco County enacts an ordinance to prohibit any or all marijuana businesses in unincorporated areas, the ordinance will be referred to the voters at the November 2016 General Election. Until the election, a temporary moratorium will be in effect which will prevent the OLCC and OHA from issuing licenses for the prohibited marijuana businesses.
- If Wasco County opts out of any of the six categories of marijuana businesses, it loses its right to a share of the net proceeds of the state recreational marijuana tax and also loses its ability to seek voter approval for a local recreational marijuana tax.

HB3400 may be viewed online at:

<https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB3400/Enrolled>

Wasco County  
Board of County Commissioners  
Town Hall Meeting to Consider:

HB 3400 & Opt Out Options  
of Marijuana Businesses  
in Unincorporated Areas  
(outside cities)

# Town Hall & Participation Format

- Brief staff overview of HB 3400 and several time sensitive options.
- Opportunity for audience to share thoughts or concerns with the County Commissioners about the subject.

# BACKGROUND

- Electors of Oregon passed Ballot Measure 91 (recreational marijuana) in November 2014.
- 2015 Legislature enacted HB 3400 on June 30, 2015, including opt out provisions for marijuana businesses.
  - Wasco County may temporarily opt out until the November 2016. election by adopting an ordinance to place a moratorium in effect.
  - Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process (no applications submitted).

# BACKGROUND

- BOCC may enact an ordinance which prohibits the establishment of any or all of the following businesses in the UNINCORPORATED AREA of Wasco County:
  - a. Medical Marijuana processing sites;
  - b. Medical Marijuana dispensaries;
  - c. Recreational Marijuana producers (growers);
  - d. Recreational Marijuana processors;
  - e. Recreational Marijuana wholesalers;
  - f. Recreational Marijuana retailers; or
  - g. Any combination of the entities described above.

# TOWN HALL PURPOSE

- To receive public input on whether to enact a temporary ordinance to opt out of marijuana businesses in unincorporated Wasco County (outside cities) until the November 2016 general election, when voters will have the final say.
- Why now?
  - Public interest. Town Hall provides an opportunity for everyone to share their opinions.
  - Provide clarity to citizens, businesses, agencies, etc. on what's legal & what's not as soon as possible.
  - Inform private investment decisions.

# TOWN HALL PURPOSE

- This is NOT a public hearing to address:

- Measure 91 (it's the law).
- Marijuana businesses in the cities of The Dalles, Mosier, Dufur, Maupin, Shaniko or Antelope.
- Marijuana inside the Columbia River Gorge National Scenic Area – that policy is set by the Columbia River Gorge Commission and US Forest Service NSA Office
- Personal grow, use or possession of recreational marijuana.  
*Recreational use and production will not be effected by a decision to opt out or by a vote to ban in November, 2016.*

# HB 3400: A LAND USE SNAPSHOT

- Retail Marijuana Production (“commercial grows”), as licensed by OLCC, is:
  - An agricultural crop that is permitted outright in the Exclusive Farm Use (EFU) Zone like any other farm crop.
  - Entitled to protections and duties provided under the Oregon Right to Farm Act.
  - Eligible for farm use deferral under Oregon property tax law like any other farm crop.



# HB 3400: A LAND USE SNAPSHOT

## ■ Land Use:

- Requires a Land Use Compatibility Statement (LUCS) from local government prior to OLCC's issuance of marijuana business license.
- In EFU, the law prohibits farm stands, farm commercial activities, and new farm dwellings based on marijuana crops.
- Counties may permit the commercial growing of marijuana crops in farm and forest zones, similar to EFU:
  - Forest 1 & 2 Zones (F-1, F-2)
  - Agriculture Zones and Forest-Farm (A-1, A-R, TV-AG, & F-F)
  - Rural Residential Zones (R-R (2), R-R (5) & R-R (10))

# LAND OWNERSHIP & POPULATION

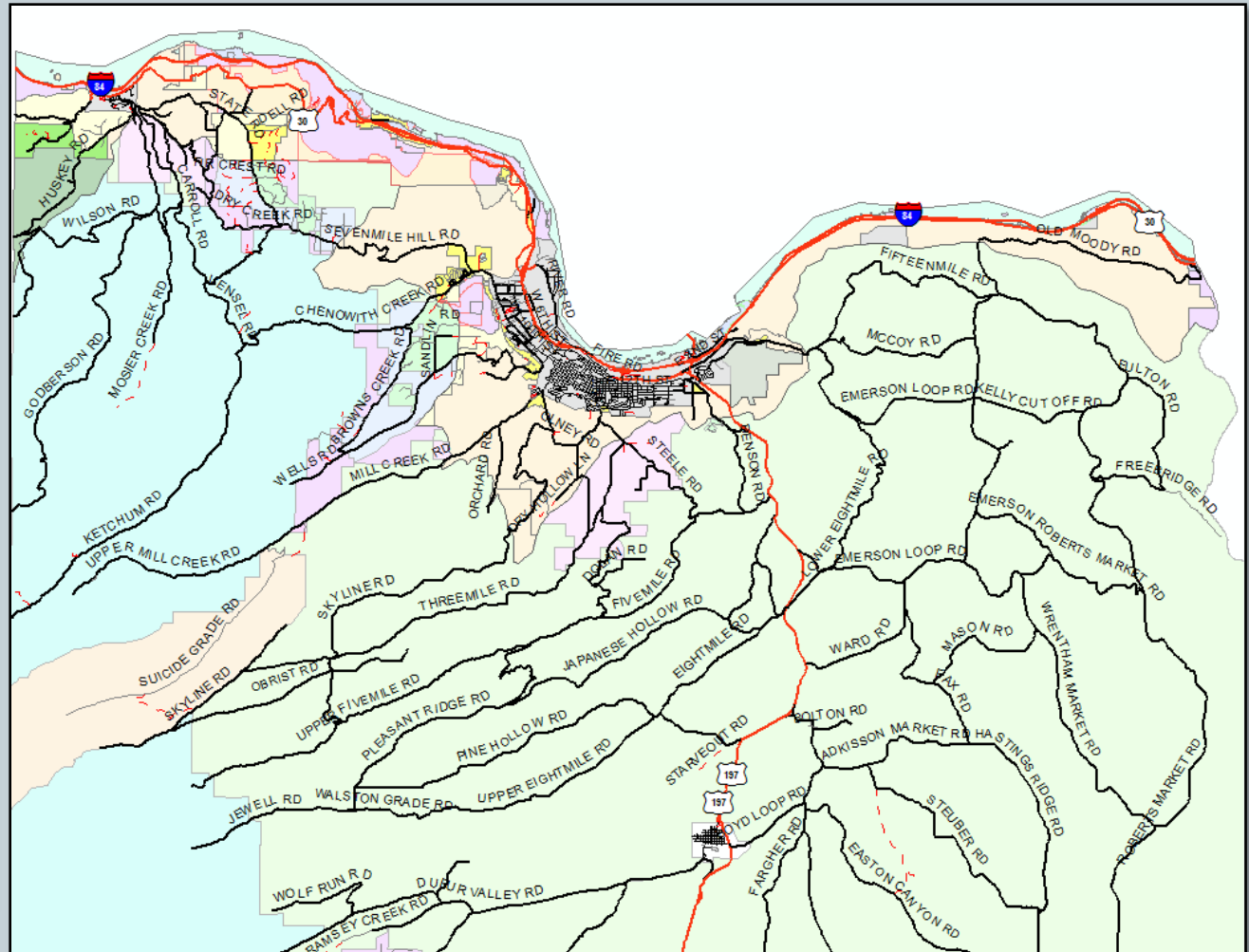
- 57% of the land is privately owned (roughly 881,000 acres),
- 5% of the land is owned by BLM (roughly 84,000 acres),
- 10% by the U.S. Forest Service (roughly 160,000 acres) and
- 60% by other entities (roughly 398,000 acres), primarily Indian Trust Lands.
- A majority of the private land in the county is either agricultural land, forest, or an agriculture/forest mix.
- Wasco County is home to nearly 26,000 residents in 6 incorporated cities, 5 rural communities, unincorporated urban areas and rural acreage (an average of 10.6 persons per square mile).

# ZONING – NORTH COUNTY

## Wasco County Zoning

### Zone

- A-1(160)
- A-1(40)
- A-R
- F-1(80)
- F-2(80)
- F-F(10)
- LAKE
- R-R(10)
- R-R(5)
- RC
- RI
- RR-2
- TV-A
- TV-C
- TV-M1
- TV-M2
- TV-R
- TV-RR
- WAM C-2
- WAM M-2
- WAM R-2
- WAM R-5

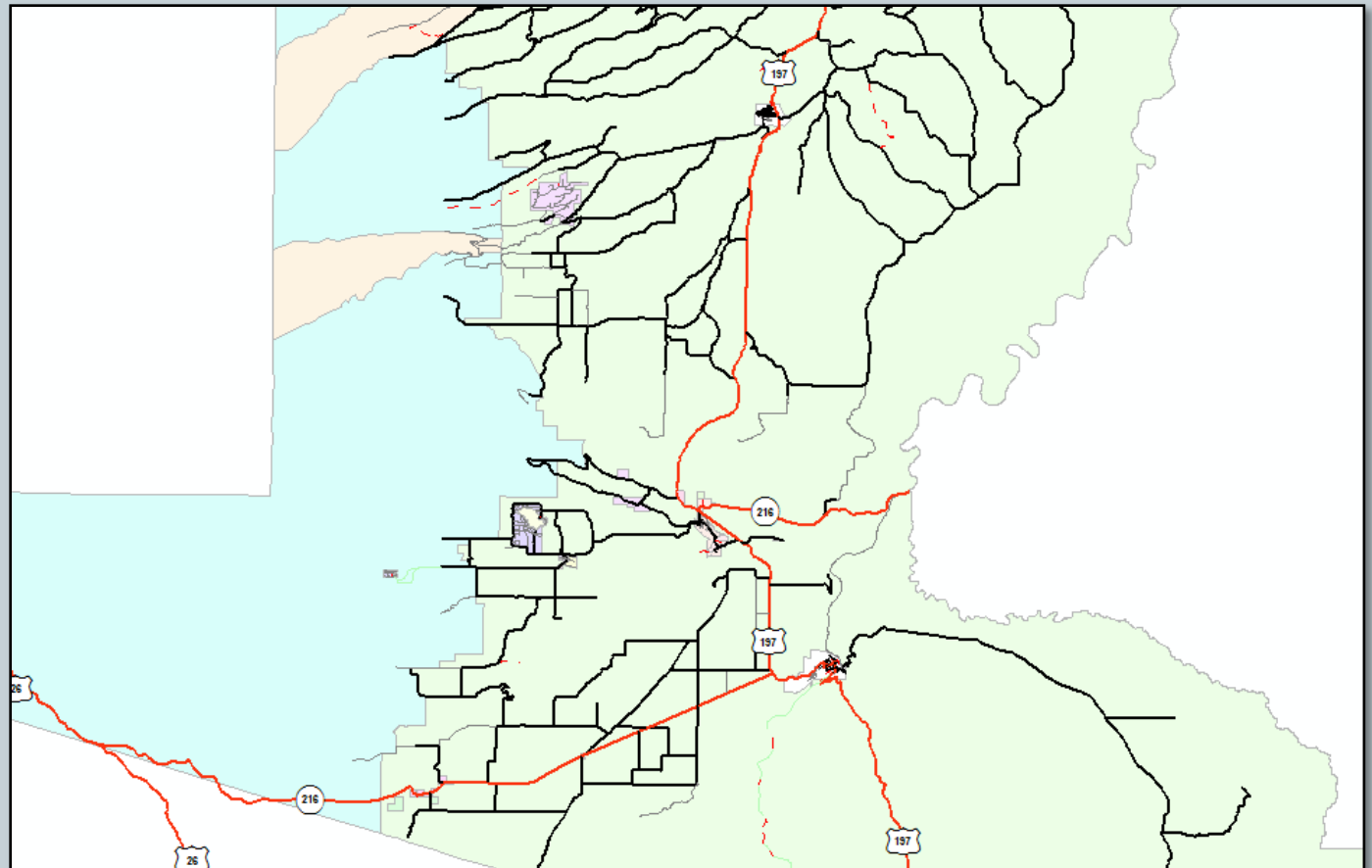


# ZONING – CENTRAL COUNTY

☒ Wasco County Zoning

## Zone

- A-1(160)
- A-1(40)
- A-R
- F-1(80)
- F-2(80)
- F-F(10)
- LAKE
- R-R(10)
- R-R(5)
- RC
- RI
- RR-2
- TV-A
- TV-C
- TV-M1
- TV-M2
- TV-R
- TV-RR
- WAM C-2
- WAM M-2
- WAM R-2
- WAM R-5

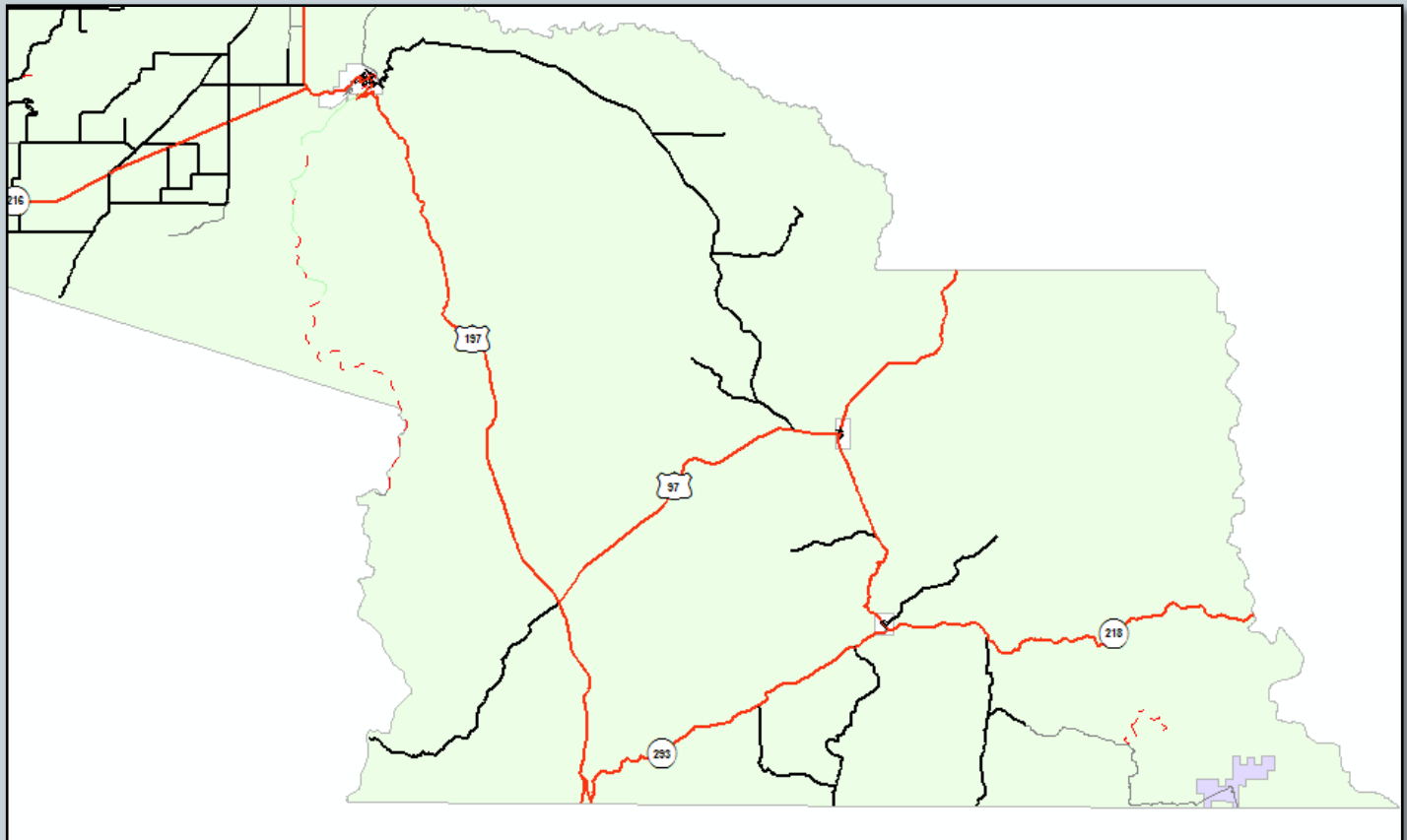


# ZONING – SOUTH COUNTY

☒ Wasco County Zoning

## Zone

- A-1(160)
- A-1(40)
- A-R
- F-1(80)
- F-2(80)
- F-F(10)
- LAKE
- R-R(10)
- R-R(5)
- RC
- RI
- RR-2
- TV-A
- TV-C
- TV-M1
- TV-M2
- TV-R
- TV-RR
- WAM C-2
- WAM M-2
- WAM R-2
- WAM R-5



# COUNTY OPT OUT: WHAT DOES IT MEAN?

- Marijuana businesses identified in the ordinance would be prohibited in unincorporated areas (*but may still be permitted in incorporated cities if the cities choose to take no action*).
- Planning Department cannot sign OLCC form (LUCS) for “opt out” businesses, preventing OLCC from issuing a license for those businesses.
- Temporary moratorium in effect until the November 2016 general election.
- If the County chooses to opt out Local option tax is prohibited, and we are excluded from receiving shared state tax revenue.

# PARTIAL OPT OUT OR NO OPT OUT

- Partial opt out – selected marijuana businesses prohibited:

- Ordinance referred to voters in November 2016.
- Disqualification from state shared revenue and local option tax.

- No opt out:

- Marijuana is a farm crop in the EFU zone.
- Board may decide in the future to allow and/or regulate marijuana businesses in other zones as allowed by HB 3400.

# COUNTY BAN CONSIDERATIONS:

- Ban limits commercial businesses creation until November 2016 vote.
- Ban provides more time establish regulations and processes.
- Ban forces marijuana businesses into the incorporated areas.
- Ban forces supply and demand into private residential market where we have no regulatory ability.
- Ban eliminates local and state tax dollars that could be used for education and prevention.



# BOARD OPTIONS(S) FOR FUTURE CONSIDERATION

- Prohibit the establishment of any or all of the following businesses in the UNINCORPORATED AREAS of Wasco County until the voters can decide in November of 2016:
  - a. Medical Marijuana processing sites;
  - b. Medical Marijuana dispensaries;
  - c. Recreational Marijuana producers (growers);
  - d. Recreational Marijuana processors;
  - e. Recreational Marijuana wholesalers;
  - f. Recreational Marijuana retailers; or
  - g. Any combination of the entities described above.
- Take no action and follow State guidelines to allow marijuana businesses
- Develop additional time, manner, and place ordinance provisions to address specific elements of the uses

# PUBLIC COMMENT

Please:

- State your name
- Limit your comments to 2-4 minutes
- Be respectful

# NEXT STEPS

- Seeking additional feedback →
- Board will discuss options at future hearing that will be publicly noticed and advertised to ensure public involvement.

**Wasco County Board of Commissioners'**

**TOWN HALL**

**JOIN US FOR A CONVERSATION  
REGARDING THE  
NEW MARIJUANA LEGISLATION!**

**FOR MORE INFORMATION VISIT [WWW.CO.WASCO.OR.US](http://WWW.CO.WASCO.OR.US)**

<b>Thursday, Sept. 17, 2015</b> <b>6:00 p.m.</b> <b>Dufur School Cafeteria</b> <b>802 NE 5th Street</b> <b>Dufur, OR</b>	<b>Monday, Sept. 21, 2015</b> <b>5:30 p.m.</b> <b>Mosier Senior Center</b> <b>501 East 2nd Street</b> <b>Mosier, OR</b>
--	---

**Ask Questions** **Share Ideas** **Express Concerns**

**The Dufur Town Hall will be followed by  
South Wasco Alliance Meeting  
Beginning at 7:00 p.m.**

# QUESTIONS?

Angie Brewer, AICP

Wasco County Planning Director

(541) 506-2566 / [angieb@co.wasco.or.us](mailto:angieb@co.wasco.or.us)

## ➤➤➤ Other Helpful Resources:

View House Bill 3400 online

<https://olis.leg.state.or.us/liz/2015R1/Downloads/MeasureDocument/HB3400/A-Engrossed>

Oregon Liquor Control Commission (OLCC)

<http://www.oregon.gov/olcc/marijuana/pages/default.aspx>

Oregon Medical Marijuana Program (OMMP)

<http://public.health.oregon.gov/DiseasesConditions/ChronicDisease/medicalmarijuanaprogram/Pages/index.aspx>

Oregon League of Cities Marijuana Ordinance Guidance

<http://www.orcities.org/Portals/17/A-Z/A%20to%20Z%20Documents/LocalRegulationMarijuana08-14-15.pdf>

# FAQs



## Recreational Marijuana in Oregon

### RECREATIONAL MARIJUANA IN GENERAL

**Q: What is the purpose of legalizing recreational marijuana?**

**A:** As stated in Measure 91, the purpose of the Act is to:

- Eliminate the problems caused by the prohibition and uncontrolled manufacture, delivery, and possession of marijuana within this state;
- 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;
- 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;
- Ensure that the State Department of Agriculture issues industrial hemp licenses and agricultural hemp seed production permits in accordance with existing state law;
- Establish a comprehensive regulatory framework concerning marijuana under existing state law.

**Q: What does Measure 91 do?**

**A:** Measure 91 allows Oregonians to grow limited amounts of marijuana on their property and to possess personal limited amounts of recreational marijuana for personal use beginning July 1, 2015 under Oregon law. The measure also gives OLCC authority to tax, license and regulate recreational marijuana grown, sold, or processed for commercial purposes. The OLCC does not regulate the home grow/personal possession provisions of the law. Nor does it regulate the sale of small amounts of recreational marijuana through medical marijuana dispensaries starting October 1. The OLCC will begin accepting applications for growers, wholesalers, processors and retail outlets on January 4, 2016.

**Q: When did Measure 91 go into effect?**

**A:** The home grow/personal possession provisions of the measure started on July 1, 2015. Sales of small amounts of recreational marijuana through medical marijuana dispensaries will begin October 1. The OLCC will begin issuing commercial recreational marijuana licenses to growers, wholesalers, processors and retail outlets in 2016.

**Q: Who will implement the initiative?**

**A:** The initiative designates the Oregon Liquor Control Commission as the state agency that will regulate the commercial growing and selling of recreational marijuana. It also gives the OLCC

authority to license and regulate commercial recreational marijuana operations. The OLCC has no authority to regulate or enforce the home grow/personal possession provisions of the law.

**Q: How can I get a job with OLCC in the new marijuana program?**

**A:** OLCC posts job opportunities on the [www.oregonjobs.org](http://www.oregonjobs.org) website. You can also sign up for email alerts through our website to receive notices about OLCC job opportunities.

**Q: Has Measure 91 been changed from what voters approved?**

**A:** Yes. The 2015 session of the Oregon Legislature made technical changes to Measure 91. It also authorized the sale of small amounts of recreational marijuana through medical marijuana dispensaries starting October 1. The Legislature also changed the way recreational marijuana is taxed. Instead of the OLCC imposing the tax at the grower level, it will now be imposed at the retail level and collected by the Department of Revenue.

**Q: Where can I get more information?**

**A:** As updates occur and information is available, we will share that information with you on this website. To keep up to date, [click here](#).

**Q: What if I have additional questions?**

**A:** Please send additional questions to [marijuana@oregon.gov](mailto:marijuana@oregon.gov).

## **MEDICAL MARIJUANA**

**Q. What impact does the new recreational marijuana law have on the current Medical Marijuana Program?**

**A.** Beginning in October 2015, medical dispensaries can sell a one quarter ounce of marijuana flower to any adult over the age of 21. This provision sunsets on December 31, 2016. Beginning in 2016 medical marijuana growers may apply for an OLCC license to sell their excess product into the recreational market.

**Q. Should I get a new OMMP card or renew my existing Card?**

**A.** Only you as an individual can determine answer that question. The OLCC cannot advise you about how to make that determination.

**Q: What is the difference between recreational marijuana and medical marijuana?**

**A:** Medical marijuana is for patients with qualifying medical conditions. Recreational marijuana, whether grown at a residence, obtained free from an acquaintance, or purchased legally is for personal use for adults 21 years of age or older. For more information on medical marijuana see [www.mmj.oregon.gov](http://www.mmj.oregon.gov).

## **PERSONAL USE**

**Q: When can I smoke/use recreational marijuana?**

**A:** As of July 1, 2015, Oregonians are allowed to grow up to four plants on their property, possess up to eight ounces of usable marijuana in their homes and up to one ounce on their person. Recreational marijuana cannot be sold or smoked in public. For more information go to: [www.whatslegaloregon.com](http://www.whatslegaloregon.com)

**Q: Where and when can I buy marijuana?**

**A:** Limited amounts of recreational marijuana will be available for purchase through medical marijuana dispensaries starting October 1, 2015. Retail stores licensed by the OLCC will open sometime in the second half of 2016.

**Q: Where and when can I buy edibles and extracts?**

**A:** Edibles will eventually be available at retail outlets licensed by the OLCC, hopefully at the same time that the stores open in the second half of 2016.

**Q: How much marijuana can I have?**

**A:** As of July 1, 2015, recreational marijuana users can possess up to eight ounces of useable marijuana and four plants per residence in Oregon. An individual can carry up to one ounce in public.

**Q: What is meant by “useable” marijuana?**

**A:** Useable marijuana refers to dried marijuana flowers or leaves. In other words, marijuana that is ready to smoke.

**Q: Can I grow marijuana at home and when?**

**A:** Yes, with limits. As of July 1, 2015, Oregonians can home grow of up to four plants per residence, regardless of how many people live in the residence. Four adults in one residence does not mean 16 plants. The limit is four per residence.

**Q: Where can I obtain marijuana seeds or starts after July 1, 2015?**

**A:** The OLCC can provide no guidance on that issue.

**Q: Can a landlord tell tenants not to grow recreational marijuana or smoke it rental units?**

**A:** Measure 91 does not affect existing landlord/tenant laws.

**Q: What if an employer requires drug testing?**

**A:** Measure 91 does not affect existing employment law. Employers who require drug testing can continue to do so.

**Q: Can I smoke marijuana in a bar/restaurant?**

**A:** No. Marijuana cannot be smoked or used in a public place. The OLCC considers any establishment with a state liquor license to be public, including patios or decks set aside for smokers. Allowing marijuana use may put an establishment's liquor license in jeopardy.

**Q: What is the definition of a public place?**

**A:** Measure 91 defines a public place as "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."

**Q: Who can smoke recreational marijuana? What is the minimum age?**

**A:** As of July 1, 2015, anyone 21 years of age and old and consume recreational marijuana in Oregon. Marijuana use or possession of recreational marijuana by anyone under 21 years of age is illegal. That includes home consumption.

**Q: Who will enforce recreational marijuana laws?**

**A:** Enforcement of the home grow/personal possession provisions of Measure 91 will be at the discretion of local jurisdictions, the state police and possibly other law enforcement agencies. The OLCC is responsible for enforcement actions against businesses that the OLCC licenses to grow, process, wholesale and sell recreational marijuana and related products.

**Q: How much will recreational marijuana cost?**

**A:** The retail price of recreational marijuana will be determined through a competitive marketplace.

**Q: Can Oregon recreational marijuana be taken to the state of Washington where it is also legal?**

**A:** No. Taking marijuana across state lines is a federal offense.

**Q: How will children be protected from recreational marijuana and marijuana products?**

**A:** Measure 91 prohibits the sale of recreational marijuana to anyone under the age of 21. The act also gives OLCC authority to regulate or prohibit advertising. In writing the rules necessary to implement the new law, the OLCC may also regulate packages and labels to ensure public safety and prevent appeal to minors.

**Q: Can I get a DUI while under the influence of marijuana?**

**A:** Yes. Current laws for DUI have not changed. Driving under the influence of intoxicants (DUI) refers to operating a motor vehicle while intoxicated or drugged, including impairment from the use of marijuana. In addition, Measure 91 requires OLCC to examine, research and present a report to the Legislature on driving under the influence of marijuana. The OLCC will do this in conjunction with the Department of Justice Criminal Investigation Division and Oregon State Police.



**Q: Can I lose my job for using marijuana?**

**A:** That depends on who you work for and what your employer says about the use of marijuana by employees. Passage of Measure 91 does not change existing employment law in Oregon.

**Q: Where will marijuana stores be located?**

**A:** Marijuana retailers may not be located within 1000 feet of a school. All licensed businesses must be located in an area that is appropriately zoned. Also, local jurisdictions have authority to adopt reasonable regulations regarding the location of marijuana businesses, including regulations requiring that the businesses be located no more than 1000 feet from one another. To keep up to date, [click here](#).

**Q. What impact does the new recreational marijuana law have on the current Medical Marijuana Program?**

**A:** Beginning in 2016 medical marijuana growers may apply for an OLCC license to sell their excess product into the recreational market. Beginning in October 2015, medical dispensaries can sell a one quarter ounce of marijuana flower to any adult over the age of 21. This provision sunsets on December 31, 2016.

**Q: Who collects the tax on recreational marijuana?**

**A:** Taxes on recreational marijuana will be collected by the Oregon Department of Revenue at the retail level.

**Q: How is Washington state's recreational marijuana law different than Oregon's?**

**A:** See [Oregon/Washington/Colorado Comparison](#).

**Q: Is it legal to possess or use recreational marijuana on Federal or Tribal land in Oregon?**

**A:** No. It is illegal until either the Federal Government or Tribes take action otherwise.

## **LICENSING**

**Q: What licenses will be available?**

**A:** The measure lists four types of recreational marijuana licenses: Producer, Processor, Wholesaler, and Retail. A producer is also known as the grower. A processor is a business that will transform the raw marijuana into another product or extract. Processors are also responsible for packaging and labeling of recreational marijuana. A wholesaler is a business that buys in bulk and sells to resellers rather than to consumers. A retailer is a business that sells directly to consumers. The Oregon Legislature also created a license for the laboratories that test marijuana. The OLCC will issue licenses to labs that are certified by the Oregon Health Authority.

**Q: When will the OLCC begin accepting license applications?**

**A:** The OLCC will begin accepting license applications for recreational marijuana on January 4, 2016. It will be an online-only application process.

**Q. How will OLCC decide how to grant or deny license applications?**

A. Undetermined at this point. The OLCC is in the process of writing the rules necessary to implement Measure 91. The agency has appointed an advisory committee that will write the rules and send its recommendations to the Commission sometime this fall for approval.

**Q. If I want to apply for a recreational marijuana license, what should I do now?**

A. Be patient. The OLCC won't be accepting applications until January 4, 2016. In the meantime, to keep up to date on process, [click here](#).

**Q: How much are the licensing fees?**

A: Undetermined at this point. Measure 91 established an annual license fee of \$1,000 plus a non-refundable application fee of \$250 per license application. However, the Oregon Legislature made the determination that license fees need to cover the cost of the recreational marijuana program. That means fees are likely to be higher than what Measure 91 envisioned, but how much higher remains to be seen.

**Q: How many licenses can I have?**

A: A licensee may hold multiple licenses and multiple license types.

**Q: Can an out-of-state resident hold an Oregon recreational marijuana license?**

A: Measure 91 does not specifically address this question. However, the issue of residency could be addressed through legislation or by the OLCC through the rule-making process.

**Q: Who will be eligible for a marijuana license?**

A: Anyone over 21 years of age and older will be eligible for a recreational marijuana license if they meet certain conditions outlined in section 29 of Measure 91. Under those conditions, the OLCC may refuse a license if it believes the applicant:

- Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana, or controlled substances to excess.
- Has made false statements to the commission.
- Is incompetent or physically unable to carry on the management of the establishment proposed to be licensed.
- 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.
- Has maintained an insanitary establishment.
- Is not of good repute and moral character.
- 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.
- 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.
- Is not possessed of or has not demonstrated financial responsibility sufficient to adequately meet the requirements of the business proposed to be licensed.

- Is unable to understand the laws of Oregon relating to marijuana or the rules of the commission.

**Q: What if my city/county wants to go “dry?”**

**A:** Measure 91 states that local governments may not prohibit licenses in their jurisdiction except with a vote at a general election. Measure 91 allows local governments to adopt reasonable time, place and manner restrictions to regulate public nuisance. The Oregon Legislature created an additional provision that allows certain local governments to opt out of the program depending on how the jurisdiction voted on Measure 91.

**Q: What kinds of testing will OLCC require?**

**A:** Undetermined at this point. Under Measure 91, the OLCC has the authority to set testing requirements, but this is a policy question that will be determined during the rule-making process.

## **RETAIL STORES**

**Q: When will retail recreational marijuana stores be open?**

**A:** The exact date is up in the air, but the most likely time is during the third quarter of 2016.

**Q: Will the OLCC distribute marijuana out of a central warehouse?**

**A:** No. Marijuana will be distributed by those who hold an OLCC recreational marijuana license.

**Q: Will there be a quota for how many retail outlets will be allowed?**

**A:** The measure does not specifically address the number of retail outlets allowed. Specifics for licensing retail outlets will be part of the rule-making process that is currently underway.

**Q: What will OLCC be doing to get ready for marijuana-related businesses?**

**A:** The OLCC has held listening sessions throughout the state to gain a better understanding of what Oregonians expect in the implementation of Measure 91. In addition to getting legislative approval of the marijuana budget for 2015-17 and preparing to hire staff for the program, the OLCC has also selected a vendor to build the online application process and selecting a second vendor for the traceability (seed-to-sale) system to track recreational marijuana. The OLCC has appointed an advisory committee to help write the rules necessary to implement Measure 91 and several subgroups to address specific issues. The goal is have the rules adopted by October or November of this year, after which the agency will hold seminars around the state to familiarize people with the application process in advance of accepting applications on January 4, 2016.

## **TAXES**

### **Q: How much are the taxes on recreational marijuana?**

**A:** When recreational marijuana is sold in recreational stores, the taxes will range from 17 to 20 percent. The legislature set the base tax rate at 17 percent, however, they made provisions under certain circumstances for cities and counties to add up to an additional 3 percent tax. The retailer can retain 2 percent of the tax to cover their expenses. The tax will be 25 percent for the limited time that recreational marijuana will be sold in medical dispensaries. Recreational sales in medical dispensaries are slated to start on October 1, 2015, and end on December 31, 2016. The tax will be imposed on sales after January 4, 2016.

### **Q: How much money will marijuana bring in taxes?**

**A:** The OLCC estimates \$10.7 million in revenue for the 2015-2017 biennium.

### **Q: Where will the tax money go?**

**A:** Measure 91 provides distribution of revenue after costs to the following:

- 40 percent to Common School Fund
- 20 percent to Mental Health Alcoholism and Drug Services
- 15 percent to State Police
- 10 percent to Cities for enforcement of the measure
- 10 percent to Counties for enforcement of the measure
- 5 percent to Oregon Health Authority for alcohol and drug abuse prevention

Senate Members

Sen. Ginny Burdick, Co-Chair  
Sen. Ted Ferrioli, Vice-Chair  
Sen. Floyd Prozanski, Vice-Chair  
Sen. Lee Beyer  
Sen. Jeff Kruse

Members:

Rep. Ann Lininger, Co-Chair  
Rep. Carl Wilson, Vice-Chair  
Rep. Peter Buckley  
Rep. Ken Helm  
Rep. Andy Olson

Staff:

Adam Crawford, Committee Administrator  
Zoe Larmer, Committee Assistant



78<sup>th</sup> LEGISLATIVE ASSEMBLY  
JOINT COMMITTEE ON MARIJUANA LEGALIZATION

State Capitol  
900 Court St. NE, Rm. 354  
Salem, OR 97301  
503-986-1539  
FAX 503-986-1814

This document is intended to provide information for Oregon cities and counties interested in determining:

- If their jurisdiction can tax marijuana;
- If their jurisdiction can expect payouts from the Oregon Marijuana Account;
- What their payout would be based on.

**Can my city or county tax marijuana?**

Your jurisdiction can tax marijuana if your jurisdiction allows recreational marijuana retailers or both medical marijuana dispensaries and recreational marijuana retailers. However, only recreational marijuana sales can be taxed, and the sales tax limit is 3%.<sup>1</sup> Your jurisdiction can't tax marijuana if it allows only medical dispensaries or allows no recreational marijuana retailers.

**Can my city or county receive payouts from the Oregon Marijuana Account (the account where all marijuana taxes collected statewide are deposited prior to distribution)?**

If your jurisdiction allows the siting of medical and recreational marijuana producers, processors, wholesalers and retailers, you will receive payouts from the account. If your jurisdiction prohibits any of the above types of establishments, you will not receive payouts.<sup>2</sup>

**If my jurisdiction does receive payouts from the Oregon Marijuana Account, what will be the payout based on?**

Before July 1, 2017: The payout is based on population.<sup>3</sup>

After July 1, 2017: The payout will be based on two factors:<sup>4</sup>

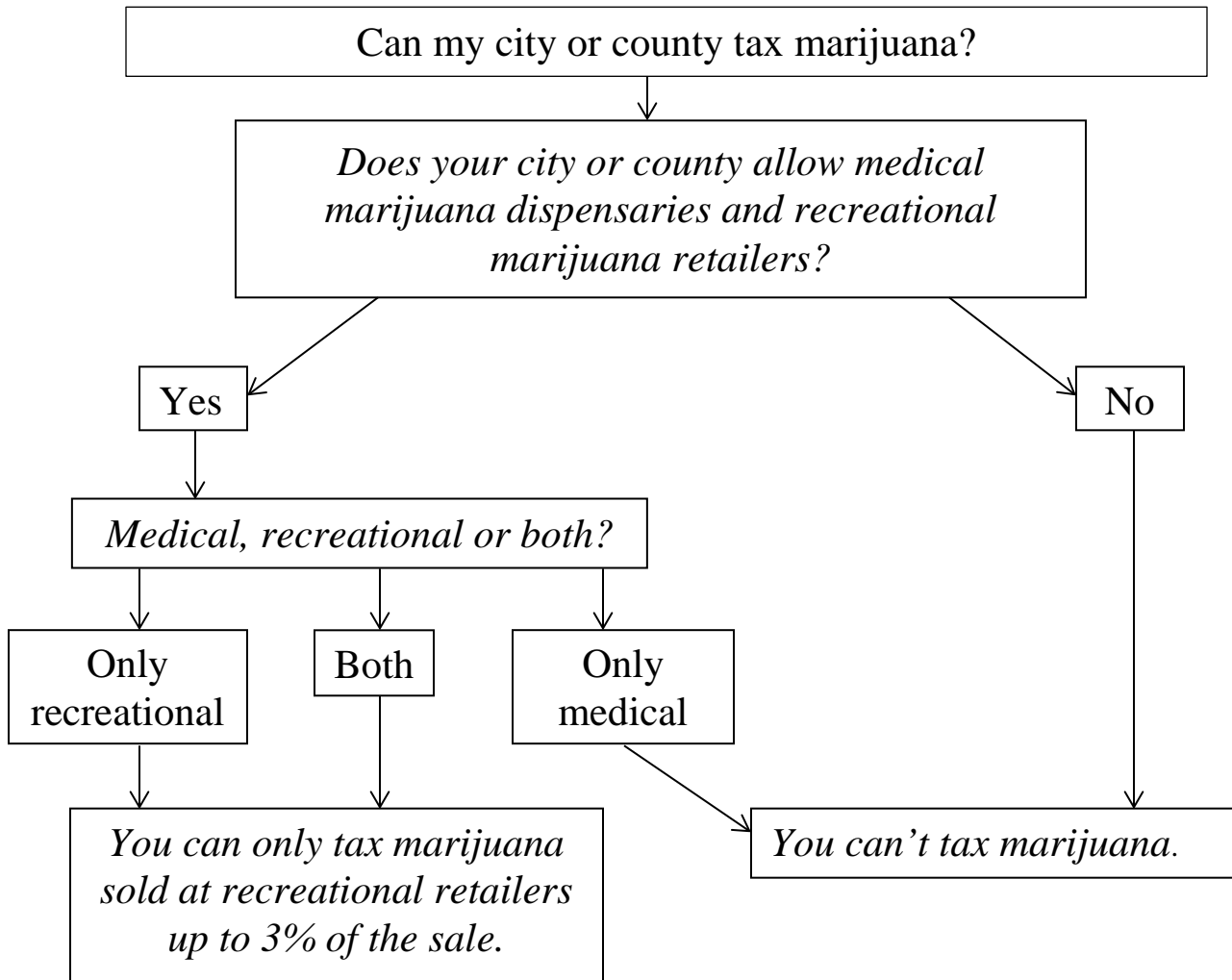
- The number of recreational producer, processor and wholesaler licenses in your jurisdiction compared to the number of those licenses issued statewide and
- The number of recreational retailer licenses issued in your jurisdiction compared to the number of those licenses issued statewide.

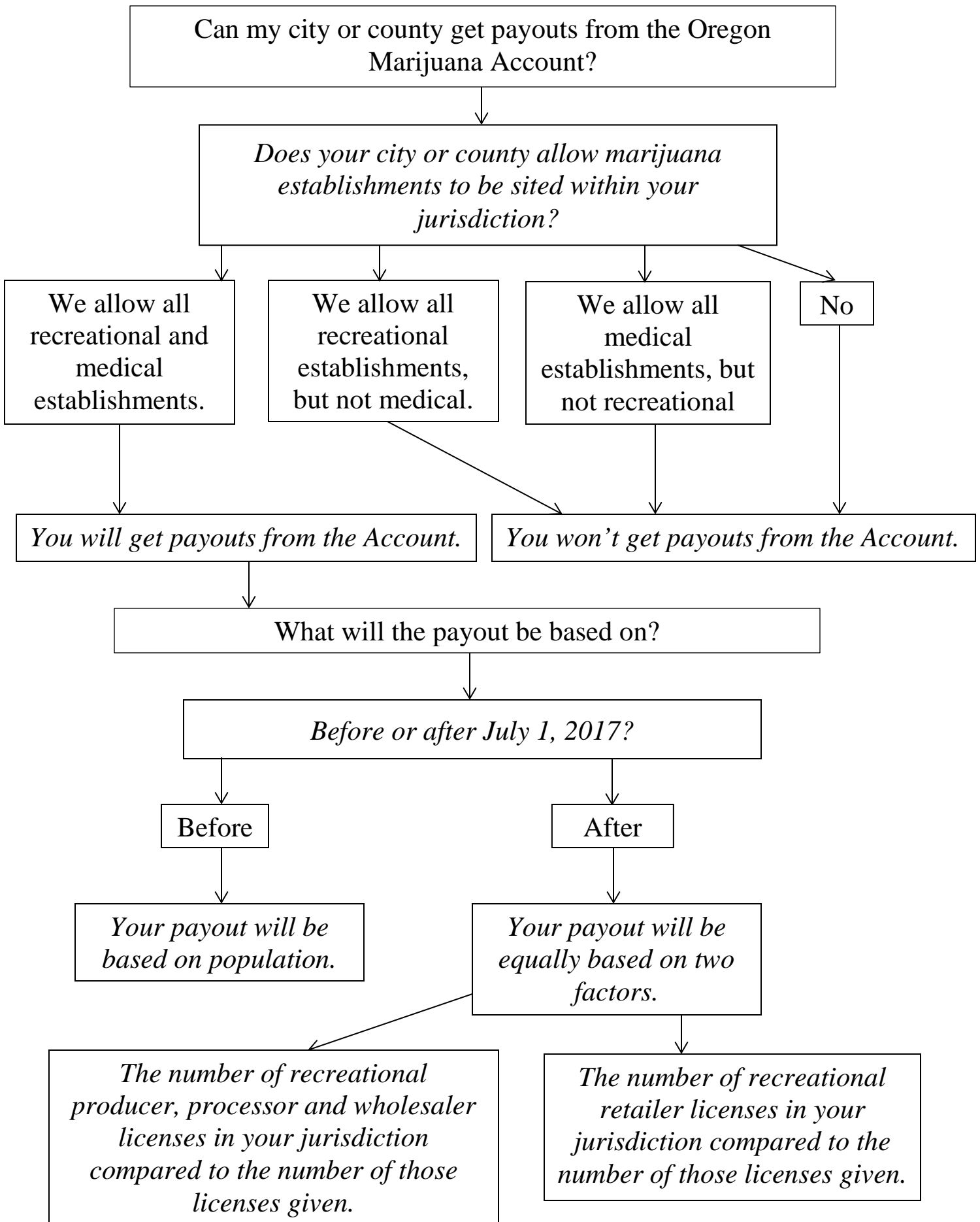
<sup>1</sup> [House Bill 3400 A \(2015\), Sec. 34a \(4\)](#)

<sup>2</sup> [House Bill 2041 A \(2015\), Sec. 14 \(4\)](#)

<sup>3</sup> [House Bill 2041 A \(2015\), Sec. 14 \(3\)](#)

<sup>4</sup> [House Bill 2041 A \(2015\), Sec. 14 \(3\)](#)





**Brief Summary of 2015 Oregon Marijuana Legislation**

*As of June 30, 2015*

**1. House Bill 3400A (Omnibus Bill)**

**A. Local Option (Sections 133 to 136)**

- Provides two paths for local opt out of any one or more category of marijuana businesses. There are four retail categories (producer, processor, wholesaler, retailer) and two medical categories (processor and dispensary):
  - 1. Opt out by action of the county or city governing body for counties, and cities in counties, that voted against Measure 91 by at least 55 percent (Baker, Crook, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wheeler).
    - Opt out must be done within 180 days of the effective date of HB 3400A.
    - Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process.
    - If a county or city opts out of any category, local option tax (*see below*) is prohibited, as well as disqualification for shared state tax revenue (*see below*).
  - 2. Opt out by local vote referred by any county or city governing body.
    - Temporary moratorium until election.
    - Election must be held at the next general election (November of even-numbered year).
    - Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process.
    - If a county or city opts out of any category, local option tax (*see below*) is prohibited, as well as disqualification for shared state tax revenue (*see below*).

**B. Local Time, Place and Manner Regulations (Sections 33 and 89)**

- Clarifies reasonable time, place and manner regulatory authority over marijuana businesses.

**C. Land Use (Section 34)**

- Marijuana given status as a farm crop.
- In EFU zones, prohibits farm stands, farm commercial activities, and new farm dwellings based on marijuana crops.
- Allows counties to permit marijuana crops in farm and forest zones, similar to EFU.
- Requires a completed Land Use Compatibility Statement (LUCS) from local government prior to issuance of marijuana business license by OLCC.

**D. Local Option Tax (Section 34a)**

- Allows local tax on sale of retail marijuana items, if approved by local voters at a general election, not to exceed 3 percent.
- Prohibits local option tax if city or county prohibits any category of marijuana business.

**E. OLCC**

- Expands powers and duties relating to regulation, investigation, and enforcement with regard to OLCC licensed marijuana businesses.
- Requires handler permit for employees of retail marijuana businesses that handle marijuana.
- Requires a seed-to-sale tracking system.
- Allows OLCC to require age verification scanners for licensed retail stores.
- Provides for state licensed testing laboratories to test all retail marijuana products.
- Provides for packaging, labeling, and dosage standards.
- Provides for state certified public and private research facilities.
- Allows medical marijuana growers to opt-in to the retail marijuana supply chain to sell excess medical marijuana, subject to licensing and regulation by OLCC.

**F. OMMA**

*Tracking*

- Requires registration and tracking of all grow sites, processing sites, and dispensaries in an OHA database.
- Requires designated growers, processors, and dispensaries to submit monthly information to the database regarding amounts possessed and transferred.
- Permits law enforcement, and city and county regulatory agencies, to access database, except for transaction information, which requires a subpoena.

*Growers and Processors*

- Requires registration of designated grow sites and processing sites.
- Prohibits persons convicted of certain drug crimes from being the designated person responsible for a site.



- Authorizes OHA to inspect sites, and records related to those sites.
- Authorizes OHA to revoke the registration of a site for violation of the OMMA, or local time, place, and manner ordinances.
- Limits the number of plants that may be grown at a single address:
  - 12 mature plants in residential zone in city, with up to 24 for grandfathered sites.
  - 48 mature plants in all other zones, with up to 96 for grandfathered sites.
- Allows designated grower to possess usable marijuana at the rate of 12 pounds per mature outdoor plant, and 6 pounds per mature indoor plant.
- Allows cardholder to assign a portion of the cardholder's possession rights to their designated grower.
- Prohibits marijuana extract processing sites in residential zones.

#### *Dispensaries*

- Authorizes OHA to revoke the registration of a dispensary for violation of the OMMA, or local time, place, and manner ordinances.
- Prohibits dispensaries in residential zones.
- Allows dispensary to remain registered if a school opens within 1,000 feet of the dispensary after the dispensary is already operating.

#### *Products and Testing*

- Provides for testing of all marijuana items, and requires testing laboratories to be licensed by OHA.
- Provides OHA with regulatory authority over testing, and the production of edibles, extracts, concentrates, and other products.
- Imposes requirements for labeling and packaging.

### **G. Further Reduction in Marijuana Offense Levels (*see* separate pamphlet)**

#### **2. Senate Bill 460A ("Early Start")**

- Allows medical marijuana dispensaries to sell limited marijuana retail products, beginning October 1, 2015
  - Seeds.
  - Dried leaves and flowers.
  - Plants that are not flowering.
- Limits amount that can be sold to each customer.
- Allows cities and counties to prohibit these retail sales by ordinance.

#### **3. House Bill 2041A (Retail Taxation)**

- State tax on sale of retail products, in lieu of Measure 91 tax on grower products:
  - 17% tax rate (but see "Early Start" special rate below).
- Retains net distribution formula from Measure 91
  - 40% to the Common School Fund.
  - 25% to substance abuse treatment and prevention.
  - 15% to the Oregon State Police.
  - 10% to cities, and 10% to counties, to assist with enforcing Measure 91.
- Disqualifies a city or county from receiving any distribution if the city or county prohibits any one or more of the six categories of marijuana business licensees.
- "Early Start" special tax rate:
  - 25% tax rate, beginning January 4, 2016.

#### **4. Senate Bill 844A (Miscellaneous)**

- Research task force
- Reduces expunction waiting period from three years to one year for person adjudicated or convicted of marijuana offenses when they were under 21.
- Changes OMMA "agitation incident to Alzheimer's disease" qualifying condition to "a degenerative or pervasive neurological condition."
- Allows certain medical organizations to be a designated OMMA caregiver.
- Prohibits transplant hospitals from discriminating against OMMA cardholders.

#### **5. House Bill 2668B (Hemp)**

- No growing within 1,000 feet of a school
- Hemp growers to allow research by DOA/OSU
- DOA Rules Advisory Committee (RAC)
- No more hemp licenses until March 1, 2017

**Selected Provisions of 2015 Oregon Marijuana Legislation**

**1. House Bill 3400A (Omnibus Bill)**

**A. Local Option (Sections 133 to 136)**

**LOCAL OPTION  
EFFECTIVE ON PASSAGE**

**SECTION 133.** (1) As used in this section, “qualifying city or county” means a county, or a city located in a county, in which not less than 55 percent of votes cast in the county during the statewide general election held on November 4, 2014, on Ballot Measure 91 (chapter 1, Oregon Laws 2015) were in opposition to the ballot measure.

(2)(a) The governing body of a qualifying city or county may adopt ordinances that prohibit the establishment of any one or more of the following in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of the county:

- (A) Marijuana processing sites registered under section 85 of this 2015 Act;
- (B) Medical marijuana dispensaries registered under ORS 475.314;
- (C) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
- (D) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
- (E) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;
- (F) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or
- (G) Any combination of the entities described in this subsection.

(b) The governing body of a qualifying city or county may not adopt an ordinance under this section later than 180 days after the effective date of this 2015 Act.

(3) If the governing body of a qualifying 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 475.314 or a marijuana processing site registered under section 85 of this 2015 Act; or

(b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

(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.

(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.

(5) Notwithstanding any other provisions of law, a qualifying city or county that adopts an ordinance under 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.

(6) Notwithstanding subsection (2) 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 475.314 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.

(7) Notwithstanding subsection (2) 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 section 85 of this 2015 Act 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 134.** (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 the unincorporated area subject to the jurisdiction of the county:

- (a) Marijuana processing sites registered under section 85 of this 2015 Act;
- (b) Medical marijuana dispensaries registered under ORS 475.314;
- (c) Marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015;
- (d) Marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015;
- (e) Marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015;
- (f) Marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015; or
- (g) 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 475.314 or a marijuana processing site registered under section 85 of this 2015 Act; or

(b) To the Oregon Liquor Control Commission, if the ordinance concerns a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015.

(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) 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.

(6) 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 475.314 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.

(7) 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 section 85 of this 2015 Act 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 135.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a medical marijuana dispensary is not subject to an ordinance adopted pursuant to section 133 or 134 of this 2015 Act if the medical marijuana dispensary:

(a) Was registered under ORS 475.314, or has applied to be registered under ORS 475.314, on or before July 1, 2015; and

(b) Has successfully completed a city or county land use application process.

(2) This section does not apply to a medical marijuana dispensary if the Oregon Health Authority revokes the registration of the medical marijuana dispensary.

**SECTION 136.** (1) Notwithstanding sections 133 and 134 of this 2015 Act, a marijuana processing site is not subject to an ordinance adopted pursuant to section 133 or 134 of this 2015 Act if the person responsible for the marijuana processing site or applying to be the person responsible for the marijuana processing site:

(a) Was registered under ORS 475.300 to 475.346 on or before July 1, 2015;

(b) Was processing usable marijuana as described in section 85 (1) of this 2015 Act on or before July 1, 2015; and

(c) Has successfully completed a city or county land use application process.

(2) This section does not apply to a marijuana processing site if the Oregon Health Authority revokes the registration of the marijuana processing site.

#### **B. Local Time, Place and Manner Regulations (Sections 33 and 89)**

**SECTION 33.** (1) For purposes of this section, “reasonable regulations” includes:

(a) Reasonable conditions on the manner in which a marijuana producer licensed under section 19, chapter 1, Oregon Laws 2015, may produce marijuana;

(b) Reasonable conditions on the manner in which a marijuana processor licensed under section 20, chapter 1, Oregon Laws 2015, may process marijuana;

(c) Reasonable conditions on the manner in which a marijuana wholesaler licensed under section 21, chapter 1, Oregon Laws 2015, may sell marijuana at wholesale;

(d) Reasonable limitations on the hours during which a marijuana retailer licensed under section 22, chapter 1, Oregon Laws 2015, may operate;

(e) Reasonable conditions on the manner in which a marijuana retailer licensed under section 22, chapter 1, Oregon Laws 2015, may sell marijuana items;

(f) Reasonable requirements related to the public’s access to a premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015; and

(g) Reasonable limitations on where a premises for which a license may be issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, may be located.

(2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of businesses located at premises for which a license has been issued under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, if the premises are located in the area subject to the jurisdiction of the city or county, except that the governing body of a city or county may not adopt an ordinance that prohibits a premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015, from being located within a distance that is greater than 1,000 feet of another premises for which a license has been issued under section 22, chapter 1, Oregon Laws 2015.

(3) Regulations adopted under this section must be consistent with city and county comprehensive plans and zoning ordinances and applicable provisions of public health and safety laws.

**SECTION 89.** (1) For purposes of this section, “reasonable regulations” includes:

(a) Reasonable limitations on the hours during which the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary may operate;

(b) Reasonable conditions on the manner in which a marijuana processing site or medical marijuana dispensary may transfer usable marijuana, medical cannabinoid products, cannabinoid concentrates, cannabinoid extracts, immature marijuana plants and seeds;

(c) Reasonable requirements related to the public’s access to the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary; and

(d) Reasonable limitations on where the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, a marijuana processing site or a medical marijuana dispensary may be located.

(2) Notwithstanding ORS 633.738, the governing body of a city or county may adopt ordinances that impose reasonable regulations on the operation of marijuana grow sites of persons designated to produce marijuana by registry identification cardholders, marijuana processing sites and medical marijuana dispensaries that are located in the area subject to the jurisdiction of the city or county.

#### **C. Land Use (Section 34)**

**SECTION 34.** (1) Notwithstanding any other provision of law, marijuana is:

(a) A crop for the purposes of “farm use” as defined in ORS 215.203;

(b) A crop for purposes of a “farm” and “farming practice,” both as defined in ORS 30.930;

(c) A product of farm use as described in ORS 308A.062; and

(d) The product of an agricultural activity for purposes of ORS 568.909.

(2) Notwithstanding ORS chapters 195, 196, 197 and 215, the following are not permitted uses on land designated for exclusive farm use:

(a) A new dwelling used in conjunction with a marijuana crop;

(b) A farm stand, as described in ORS 215.213 (1)(r) or 215.283 (1)(o), used in conjunction with a marijuana crop; and

(c) A commercial activity, as described in ORS 215.213 (2)(c) or 215.283 (2)(a), carried on in conjunction with a marijuana crop.

(3) A county may allow the production of marijuana as a farm use on land zoned for farm or forest use in the same manner as the production of marijuana is allowed in exclusive farm use zones under this section and ORS 215.213 and 215.283.

(4)(a) Prior to the issuance of a license under section 19, 20, 21 or 22, chapter 1, Oregon Laws 2015, the Oregon Liquor Control Commission 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 commission may not issue a license if the land use compatibility statement shows that the proposed land use is prohibited in the applicable zone.

(b) A city or county that receives a request for a land use compatibility statement under this subsection 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.

(c) A city or county action concerning a land use compatibility statement under this subsection is not a land use decision for purposes of ORS chapter 195, 196, 197 or 215.

#### **D. Local Option Tax (Section 34a)**

**SECTION 34a.** (1)(a) Except as expressly authorized by this section, the authority to impose a tax or fee on the production, processing or sale of marijuana items in this state is vested solely in the Legislative Assembly.

(b) Except as expressly authorized by this section, a county, city or other municipal corporation or district may not adopt or enact ordinances imposing a tax or fee on the production, processing or sale of marijuana items in this state.

(2) Subject to subsection (4) of this section, the governing body of a city or county may adopt an ordinance to be referred to the electors of the city or county as described in subsection (3) of this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a county by a person that holds a license under section 22, chapter 1, Oregon Laws 2015.

(3) If the governing body of a city or county adopts an ordinance under this section, the governing body shall refer the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

(4) An ordinance adopted under this section may not impose a tax or fee in excess of 3 percent.

#### **2. Senate Bill 460A ("Early Start")**

**SECTION 2.** (1) As used in this section:

(a) "Limited marijuana retail product" means:

- (A) The seeds of marijuana;
- (B) The dried leaves and flowers of marijuana; and
- (C) A marijuana plant that is not flowering.

(b) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.

(c) "Medical marijuana dispensary" means an entity registered with the Oregon Health Authority under ORS 475.314.

(2) Notwithstanding any other provision of law, on and after October 1, 2015, a medical marijuana dispensary may sell limited marijuana retail product to a person who is 21 years of age or older if:

(a) The person presents proof of age to the medical marijuana dispensary before entering into the medical marijuana dispensary;

(b) The medical marijuana dispensary verifies that the person is 21 years of age or older at the time of the sale;

(c) The medical marijuana dispensary sells no more than one-quarter ounce of limited marijuana retail product to the person per day if the person is purchasing the dried leaves and flowers of marijuana; and

(d) The medical marijuana dispensary sells no more than four units of limited marijuana retail product to the person if the person is purchasing a marijuana plant that is not flowering.

(3) A city or county may adopt ordinances prohibiting the sale of limited marijuana retail product as described in this section in the area subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of the county.

(4) The authority shall adopt rules to implement this section, including rules that:

(a) Are necessary to ensure the public health and safety; and

(b) Ensure that a medical marijuana dispensary complies with this section.

(5) The authority may prohibit a medical marijuana dispensary from selling limited marijuana retail product as described in this section if the medical marijuana dispensary violates this section.

**SECTION 3.** Section 2 of this 2015 Act is repealed on December 31, 2016.

## Appearance Record

NO COMMENT

DATE: 9.17.15



## Appearance Record

[illegible]

DATE: 09/17/15