

B-Engrossed
Senate Bill 1531

Ordered by the House February 26
Including Senate Amendments dated February 14 and House Amendments
dated February 26

Sponsored by Senators HANSELL, MONROE, STARR; Senators BAERTSCHIGER JR, BOQUIST, CLOSE, FERRIOLI, GIROD, JOHNSON, KNOPP, KRUSE, MONNES ANDERSON, OLSEN, THOMSEN, WHITSETT, WINTERS, Representatives ESQUIVEL, JENSON, THOMPSON, WHISNANT, WITT (at the request of Association of Oregon Counties and League of Oregon Cities) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Specifies that governing body of city or county may [*adopt ordinances that impose reasonable regulations on operation*] **prohibit the establishment or regulate or restrict the operation** of medical marijuana facilities.

Imposes standards for transference of tetrahydrocannabinol-infused products by medical marijuana facilities.

Declares emergency, effective March 1, 2014.

A BILL FOR AN ACT

1
2 Relating to marijuana facilities; creating new provisions; amending ORS 475.314; and declaring an
3 emergency.

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

5 **SECTION 1. Section 2 of this 2014 Act is added to and made a part of ORS 475.300 to**
6 **475.346.**

7 **SECTION 2. (1) Notwithstanding ORS 633.738, the governing body of a city or county may**
8 **adopt ordinances that:**

9 (a) **Prohibit the establishment of medical marijuana facilities in the area subject to the**
10 **jurisdiction of the city or county; or**

11 (b) **Regulate or restrict the operation of medical marijuana facilities that are registered**
12 **or applying to be registered under ORS 475.314 in the area subject to the jurisdiction of the**
13 **city or county.**

14 (2) **A city or county that adopts an ordinance under this section must provide the text**
15 **and effective date of the ordinance to the Oregon Health Authority in a manner prescribed**
16 **by the authority.**

17 **SECTION 3. ORS 475.314 is amended to read:**

18 475.314. (1) The Oregon Health Authority shall establish by rule a medical marijuana facility
19 registration system to authorize the transfer of usable marijuana and immature marijuana plants
20 from:

21 (a) A registry identification cardholder, the designated primary caregiver of a registry identifi-
22 cation cardholder, or a person responsible for a marijuana grow site to the medical marijuana fa-
23 cility; or

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

1 (b) A medical marijuana facility to a registry identification cardholder or the designated primary
2 caregiver of a registry identification cardholder.

3 (2) The registration system established under subsection (1) of this section must require a med-
4 ical marijuana facility to submit an application to the authority that includes:

5 (a) The name of the person responsible for the medical marijuana facility;

6 (b) The address of the medical marijuana facility;

7 (c) Proof that the person responsible for the medical marijuana facility is a resident of Oregon;

8 (d) Documentation, as required by the authority by rule, that demonstrates the medical
9 marijuana facility meets the qualifications for a medical marijuana facility as described in sub-
10 section (3) of this section; and

11 (e) Any other information that the authority considers necessary.

12 (3) To qualify for registration under this section, a medical marijuana facility:

13 (a) Must be located in an area that is zoned for commercial, industrial or mixed use or as ag-
14 ricultural land; *[and may not be located at the same address as a marijuana grow site];*

15 **(b) May not be located at the same address as a marijuana grow site or in an area in**
16 **which a medical marijuana facility may not be located pursuant to an ordinance of which the**
17 **authority has been notified under section 2 of this 2014 Act;**

18 *[(b)]* (c) Must be registered as a business or have filed a pending application to register as a
19 business with the Office of the Secretary of State;

20 *[(c)]* (d) Must not be located within 1,000 feet of the real property comprising a public or private
21 elementary, secondary or career school attended primarily by minors;

22 *[(d)]* (e) Must not be located within 1,000 feet of another medical marijuana facility; and

23 *[(e)]* (f) Must comport with rules adopted by the authority related to:

24 (A) Installing a minimum security system, including a video surveillance system, alarm system
25 and safe; and

26 (B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and
27 immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the
28 registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's
29 registered grower.

30 (4)(a) The authority shall conduct a criminal records check under ORS 181.534 of a person whose
31 name is submitted as the person responsible for a medical marijuana facility under subsection (2)
32 of this section.

33 (b) A person convicted for the manufacture or delivery of a controlled substance in Schedule I
34 or Schedule II may not be the person responsible for a medical marijuana facility for five years from
35 the date the person is convicted.

36 (c) A person convicted more than once for the manufacture or delivery of a controlled substance
37 in Schedule I or Schedule II may not be the person responsible for a medical marijuana facility.

38 (5) If a person submits the application required under subsection (2) of this section, the medical
39 marijuana facility identified in the application meets the qualifications for a medical marijuana fa-
40 cility described in subsection (3) of this section and the person responsible for the medical marijuana
41 facility passes the criminal records check required under subsection (4) of this section, the authority
42 shall register the medical marijuana facility and issue the person responsible for the medical
43 marijuana facility proof of registration. The person responsible for the medical marijuana facility
44 shall display the proof of registration on the premises of the medical marijuana facility at all times
45 when usable marijuana or immature marijuana plants are being transferred as described in sub-

1 section (1) of this section.

2 (6)(a) A registered medical marijuana facility may receive usable marijuana or immature
3 marijuana plants only from a registry identification cardholder, designated primary caregiver or
4 person responsible for a marijuana grow site if the registered medical marijuana facility obtains
5 authorization, on a form prescribed by the authority by rule and signed by a registry identification
6 cardholder, to receive the usable marijuana or immature marijuana plants.

7 (b) A registered medical marijuana facility shall maintain:

8 (A) A copy of each authorization form described in paragraph (a) of this subsection; and

9 (B) Documentation of each transfer of usable marijuana or immature marijuana plants.

10 (7) A medical marijuana facility registered under this section may possess usable marijuana and
11 immature marijuana plants in excess of the limits imposed on registry identification cardholders and
12 designated primary caregivers under ORS 475.320.

13 **(8)(a) A registered medical marijuana facility may not transfer any**
14 **tetrahydrocannabinol-infused product that is meant to be swallowed or inhaled, unless the**
15 **product:**

16 **(A) Is packaged in child-resistant safety packaging that meets standards established by**
17 **the authority by rule;**

18 **(B) Is packaged in plastic that is four millimeters or greater in thickness, is heat sealed**
19 **and has no tab, dimple, corner or flap that makes opening the package easier; or**

20 **(C) If in liquid form, is bottled and sealed with a metal crown cork bottle cap.**

21 **(b) A registered medical marijuana facility may not transfer any tetrahydrocannabinol-**
22 **infused product that is manufactured or packaged in a manner that is attractive to minors,**
23 **as determined by the authority by rule.**

24 [(8)] (9) The authority may inspect:

25 (a) The premises of an applicant for a medical marijuana facility or a registered medical
26 marijuana facility to ensure compliance with the qualifications for a medical marijuana facility de-
27 scribed in subsection (3) of this section; and

28 (b) The records of a registered medical marijuana facility to ensure compliance with subsection
29 (6)(b) of this section.

30 [(9)(a)] (10)(a) A registry identification cardholder or the designated primary caregiver of a
31 registry identification cardholder may reimburse a medical marijuana facility registered under this
32 section for the normal and customary costs of doing business, including costs related to transferring,
33 handling, securing, insuring, testing, packaging and processing usable marijuana and immature
34 marijuana plants and the cost of supplies, utilities and rent or mortgage.

35 (b) A medical marijuana facility may reimburse a person responsible for a marijuana grow site
36 under this section for the normal and customary costs of doing business, including costs related to
37 transferring, handling, securing, insuring, testing, packaging and processing usable marijuana and
38 immature marijuana plants and the cost of supplies, utilities and rent or mortgage.

39 [(10)] (11) The authority may revoke the registration of a medical marijuana facility registered
40 under this section for failure to comply with ORS 475.300 to 475.346, [or] rules adopted under ORS
41 475.300 to 475.346 **or ordinances adopted pursuant to section 2 of this 2014 Act.** The authority
42 may release to the public a final order revoking a medical marijuana facility registration.

43 [(11)] (12)(a) The authority shall adopt rules to implement this section, including rules that:

44 [(a)] (A) Require a medical marijuana facility registered under this section to annually renew
45 that registration; and

1 *[(b)]* **(B)** Establish fees for registering and renewing registration for a medical marijuana facility
2 under this section.

3 **(b) In adopting rules under subsection (8)(a)(A) of this section, the authority shall con-**
4 **sider standards established under and pursuant to the federal Poison Prevention Packaging**
5 **Act.**

6 **SECTION 4. This 2014 Act being necessary for the immediate preservation of the public**
7 **peace, health and safety, an emergency is declared to exist, and this 2014 Act takes effect**
8 **March 1, 2014.**

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