

C-Engrossed Senate Bill 1531

Ordered by the House March 5
Including Senate Amendments dated February 14 and House Amendments
dated February 26 and March 5

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, THATCHER, 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 [*prohibit the establishment or regulate or restrict the operation*] **adopt ordinances that impose reasonable regulations on operation of medical marijuana facilities. Specifies that governing body of city or county may enact moratorium on operation of registered medical marijuana facility until May 1, 2015, if moratorium is enacted no later than May 1, 2014.**

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. Notwithstanding ORS 633.738, the governing body of a city or county may**
8 **adopt ordinances that impose reasonable regulations on the operation of medical marijuana**
9 **facilities registered, or applying for registration, under ORS 475.314 that are located in the**
10 **area subject to the jurisdiction of the city or county. For purposes of this section, "reason-**
11 **able regulations" includes reasonable limitations on the hours during which a medical**
12 **marijuana facility may be operated, reasonable limitations on where a medical marijuana**
13 **facility may be located within a zone described in ORS 475.314 (3)(a) and reasonable condi-**
14 **tions on the manner in which a medical marijuana facility may dispense medical marijuana.**

15 **SECTION 3. (1) Notwithstanding ORS 475.314 and section 2 of this 2014 Act, the governing**
16 **body of a city or county may adopt an ordinance enacting a moratorium on the operation**
17 **of registered medical marijuana facilities until May 1, 2015, in the area subject to the juris-**
18 **isdiction of the city or county if the moratorium is enacted no later than May 1, 2014.**

19 **(2) Notwithstanding ORS 475.309 (1)(b), a person who is responsible for or employed by a**
20 **registered medical marijuana facility located in an area subject to the jurisdiction of a city**
21 **or county that enacts a moratorium under this section is not excepted from the criminal**
22 **laws of this state for possession or delivery of marijuana, aiding and abetting another in the**

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 possession or delivery of marijuana or any other criminal offense in which possession or
2 delivery of marijuana is an element.

3 (3) The governing body of a city or county that enacts a moratorium under this section
4 must notify the Oregon Health Authority, in a manner prescribed by the authority, of the
5 moratorium.

6 (4) A registered medical marijuana facility that is located in an area subject to the ju-
7 risdiction of a city or county that enacts a moratorium under this section may choose to
8 surrender the medical marijuana facility's registration. To surrender registration under this
9 subsection, the medical marijuana facility must notify the authority, in a manner prescribed
10 by the authority, of the surrender. If a medical marijuana facility surrenders registration
11 under this subsection, the authority may refund any fee imposed by the authority pursuant
12 to ORS 475.314 (12).

13 **SECTION 4. Section 3 of this 2014 Act is repealed on January 2, 2016.**

14 **SECTION 5.** ORS 475.314 is amended to read:

15 475.314. (1) The Oregon Health Authority shall establish by rule a medical marijuana facility
16 registration system to authorize the transfer of usable marijuana and immature marijuana plants
17 from:

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

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

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

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

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

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

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

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

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

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

35 **(b) May not be located at the same address as a marijuana grow site;**

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

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

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

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

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

44 (B) Testing for pesticides, mold and mildew and the processes by which usable marijuana and
45 immature marijuana plants that test positive for pesticides, mold or mildew must be returned to the

1 registry identification cardholder, the cardholder's designated primary caregiver or the cardholder's
2 registered grower.

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

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

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

11 (5) If a person submits the application required under subsection (2) of this section, the medical
12 marijuana facility identified in the application meets the qualifications for a medical marijuana fa-
13 cility described in subsection (3) of this section and the person responsible for the medical marijuana
14 facility passes the criminal records check required under subsection (4) of this section, the authority
15 shall register the medical marijuana facility and issue the person responsible for the medical
16 marijuana facility proof of registration. The person responsible for the medical marijuana facility
17 shall display the proof of registration on the premises of the medical marijuana facility at all times
18 when usable marijuana or immature marijuana plants are being transferred as described in sub-
19 section (1) of this section.

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

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

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

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

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

31 **(8)(a) A registered medical marijuana facility may not transfer any**
32 **tetrahydrocannabinol-infused product that is meant to be swallowed or inhaled, unless the**
33 **product is packaged in child-resistant safety packaging that meets standards established by**
34 **the authority by rule.**

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

38 [(8)] (9) The authority may inspect:

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

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

44 [(9)(a)] (10)(a) A registry identification cardholder or the designated primary caregiver of a
45 registry identification cardholder may reimburse a medical marijuana facility registered under this

1 section for the normal and customary costs of doing business, including costs related to transferring,
2 handling, securing, insuring, testing, packaging and processing usable marijuana and immature
3 marijuana plants and the cost of supplies, utilities and rent or mortgage.

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

8 [(10)] (11) The authority may revoke the registration of a medical marijuana facility registered
9 under this section for failure to comply with ORS 475.300 to 475.346, [or] rules adopted under ORS
10 475.300 to 475.346 **or ordinances adopted pursuant to section 2 of this 2014 Act.** The authority
11 may release to the public a final order revoking a medical marijuana facility registration.

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

13 (a) Require a medical marijuana facility registered under this section to annually renew that
14 registration; and

15 (b) Establish fees for registering and renewing registration for a medical marijuana facility un-
16 der this section.

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