

DRAFT

SUMMARY

Directs Oregon Liquor Control Commission to establish by rule process to register medical marijuana grow sites. Defines “medical marijuana grow site.” Allows medical marijuana grow sites to apply for registration not later than September 1, 2020. Establishes plant production limits for medical marijuana grow sites registered by commission.

Becomes operative June 1, 2020.

Declares emergency, effective on passage.

A BILL FOR AN ACT

Relating to medical marijuana grow sites; creating new provisions; amending ORS 475B.206, 475B.526 and 475B.831; and declaring an emergency.

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

SECTION 1. Sections 2 to 6 of this 2020 Act are added to and made a part of ORS 475B.010 to 475B.545.

SECTION 2. As used in sections 3 to 6 of this 2020 Act, “medical marijuana grow site”:

(1) Means a location at which marijuana is produced for use by registry identification cardholders.

(2) Does not include a marijuana grow site registered under ORS 475B.810.

SECTION 3. (1) The Oregon Liquor Control Commission shall establish by rule a process to register medical marijuana grow sites. To hold a registration under this section, an applicant shall:

(a) Apply for a registration in the manner prescribed by the commission by rule;

(b) Provide to the commission proof that the applicant is 21 years

1 of age or older; and

2 (c) Meet any other requirements established by the commission by
3 rule.

4 (2) A registration issued under this section is valid for one year and
5 may be renewed pursuant to rules adopted by the commission.

6 (3)(a) An applicant for registration under this section must be an
7 individual.

8 (b) A registration issued under this section may not be transferred:

9 (A) From the individual to whom it is issued to another individual;
10 or

11 (B) To any location other than the original location at which the
12 applicant produces marijuana.

13 (4) All seeds, immature marijuana plants, mature marijuana plants
14 and usable marijuana produced by the medical marijuana grow site
15 are the property of the medical marijuana grow site.

16 (5) A medical marijuana grow site may transfer:

17 (a) Subject to the limits established in ORS 475B.825, 475B.831 and
18 475B.834, the seeds, immature marijuana plants and usable marijuana
19 associated with the production of marijuana to:

20 (A) A registry identification cardholder or designated primary
21 caregiver;

22 (B) A medical marijuana dispensary, as defined in ORS 475B.791; or

23 (C) A marijuana processing site, as defined in ORS 475B.791; and

24 (b) Subject to the limits described in ORS 475B.825 that apply to a
25 marijuana grow site as defined in ORS 475B.791, usable marijuana to
26 a marijuana processor licensed under ORS 475B.090 or a marijuana
27 wholesaler licensed under ORS 475B.100.

28 (6)(a) The commission shall establish application, registration and
29 renewal fees under this section.

30 (b) Fees adopted under this section may not exceed, together with
31 other fees collected under ORS 475B.010 to 475B.545, the cost of ad-

1 ministering ORS 475B.010 to 475B.545.

2 (c) Moneys from fees collected under this section shall be deposited
3 in the Marijuana Control and Regulation Fund established under ORS
4 475B.296.

5 (7)(a) The commission shall consult with the Oregon Health Au-
6 thority in adopting rules under this section.

7 (b) The commission may adopt by reference rules adopted by the
8 authority relating to the regulation of the production of marijuana
9 under ORS 475B.785 to 475B.949.

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

12 SECTION 4. (1) A medical marijuana grow site registered under
13 section 3 of this 2020 Act is subject to the following production limits:

14 (a) Except as provided in paragraph (c) of this subsection, if the
15 medical marijuana grow site is located within city limits in an area
16 zoned for residential use, no more than:

17 (A) 12 mature marijuana plants;

18 (B) 24 immature marijuana plants that are 24 inches or more in
19 height; and

20 (C) The number established by the Oregon Liquor Control Com-
21 mission by rule of immature marijuana plants that are less than 24
22 inches in height.

23 (b) Except as provided in paragraph (c) of this subsection, if the
24 medical marijuana grow site is located in an area other than an area
25 described in paragraph (a) of this subsection, no more than:

26 (A) 48 mature marijuana plants;

27 (B) 96 immature marijuana plants that are 24 inches in height or
28 more; and

29 (C) The number established by the commission by rule of immature
30 marijuana plants that are less than 24 inches in height.

31 (c) If the medical marijuana grow site, on or before April 1, 2020,

1 is in compliance with the production limits in ORS 475B.831 (3)(b) or
2 (4)(b) in effect on January 1, 2015, was approved by the Oregon Health
3 Authority as a grandfathered grow site under rules adopted by the
4 authority and:

5 (A) Is located within city limits in an area zoned for residential use,
6 no more than:

7 (i) 24 mature marijuana plants;

8 (ii) 48 immature marijuana plants that are 24 inches or more in
9 height; and

10 (iii) The number established by the commission by rule of immature
11 marijuana plants that are less than 24 inches in height.

12 (B) Is located in an area other than an area described in subpara-
13 graph (A) of this paragraph, no more than:

14 (i) 96 mature marijuana plants;

15 (ii) 192 immature marijuana plants that are 24 inches or more in
16 height; and

17 (iii) The number established by the commission by rule of immature
18 marijuana plants that are less than 24 inches in height.

19 (2) In adopting rules under this section, the commission shall con-
20 sult with the authority and may adopt by reference rules adopted by
21 the authority relating to plant possession limits.

22 **SECTION 5. (1) The Oregon Liquor Control Commission shall:**

23 (a) Ensure the system developed and maintained under ORS
24 475B.177 is capable of tracking the transfer of marijuana items
25 produced at a medical marijuana grow site registered under section 3
26 of this 2020 Act.

27 (b) Treat information related to medical marijuana grow sites reg-
28 istered under section 3 of this 2020 Act in the same manner as the in-
29 formation described in ORS 475B.541.

30 (2) The commission may:

31 (a) Suspend, revoke or refuse to issue a registration under section

3 of this 2020 Act.

(b) Adopt rules as necessary to carry out this section.

SECTION 6. (1) The Oregon Liquor Control Commission may impose, for each violation of ORS 475B.010 to 475B.545 or of a rule adopted under ORS 475B.010 to 475B.545, by a medical marijuana grow site a civil penalty that does not exceed \$500 for each day that the violation occurs.

(2) The commission shall impose civil penalties under this section in the manner provided in ORS 183.745.

(3) All moneys collected pursuant to this section shall be deposited in the Marijuana Control and Regulation Fund established under ORS 475B.296.

SECTION 7. ORS 475B.831 is amended to read:

475B.831. (1)(a) A registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess:

(A) Six or fewer mature marijuana plants; and

(B) Twelve or fewer immature marijuana plants.

(b)(A) Unless an address is the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder, the address where a registry identification cardholder or the primary caregiver of a registry identification cardholder produces marijuana may be used to produce not more than:

(i) Six or fewer mature marijuana plants per registry identification cardholder, up to 12 mature marijuana plants; and

(ii) Twelve or fewer immature marijuana plants per registry identification cardholder, up to 24 immature marijuana plants.

(B) Except as provided in subparagraph (C) of this paragraph, an address that is subject to this paragraph may not be used to produce plants in the genus Cannabis within the plant family Cannabaceae pursuant to ORS 475B.301.

(C) Subject to subparagraph (D) of this paragraph, an address that is subject to this paragraph may be used to produce plants in the genus *Cannabis* within the plant family Cannabaceae pursuant to ORS 475B.301 if a person other than a registry identification cardholder who is using the address to produce marijuana plants pursuant to ORS 475B.785 to 475B.949 resides at the address.

(D) An address that is subject to this paragraph may not be used to produce more than 12 total mature marijuana plants.

(2)(a) A person may be designated to produce marijuana under ORS 475B.810 by no more than *[eight]* **two** registry identification cardholders.

(b) A person responsible for a marijuana grow site may produce for a registry identification cardholder who designates the person to produce marijuana no more than:

(A) Six mature marijuana plants;

(B) 12 immature marijuana plants that are 24 inches or more in height; and

(C) The *[amount,]* **number** established by the Oregon Health Authority by rule[,] of immature marijuana plants that are less than 24 inches in height.

(3) If the address of a person responsible for a marijuana grow site registered under ORS 475B.810 is located within city limits in an area zoned for residential use,[:]

[(a) Except as provided in paragraph (b) of this subsection,] no more than the following amounts of marijuana plants may be produced at the address:

[(A)] **(a)** 12 mature marijuana plants;

[(B)] **(b)** 24 immature marijuana plants that are 24 inches or more in height; and

[(C)] **(c)** The *[amount,]* **number** established by the authority by rule[,] of immature marijuana plants that are less than 24 inches in height[; or].

[(b) Subject to subsection (5) of this section, if each person responsible for a marijuana grow site located at the address first registered with the authority

under ORS 475B.810 before January 1, 2015, no more than the following amounts of marijuana plants may be produced at the address:]

[(A) The amount of mature marijuana plants located at that address on December 31, 2014, in excess of 12 mature marijuana plants, not to exceed 24 mature marijuana plants;]

[(B) 48 immature marijuana plants that are 24 inches or more in height; and]

[(C) The amount, established by the authority by rule, of immature marijuana plants that are less than 24 inches in height.]

(4) If the address of a person responsible for a marijuana grow site registered under ORS 475B.810 is located in an area other than an area described in subsection (3) of this section,[:]

[(a) Except as provided in paragraph (b) of this subsection,] no more than the following amounts of marijuana plants may be produced at the address:

*[(A)] (a) [48] **12** mature marijuana plants;*

*[(B)] (b) [96] **24** immature marijuana plants that are 24 inches or more in height; and*

*[(C)] (c) The [amount,] **number** established by the authority by rule[,] of immature marijuana plants that are less than 24 inches in height[: or].*

[(b) Subject to subsections (5) and (6) of this section, if each person responsible for a marijuana grow site located at the address first registered with the authority under ORS 475B.810 before January 1, 2015, no more than the following amounts of marijuana plants may be produced at the address:]

[(A) The amount of mature marijuana plants located at that address on December 31, 2014, in excess of 48 mature marijuana plants, not to exceed 96 mature marijuana plants;]

[(B) 192 immature marijuana plants that are 24 inches or more in height; and]

[(C) The amount, established by the authority by rule, of immature marijuana plants that are less than 24 inches in height.]

[(5)(a) If the authority suspends or revokes the registration of a person re-

sponsible for a marijuana grow site that is located at an address described in subsection (3)(b) of this section, no more than the following amounts of marijuana plants may subsequently be produced at any address described in subsection (3) of this section at which the person responsible for the marijuana grow site produces marijuana:]

[(A) 12 mature marijuana plants;]

[(B) 24 immature marijuana plants that are 24 inches or more in height; and]

[(C) The amount, established by the authority by rule, of immature marijuana plants that are less than 24 inches in height.]

[(b) If the authority suspends or revokes the registration of a person responsible for a marijuana grow site that is located at an address described in subsection (4)(b) of this section, no more than the following amounts of marijuana plants may subsequently be produced at any address described in subsection (4) of this section at which the person responsible for the marijuana grow site produces marijuana:]

[(A) 48 mature marijuana plants;]

[(B) 96 immature marijuana plants that are 24 inches or more in height; and]

[(C) The amount, established by the authority by rule, of immature marijuana plants that are less than 24 inches in height.]

[(6)] (5) If a registry identification cardholder who designated a person to produce marijuana for the registry identification cardholder pursuant to ORS 475B.810 terminates the designation, the person responsible for the marijuana grow site whose designation has been terminated may not be designated to produce marijuana by another registry identification cardholder, except that the person may be designated by another registry identification cardholder if no more than **[48] 12** mature marijuana plants and no more than **[96] 24** immature marijuana plants that are 24 or more inches in height are produced at the address for the marijuana grow site at which the person produces marijuana.

1 ~~[(7)]~~ **(6)** Subject to the limits described in subsections (2) to ~~[(6)]~~ **(5)** of
2 this section, if multiple persons responsible for a marijuana grow site under
3 ORS 475B.810 are located at the same address, the persons designated to
4 produce marijuana by registry identification cardholders who are located at
5 that address may collectively produce marijuana plants for *[any number of]*
6 **no more than four** registry identification cardholders who designate the
7 persons to produce marijuana.

8 ~~[(8)]~~ **(7)** If a law enforcement officer determines that there is a number
9 of marijuana plants at an address in excess of the quantities specified in this
10 section, or that an address is being used to produce a number of marijuana
11 plants in excess of the quantities specified in subsection (1)(b) of this section,
12 the law enforcement officer may confiscate only the excess number of
13 marijuana plants.

14 **SECTION 8.** ORS 475B.206 is amended to read:

15 475B.206. (1) Except as provided in ORS 475B.136 and 475B.873 **and sec-**
16 **tion 3 of this 2020 Act**, a marijuana producer that holds a license issued
17 under ORS 475B.070, marijuana processor that holds a license issued under
18 ORS 475B.090 *[or]*, marijuana wholesaler that holds a license issued under
19 ORS 475B.100 **or medical marijuana grow site registered under section**
20 **3 of this 2020 Act** may deliver marijuana items only to or on a premises for
21 which a license has been issued under ORS 475B.070, 475B.090, 475B.100 or
22 475B.105, or to a registry identification cardholder or designated primary
23 caregiver as allowed under ORS 475B.010 to 475B.545.

24 (2) A licensee to which marijuana items may be delivered under sub-
25 section (1) of this section may receive marijuana items only from:

26 (a) A marijuana producer that holds a license issued under ORS 475B.070,
27 marijuana processor that holds a license issued under ORS 475B.090,
28 marijuana wholesaler that holds a license issued under ORS 475B.100,
29 marijuana retailer that holds a license issued under ORS 475B.105 or a lab-
30 oratory licensed under ORS 475B.560;

31 (b) A researcher of cannabis that holds a certificate issued under ORS

475B.286 and that transfers limited amounts of marijuana, usable marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts in accordance with procedures adopted under ORS 475B.286 (3)(d) and (e);

(c) A marijuana grow site registered under ORS 475B.810, marijuana processing site registered under ORS 475B.840, or a medical marijuana dispensary registered under ORS 475B.858, acting in accordance with procedures adopted by the Oregon Liquor Control Commission under ORS 475B.167; *[or]*

(d) A marijuana grow site registered under ORS 475B.810, acting in accordance with ORS 475B.825 and any procedures adopted by rule by the commission; **or**

(e) A medical marijuana grow site registered under section 3 of this 2020 Act acting in accordance with section 3 of this 2020 Act and any procedures adopted by rule by the commission.

(3) The sale of marijuana items by a marijuana retailer that holds a license issued under ORS 475B.105 must be restricted to the premises for which the license has been issued, but deliveries may be made by a marijuana retailer to consumers pursuant to a bona fide order received at the premises prior to delivery.

(4) The commission may by order waive the requirements of subsections (1) and (2) of this section to ensure compliance with ORS 475B.010 to 475B.545 or a rule adopted under ORS 475B.010 to 475B.545. An order issued under this subsection does not constitute a waiver of any other requirement of ORS 475B.010 to 475B.545 or any other rule adopted under ORS 475B.010 to 475B.545.

SECTION 9. ORS 475B.526 is amended to read:

475B.526. (1) 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, 215 and 227, 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, 215.283 and 475B.063.

(4) This section applies to:

(a) Marijuana producers that hold a license issued under ORS 475B.070;

(b) Persons registered under ORS 475B.810 and designated to produce marijuana by one or more persons who hold valid registry identification cards issued under ORS 475B.797; *[and]*

(c) For the purpose of producing marijuana or propagating immature marijuana plants, researchers of cannabis that hold a certificate issued under ORS 475B.286; **and**

(d) Medical marijuana grow sites regisitered under section 3 of this 2020 Act.

SECTION 10. (1) Sections 2 to 6 of this 2020 Act and the amendments to ORS 475B.206, 475B.526 and 475B.831 by sections 7 to 9 of this 2020 Act become operative on June 1, 2020.

(2) The Oregon Health Authority and the Oregon Liquor Control Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the authority or the commission to exercise, on or after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the authority and the commission by sections

2 to 6 of this 2020 Act and the amendments to ORS 475B.206, 475B.526 and 475B.831 by sections 7 to 9 of this 2020 Act.

SECTION 11. (1) Until September 1, 2020, the Oregon Health Authority may renew a registration issued under ORS 475B.810 if the initial registration was issued before April 1, 2020.

(2) On or after April 1, 2020, the authority may not:

(a) Register a marijuana grow site under ORS 475B.810 that produces marijuana for more than two registry identification cardholders, regardless of the number of persons designated to produce marijuana by registry identification cardholders at the marijuana grow site; or

(b) Collect fees for the issuance of initial registration of marijuana grow sites described in paragraph (a) of this subsection.

SECTION 12. (1) Not later than September 1, 2020, a medical marijuana grow site may apply to the Oregon Liquor Control Commission for registration under section 3 of this 2020 Act if:

(a) The medical marijuana grow site is a marijuana grow site registered with the Oregon Health Authority under ORS 475B.810 on or before February 1, 2020;

(b) Before April 1, 2020, the medical marijuana grow site is designated to produce marijuana for three or more registry identification cardholders or is a marijuana grow site at which marijuana is produced by three or more persons designated to produce marijuana; and

(c) Before April 1, 2020, the medical marijuana grow site is subject to tracking under ORS 475B.177.

(2)(a) Notwithstanding section 3 (4) of this 2020 Act, not later than November 1, 2020, a registry identification cardholder who designated a person to produce marijuana under ORS 475B.810 may request that the person designated to produce marijuana transfer to the registry identification cardholder all seeds, immature marijuana plants, ma-

1 ture marijuana plants and usable marijuana produced for the registry
2 identification cardholder if the person designated to produce
3 marijuana applies for a medical marijuana grow site registration under
4 section 3 of this 2020 Act.

5 (b) A person to whom a request described in paragraph (a) of this
6 subsection is made shall transfer the requested objects to the registry
7 identification cardholder as soon as possible after the request is made.

8 (3) The registration under ORS 475B.810 of a marijuana grow site
9 at which marijuana is produced for three or more registry identifica-
10 tion cardholders, or by three or more persons designated to produce
11 marijuana for registry identification cardholders, and that does not
12 apply for registration under section 3 of this 2020 Act by September 1,
13 2020, expires on September 1, 2020. The expiration of a registration
14 under this subsection may not be appealed. A marijuana grow site
15 described in this subsection may not produce marijuana after Sep-
16 tember 1, 2020.

17 SECTION 13. This 2020 Act being necessary for the immediate
18 preservation of the public peace, health and safety, an emergency is
19 declared to exist, and this 2020 Act takes effect on its passage.