



SB 365: Levels the Playing Field for All Legal Crops

We urge your support for SB 365, which will ensure a level playing field for marijuana growers statewide. When marijuana was legalized in Oregon, the state designated marijuana as a crop. Since then, thousands of marijuana farmers have established in Oregon and begun to integrate into the farming community. However, we have seen regulations coming out of one county, Deschutes County, which are concerning to the agricultural community and warrant the state placing additional sideboards on a county's ability to tax and regulate marijuana. SB 365, as amended, would do three things:

- Ensure that counties do not charge SDCs for transportation associated with growing marijuana, a farm use, in a farm zone. We recently learned that Deschutes County has been assessing system development charges – effectively taxes on use – for transportation, such as owner and employee trips, associated with growing marijuana in a farm zone. No other farm use is allowed to be assessed SDCs in a farm zone, and there is nothing about marijuana that makes it unique relative to other crops from a transportation perspective. We urge the Committee to prohibit counties from charging SDCs for transportation uses associated with growing marijuana in a farm zone by adopting our upcoming amendments.
- Grandfather in marijuana growers who were legally established in a county prior to the county's opt out. A grower who obtains an OLCC license to produce marijuana must renew that license annually. As part of the license renewal process, the grower must certify that the production of marijuana is an allowed use on the property under local law. If local elected officials (or the voters) have changed local laws to prohibit marijuana production on the property since OLCC last approved production, OLCC cannot issue a license renewal, despite compliance with all other OLCC requirements. In this situation, the county would leave growers who invested significantly in their farms (typically in the hundreds of thousands of dollars) without a legal path to run their business, despite being in complete compliance with OLCC requirements. The solution is to allow a licensed marijuana farm to continue in operation despite a change in local law as long as they remain in compliance with all remaining OLCC regulations and state laws, including the requirement that they renew their license annually.
- Ensure that any time, place and manner regulations adopted by counties are reasonable. Perhaps the most troubling regulations enacted by Deschutes County are the recent regulations enacted around how

marijuana is allowed to be grown in the County, including onerous setbacks, odor mitigation plans, water quality plans, buffer distances, and other regulations we believe far exceed the scope of what the legislature intended when it authorized time, place and manner regulations for marijuana production. We closely followed the process leading to the adoption of the bills codified as ORS 475B.486 and ORS 475B.928, which allow for the “reasonable” time, place and manner regulation of marijuana production. The bills created a very limited carve out to Oregon’s Right to Farm Law, which otherwise strictly prohibits local governments from regulating farm uses in farm zones. *See* ORS 30.935.

Marijuana has been designated a farm crop in previous sessions. When it is grown in a farm zone, we believe that it should not be more heavily regulated than other farm crops. Our suggested amendment to SB 365 would allow for very limited, clear regulation of setbacks and screening for marijuana operations by counties, but would otherwise prohibit counties from regulating marijuana any differently than other crops and would leave those issues to the state.

We believe that it is unfair for a county to opt in – and receive marijuana revenue through the state – while subjecting its marijuana growers to regulations that impose an undue burden on marijuana production and extend far beyond what the legislature intended to allow when it authorized reasonable time, place and manner regulations. We urge your support for SB 365 as well as our upcoming amendments.

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