

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 365 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Prohibits local governments from imposing system development charge on projects related to production, processing or retailing of marijuana items.

Government Unit(s) Affected:

Board of Parole and Post-Prison Supervision (BPPPS), Cities, Counties, Department of Corrections (DOC), Oregon Judicial Department (OJD), Oregon Liquor Control Commission (OLCC), Oregon Youth Authority (OYA)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

SB 365 with the -2 amendment prohibits local governments from imposing systems development charges (SDCs) on marijuana production operations in exclusive farm use (EFU) zones, and generally prohibits most local government time, place, and manner (TPM) regulations of marijuana production in EFU zones. The bill also makes marijuana production in EFU zones an outright permitted use, thus negating any requirement to obtain a conditional use permit (CUP).

The bill also provides that land licensed for marijuana production prior to the adoption of a local ordinance prohibiting the production of recreational marijuana may continue to be used to produce marijuana under certain circumstances.

Finally, the bill clarifies current law allowing a criminal defendant on supervision, diversion, or release conditions who holds a medical marijuana registry identification card to use medical marijuana in the same manner as any other prescription medication, and repeals ORS 135.252, effective January 1, 2020, concerning release agreement conditions related to the medical use of cannabis.

Cities and Counties

Losing the ability to impose system development charges may impact local government revenue, but does not impose additional costs. Local governments with time, place and manner, or conditional use permit regulations for marijuana operations would experience a minimal fiscal impact to repeal those regulations. There is also the potential for litigation if a local government decided to prohibit marijuana production and a marijuana production operation is grandfathered in. Any costs associated with such litigation is indeterminate. The fiscal impact to local governments is indeterminate.

Board of Parole and Post-Prison Supervision, Department of Corrections, Oregon Judicial Department, Oregon Liquor Control Commission, Oregon Youth Authority

There is no fiscal impact to the Board of Parole and Post-Prison Supervision, the Department of Corrections, the Oregon Judicial Department, the Oregon Liquor Control Commission, or the Oregon Youth Authority