

SB 365 A STAFF MEASURE SUMMARY
Senate Committee On Business and General Government

Carrier: Sen. Riley

Action Date: 04/02/19
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 4-0-1-0
Yeas: 4 - Dembrow, Girod, Hass, Riley
Exc: 1 - Olsen
Fiscal: Fiscal impact issued
Revenue: Has minimal revenue impact
Prepared By: Tyler Larson, LPRO Analyst
Meeting Dates: 2/28, 4/2

WHAT THE MEASURE DOES:

Prohibits local government from imposing system development charge (SDC) for increased use of transportation facility that results from marijuana production in exclusive farm use zone. Allows premises used for marijuana production to continue to be used for marijuana production if premises was first licensed prior to local government prohibition on marijuana production under specified conditions. Clarifies that supervision, diversion, or release conditions related to marijuana use must be imposed in same manner as supervision, diversion, or release conditions related to prescription drugs. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Benefits of grandfathering existing producers in jurisdiction that subsequently moves to ban production within its borders
- Rationale for tailoring transportation SDCs to marijuana producers and relative merits of assessing SDCs on farm use conducted in exclusive farm use zones
- Authority of local government to prohibit marijuana production and adopt time, place, and manner restrictions on the production of marijuana
- Intent of amendments to ensure marijuana farmers are not treated differently than other farmers

EFFECT OF AMENDMENT:

Replaces prohibition on assessment of SDCs on farm use in exclusive farm use zone with prohibition of SDCs for increased use of transportation facility that results from marijuana production in exclusive farm use zone.

BACKGROUND:

Oregonians voted to legalize the production, sale, and consumption of medical marijuana in 1998 and recreational marijuana in 2014. In 2015, the Legislative Assembly authorized local government to prohibit production and adopt reasonable conditions on the manner in which a licensed producer may produce marijuana, and classified marijuana as a crop for the purposes of "farm use," allowing it to be the primary product grown on land zoned exclusively for farm use. Local governments are authorized to adopt and assess system development charges (SDCs), which are fees designed to cover the expense of capital improvements as needed to keep pace with growth. SDCs cannot be assessed on farm use in exclusive farm use zones. Under its authority to adopt reasonable conditions for the production of marijuana, Deschutes County has enacted SDCs to offset the increased use of roads by marijuana producers. Senate Bill 365-A prohibits local government from imposing SDCs for increased use of roads that result from marijuana production in exclusive farm use zones.

The measure also allows land used for marijuana production prior to the adoption of local ordinance prohibiting the production of recreational marijuana to continue to be used for marijuana production under specified circumstances.

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Current statute allows a criminal defendant on supervision, diversion, or release conditions who is registered as a medical marijuana patient to use medical marijuana in the same manner as any other prescription medication. The measure clarifies those provisions.