

House Bill 3200

Sponsored by Representative NOBLE (at the request of James W. Crawford)

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 **as introduced**.

Requires applicant for marijuana production license that does not own premises at which marijuana will be produced to submit signed informed consent of owner of premises to Oregon Liquor Control Commission.

Requires applicant for marijuana grow site registration that does not own certain premises of marijuana grow site to submit signed informed consent of owner of premises to Oregon Health Authority.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to marijuana production; creating new provisions; amending ORS 475B.070 and 475B.810;
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 475B.070 is amended to read:

6 475B.070. (1) The production of marijuana is subject to regulation by the Oregon Liquor Control
7 Commission.

8 (2) A marijuana producer must have a production license issued by the commission for the
9 premises at which the marijuana is produced. To hold a production license issued under this section,
10 a marijuana producer:

11 (a) Must apply for a license in the manner described in ORS 475B.040;

12 (b) Must provide proof that the applicant is 21 years of age or older; and

13 (c) Must meet the requirements of any rule adopted by the commission under *[subsection]* **sub-**
14 **sections (3) and (4)** of this section.

15 **(3)(a) If the applicant is not the owner of the premises at which the marijuana is to be**
16 **produced, the applicant shall submit to the commission signed informed consent from the**
17 **owner of the premises to produce marijuana at the premises.**

18 **(b) The commission may adopt rules regarding the informed consent described in this**
19 **subsection.**

20 *[(3)]* **(4)** The commission shall adopt rules that:

21 (a) Require a marijuana producer to annually renew a license issued under this section;

22 (b) Establish application, licensure and renewal of licensure fees for marijuana producers;

23 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS
24 475B.555;

25 (d) Assist the viability of marijuana producers that are independently owned and operated and
26 that are limited in size and revenue with respect to other marijuana producers, by minimizing bar-
27 riers to entry into the regulated system and by expanding, to the extent practicable, transportation
28 options that will support their access to the retail market;

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 (e) Allow a marijuana producer registered under ORS 475B.136 to produce marijuana for medical
 2 purposes in the same manner that rules adopted under ORS 475B.010 to 475B.545 allow a marijuana
 3 producer to produce marijuana for nonmedical purposes, excepting those circumstances where dif-
 4 ferentiating between the production of marijuana for medical purposes and the production of
 5 marijuana for nonmedical purposes is necessary to protect the public health and safety;

6 (f) Require marijuana producers to submit, at the time of applying for or renewing a license
 7 under ORS 475B.040, a report describing the applicant's or licensee's electrical or water usage; and

8 (g) Require a marijuana producer to meet any public health and safety standards and industry
 9 best practices established by the commission by rule related to the production of marijuana or the
 10 propagation of immature marijuana plants and marijuana seeds.

11 [(4)] (5) Fees adopted under subsection [(3)(b)] (4)(b) of this section:

12 (a) May not exceed, together with other fees collected under ORS 475B.010 to 475B.545, the cost
 13 of administering ORS 475B.010 to 475B.545;

14 (b) Shall be in the form of a schedule that imposes a greater fee for premises with more square
 15 footage or on which more marijuana plants are grown; and

16 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
 17 475B.296.

18 **SECTION 2.** ORS 475B.810 is amended to read:

19 475B.810. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site
 20 registration system to track and regulate the production of marijuana by a registry identification
 21 cardholder or a person designated by the registry identification cardholder to produce marijuana for
 22 the registry identification cardholder.

23 (b) Except as provided in paragraph (c) of this subsection, a person may not produce marijuana
 24 unless the person is registered under this section.

25 (c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided
 26 in ORS 475B.010 to 475B.545 or as otherwise provided for by the statutory laws of this state.

27 (2) Rules adopted under this section must require an applicant for a registry identification card,
 28 or a registry identification cardholder who produces marijuana or who designates another person
 29 to produce marijuana, to submit an application to the authority containing the following information
 30 at the time of making an application under ORS 475B.797 (2), renewing a registry identification card
 31 under ORS 475B.797 (6)(b), or notifying the authority of a change under ORS 475B.797 (6)(a):

32 (a) The name of the person responsible for the marijuana grow site;

33 (b) Proof that the person is 21 years of age or older;

34 (c) **If the registry identification cardholder or the person responsible for the marijuana**
 35 **grow site is not the owner of the premises of the marijuana grow site, signed informed con-**
 36 **sent from the owner of the premises to register the premises as a marijuana grow site;**

37 [(c)] (d) The address of the marijuana grow site; and

38 [(d)] (e) Any other information that the authority considers necessary to track the production
 39 of marijuana under ORS 475B.785 to 475B.949.

40 (3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person
 41 whose name is submitted under this section as the person responsible for a marijuana grow site.

42 (b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the
 43 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or
 44 be designated a person responsible for a marijuana grow site for two years from the date of con-
 45 viction.

1 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to
2 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
3 not act as or be designated a person responsible for a marijuana grow site.

4 (4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site
5 registration card if the requirements of subsections (2) and (3) of this section are met.

6 (5) A person who holds a marijuana grow site registration card under this section must display
7 the card at the marijuana grow site at all times.

8 (6) A marijuana grow site registration card must be obtained and posted for each registry
9 identification cardholder for whom marijuana is being produced at a marijuana grow site.

10 (7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-
11 sociated with the production of marijuana for a registry identification cardholder by a person re-
12 sponsible for a marijuana grow site are the property of the registry identification cardholder.

13 (b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-
14 ciated with the production of marijuana for a registry identification cardholder by a person re-
15 sponsible for a marijuana grow site must be transferred to the registry identification cardholder
16 upon the request of the registry identification cardholder.

17 (c) All usable marijuana associated with the production of marijuana for a registry identification
18 cardholder by a person responsible for a marijuana grow site must be transferred to a marijuana
19 processing site upon the request of the registry identification cardholder. For purposes of this par-
20 agraph, a request to transfer usable marijuana constitutes an assignment of the right to possess the
21 usable marijuana.

22 (d) All seeds, immature marijuana plants and usable marijuana associated with the production
23 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow
24 site must be transferred to a medical marijuana dispensary upon request of the registry identifica-
25 tion cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana
26 plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature
27 marijuana plants or usable marijuana.

28 (e) Information related to transfers made under this subsection must be submitted to the au-
29 thority in the manner required by ORS 475B.816.

30 (8) A registry identification cardholder, or the designated caregiver of a registry identification
31 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated
32 with the production of marijuana for the registry identification cardholder.

33 (9) The authority may inspect:

34 (a) The marijuana grow site of a person designated to produce marijuana by a registry identifi-
35 cation cardholder to ensure compliance with this section and ORS 475B.816 and 475B.831 and any
36 rule adopted under this section and ORS 475B.816 and 475B.831; and

37 (b) The records of the marijuana grow site of a person designated to produce marijuana by a
38 registry identification cardholder to ensure compliance with this section and ORS 475B.816 and any
39 rule adopted under this section and ORS 475B.816.

40 (10) The authority may refuse to register a registry identification cardholder or a designee under
41 this section or may suspend or revoke the registration of a person responsible for a marijuana grow
42 site if the authority determines that the applicant or the person responsible for a marijuana grow
43 site violated a provision of ORS 475B.785 to 475B.949, a rule adopted under ORS 475B.785 to
44 475B.949 or an ordinance adopted pursuant to ORS 475B.928.

45 (11) The authority may require a person responsible for a marijuana grow site, prior to issuing

1 a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably
2 calculated to pay costs incurred under this section and ORS 475B.816 and 475B.879.

3 **SECTION 3.** The amendments to ORS 475B.070 and 475B.810 by sections 1 and 2 of this
4 2019 Act apply to applications for initial and renewed licenses and registrations received by
5 the Oregon Liquor Control Commission and the Oregon Health Authority on and after the
6 operative date of this 2019 Act.

7 **SECTION 4.** (1) The amendments to ORS 475B.070 and 475B.810 by sections 1 and 2 of this
8 2019 Act become operative on January 1, 2020.

9 (2) The Oregon Health Authority and the Oregon Liquor Control Commission may take
10 any action before the operative date specified in subsection (1) of this section that is neces-
11 sary to enable the authority and the commission to exercise, on and after the operative date
12 specified in subsection (1) of this section, all of the duties, functions and powers conferred
13 on the authority and the commission by the amendments to ORS 475B.070 and 475B.810 by
14 sections 1 and 2 of this 2019 Act.

15 **SECTION 5.** This 2019 Act takes effect on the 91st day after the date on which the 2019
16 regular session of the Eightieth Legislative Assembly adjourns sine die.

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