

a. Section 14B.130.020, Definitions, is amended to read as follows:

As used in this Chapter, unless the context requires otherwise, the following definitions apply:

- A.** “Applicant” means any individual that is directly involved in the management and operation of, or has at least 10 percent ownership interest in, the marijuana business or medical dispensary in the City.
- B.** “Cannabinoid concentrates” means a substance obtained by separating cannabinoids from marijuana by;

 - 1. A mechanical extraction process;
 - 2. A chemical extraction process using a nonhydrocarbon-based or other solvent, such as water, vegetable glycerin, vegetable oils, animal fats, isopropyl alcohol or ethanol;
 - 3. A chemical extraction process using the solvent carbon dioxide, provided that the process does not involve the use of high heat or pressure; or
 - 4. Any other process identified by the Oregon Liquor Control Commission or the Oregon Health Authority, by rule.
- C.** “Cannabinoid edibles” means food or potable liquids into which a cannabinoid concentrate, extract, or dried marijuana leaves or flowers have been incorporated.
- D.** “Cannabinoid extracts” means a substance obtained by separating cannabinoids from marijuana by;

 - 1. A chemical extraction process using hydrocarbon-based solvent, such as butane, hexane, or propane;
 - 2. A chemical extraction process using the solvent carbon dioxide, if the process uses high heat or pressure, or;
 - 3. Any other process identified by the Oregon Liquor Control Commission or the Oregon Health Authority, by rule.
- E.** “Cannabinoid Product” means an edible and any other product intended for human consumption or use, including a product intended to be applied to the skin or hair, that contain cannabinoids or dried marijuana leaves or flowers. Cannabinoid product does not include;

 - 1. Usable marijuana by itself;

2. A concentrate by itself;
 3. A cannabinoid extract by itself;
 4. Industrial Hemp, as defined in ORS 571.300.
- F.** “Chief of Police” means the Chief of the Bureau of Police, or the Chief’s designee.
- G.** “Consumer” means a person who purchases, acquires, owns, holds, or uses marijuana seeds, immature marijuana plants, marijuana or marijuana items other than for the purpose of resale.
- H.** “Director” means the Director of the Office of Community & Civic Life, or the Director’s designee.
- I.** “Financial consideration” or “For consideration” means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.
- J.** “Licensee” means a person who holds a license issued under PCC Chapter 14B.130.
- K.** “Licensee representative” means an owner, director, officer, manager, employee, agent or other representative of a licensee, to the extent that the person acts in a representative capacity.
- L.** “Licensed premises” means all public and private enclosed areas at the location that are used for the business operated at the location, including offices, kitchens, rest rooms and storerooms; all areas outside a building that the City has specifically licensed for the production, processing, wholesale sale, retail sale or transfer of marijuana and marijuana items.
- M.** “Marijuana” means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae. “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
- N.** “Marijuana Business” means any business located within the City that is licensed or has submitted or is required to submit an application to be licensed by the Oregon Liquor Control Commission as any of the following;
1. “Marijuana micro-producer tier I” means a person who produces marijuana in the City with an indoor canopy size of up to 625 square feet in the City.

2. “Marijuana micro-producer tier II” means a person who produces marijuana in the City with an indoor canopy size 626 to 1250 square feet in the City.
3. “Marijuana micro-wholesaler” means a person that only purchases or receives seeds, immature plants or usable marijuana from a producer with a micro tier I or tier II canopy for resale to a person other than a consumer in the City.
4. “Marijuana processor” means a person who processes marijuana items in this City.
 - a. A marijuana processor may only process and sell cannabinoid products, concentrates, or extracts if the processor has received an endorsement from the Director for that type of processing activity. Endorsements types are:
 - (1) Cannabinoid edible processor;
 - (2) Cannabinoid topical processor;
 - (3) Cannabinoid concentrate processor; ~~and~~
 - (4) Cannabinoid extract processor; and
 - (5) Micro-tier processor.
 - b. An applicant must request an endorsement upon submission of an initial application but may also request an endorsement at any time after being licensed by the Director.
 - c. In order to apply for an processing endorsement an applicant or ~~processor~~ licensee must submit a form prescribed by the Director that includes a description of the type of products to be processed, a description of equipment to be used, and any solvents, gases, chemicals or other compounds proposed to be used to create extracts or concentrates.
5. “Marijuana producer” means a person who produces marijuana in the City.
6. “Marijuana retailer” means a person who sells or makes available for purchase marijuana or marijuana items in the City.
7. “Marijuana retail courier” means a marijuana retailer who sells or makes available for purchase marijuana or marijuana items only by delivery to residences located within the City.

8. "Marijuana wholesaler" means a person who purchases marijuana or marijuana items in this State for resale to a person other than a consumer.
- O. "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.
- P. "Marijuana Laboratory" means any person who is conducting tests of marijuana under Oregon law.
- Q. "Marijuana Regulatory License" means a license issued by the City to produce, process, sell or transfer marijuana and marijuana items.
- R. "Medical Dispensary" means a business located within the City that is registered with the Oregon Health Authority under ORS 475.314 and authorized to transfer usable marijuana, marijuana items and immature marijuana plants, or a site for which an applicant has submitted an application for registration under ORS 475.314.
- S. "Micro-Tier Processor" means a Marijuana Micro-Producer Tier I or Marijuana Micro-Producer Tier II holding an active producer micro-tier processing endorsement issued by the Oregon Liquor Control Commission.
- ST. "Primary Contact" means the person designated in the application who has authority to conduct business with the City on behalf of the applicant or licensee.
- TU. "Processor" means the processing, compounding or conversion of marijuana into cannabinoid products, cannabinoid concentrates or cannabinoid extracts.
- UV. "Produces" means the planting, cultivation, or growing of marijuana.
- W. "Research Certificate Holder" means any person authorized under Oregon law to receive marijuana items for the purpose of medical or public health and safety research.
- ~~VX.~~ "Sale" or "Sales" means any transfer, exchange or barter, in any manner or by any means, for consideration, and includes all sales made by any person including gifts for the purposes of advertising by marijuana businesses.
- Y. "Social Equity Applicant" means a Marijuana Business that qualifies for Marijuana Regulatory License fee credit pursuant to this Chapter's Social Equity Program.
- ~~W~~ "Research Certificate Holder" means any person authorized under Oregon law to receive marijuana items for the purpose of medical or public health and safety research.

Subsection 14B.130.040 A. is amended to read as follows:

- A.** A marijuana regulatory license may only be issued for a specific, fixed location which shall be considered the licensed premises. The licensed premises must be within a building or structure subject to a building or zoning permit. ~~Licensee must obtain the applicable permits and remain in compliance with fire, building and zoning codes.~~

b. Subsection 14B.130.050 A.6. is amended to read as follows:

- 6.** ~~Marijuana producers and processors must provide documentation showing that all applicable City permits have an applicable commercial building permit has been issued or obtained. Upon renewal, marijuana producers and processors must provide documentation showing that all applicable City permits have been obtained and received final inspection approval. Marijuana processors of cannabinoid extracts must also provide documentation showing that the applicable commercial building permit, mechanical permit(s) for extraction equipment, and tank permit(s) from the City Fire Marshal's Office have been obtained and received final inspection approval. The documentation for a commercial building permit may include a temporary Certificate of Occupancy.~~

c. Subsection 14B.130.050 B. is amended to read as follows:

- B.** Applications for renewal of marijuana regulatory licenses must demonstrate compliance with Subsections 14B.130.050 A.1.-79. on a form provided by the Office of Community & Civic Life and pay an annual fee as stated in the fee schedule adopted by City Council.

d. Chapter 14B.130 is amended to add Section 14B.130.055 as follows:

14B.130.055 Social Equity Program

- A.** Applicants may request participation in the Social Equity Program by demonstrating qualifications on a form provided by the Office of Community & Civic Life.
- 1.** To qualify as a Social Equity Applicant, the applicant must demonstrate at least one of the following qualifying factors:
- a.** Applicant provides opportunities to individuals directly impacted by criminal prosecutions during cannabis prohibition as demonstrated by:

- (1) 25 percent or greater of ownership is represented by individuals with a federal or state conviction for a criminal offense committed prior to July 1, 2015 in which possession, delivery or manufacture of marijuana or marijuana items is an element, whether misdemeanor or felony; or
 - (2) 20 percent or greater of staff hours are represented by individuals with a federal or state conviction for a criminal offense committed prior to July 1, 2015 in which possession, delivery or manufacture of marijuana or marijuana items is an element, whether misdemeanor or felony.
- b. Applicant is a small business as demonstrated by:
 - (1) The business entity seeking the license and all business entities, including any parent companies, associate companies, subsidiaries or affiliates, with an ownership interest of 10 percent or greater, have a combined annual total income less than \$750,000 in the preceding calendar year; and
 - (2) In total, no more than two other state recreational or medical cannabis licenses are pending for or have been obtained by the business entity seeking the license and all individuals and entities with 10 percent or greater ownership interest, including any parent companies, associate companies, subsidiaries or affiliates business entity owners.
- c. Applicant is a small business, as defined by Portland City Code Subsection 14B.130.055 A.1.b., and contracts with an ancillary industry vendor(s) certified by the State of Oregon as an emerging small business, pursuant to OAR 123-200-1700, and/or as socially and economically disadvantaged, pursuant to OAR 123-200-1210.
 - (1) If the application is for a new license, the entity seeking the license must have paid the vendor(s) a total of at least \$30,000 during the 24 months immediately preceding license issuance, for expenses directly related to the marijuana business seeking the license.
 - (2) If the application is for a renewal license, the entity seeking the license must have paid the vendor(s) a total of at least \$30,000 during the most recent

Subsection 14B.130.070 B. is amended to read as follows:

- B.** If the proposed location meets the minimum standards as defined in Section 14B.130.040, the Director in consultation with the Chief of Police, shall conduct an investigation of the application and all principals listed according to the requirements in Subsection 14B.130.050 A. If no cause exists for denial, the Director shall issue the license after the following has been received;
1. Proof that a state license or registration has been issued.
 2. The license fee as stated in the fee schedule adopted by City Council. Fees, including late fees, will be updated annually or on an as needed basis and will be sufficient to cover the cost of administering this Chapter. The approved fee schedule will be available through the Office of Community & Civic Life.
 - a. Applicant may request a license fee deferred payment plan by submitting a form provided by the Office of Community & Civic Life to demonstrate financial need.
 - b. If the applicant's deferred payment plan request is approved by the Director, fees must be paid as follows:
 - (1) Any marijuana micro-producer tier I, marijuana micro-producer tier II, marijuana micro-wholesaler, or marijuana courier must make an initial payment of \$250 before the Director issues the license. The licensee must pay the remaining license fee of \$750 within 6 months of the license effective date.
 - (2) Applicants for all other license types must make an initial payment of \$500 before the Director issues the license. The licensee must pay the remaining license fee of \$3,000 within 6 months of the license effective date.
 - c. For any marijuana micro-producer tier I, marijuana micro-producer tier II, marijuana micro-wholesaler, or marijuana courier, payments made up to 30 days after the 6-month due date must include a late fee of \$100. Payments made after 30 days and up to 60 days after the 6-month due date must include a late fee of \$200.
 - d. For all other license types, payments made up to 30 days after the 6-month due date must include a late fee of \$250.

Payments made after 30 days and up to 60 days after the 6-month due date must include a late fee of \$500.

e. Failure to pay the total licensing fee, including late fees, within 60 days after the 6-month due date constitutes a violation and the Director may impose civil penalties, license suspension, and/or license revocation.

~~3. Marijuana producers and processors of cannabinoid extracts must provide documentation showing that all applicable City permits, which may include applicable commercial building permits, electrical permits, and mechanical permits, have been obtained and received final inspection approval. Except for applications for license renewals, the documentation may include a temporary Certificate of Occupancy.~~

e. Subsection 14B.130.080 A. is amended to read as follows:

A. A marijuana regulatory licensee must comply with the following regulations:

1. Licensee must display the marijuana regulatory license at the business location in a manner readily visible to patrons.
2. Licensee may not allow consumption of marijuana or marijuana items on the premises licensed under Chapter 14B.130, except as specifically authorized by Oregon law for employees of medical marijuana dispensaries who are valid, current registry identification cardholders.
3. Licensee must install and maintain in proper working order at the licensed premises a security system including alarms, safes, and surveillance cameras.
 - a. Licensee must maintain camera surveillance data backup.
 - b. Licensee must retain camera surveillance data for a minimum of 30 days.
4. Licensee must correct any violations and comply with any stop work orders issued by any City Bureau.

f. Subsection 14B.130.080 D. is amended to read as follows:

D. Any person with a processor marijuana regulatory license or micro-tier processor endorsement must comply with the following requirements:

1. Licensee must not allow the licensed location to be open to the general public.

2. Licensee must adhere to applicable state and local regulations for food production, ensuring that marijuana items made for consumption by eating or drinking are processed in a licensed facility.

- a. Portland Policy Document ADM-20.01, Marijuana Regulatory License Fees, is amended to read as follows:

City of Portland
~~**Office of Neighborhood Involvement**~~
Office of Community & Civic Life
Marijuana Regulatory License Fees
As amended on ~~December 14, 2016~~ September 26, 2018

Marijuana Regulatory License Fees		
Application Fees	<u>Initial</u>	<u>Renewal</u>
Marijuana Dispensary	\$975 <u>500</u>	\$750 <u>500</u>
Marijuana Processor	\$750 <u>500</u>	\$500
Marijuana Producer	\$750 <u>500</u>	\$500
Marijuana Retail Courier	\$750 <u>200</u>	\$500 <u>200</u>
Marijuana Retailer	\$975 <u>500</u>	\$750 <u>500</u>
Marijuana Wholesaler	\$750 <u>500</u>	\$500
<u>Marijuana Micro-Wholesaler</u>	<u>\$200</u>	<u>\$200</u>
<u>Marijuana Micro-Producer Tier 1 or Tier 2</u>	<u>\$200</u>	<u>\$200</u>
License Fees		
Marijuana Dispensary	\$3,500	\$3,500
Marijuana Processor	\$3,500	\$3,500
Marijuana Producer	\$3,500	\$3,500
Marijuana Retail Courier	\$3,500 <u>1,000</u>	\$3,500 <u>1,000</u>
Marijuana Retailer	\$4,975 <u>3,500</u>	\$4,975 <u>3,500</u>
Marijuana Wholesaler	\$3,500	\$3,500

<u>Marijuana Micro-Wholesaler</u>	<u>\$1,000</u>	<u>\$1,000</u>
<u>Marijuana Micro-Producer Tier 1 or Tier 2</u>	<u>\$1,000</u>	<u>\$1,000</u>
Land Use Compatibility Statement Review		
(Not Associated with a License Application)		
Research Certificate Holder	\$250	\$250
Laboratory	\$250	\$250
Medical Processor	\$250	\$250
Additional Fees		
Administrative Review Fee	\$250	
<u>Deferred Payment Plan 30-Day Late Fee – Marijuana micro-producer tier I or tier II, marijuana micro- wholesaler or marijuana courier</u>	<u>\$100</u>	
<u>Deferred Payment Plan 60-Day Late Fee – Marijuana micro-producer tier I or tier II, marijuana micro- wholesaler or marijuana courier</u>	<u>\$200</u>	
<u>Deferred Payment Plan 30-Day Late Fee – Marijuana dispensary, marijuana processor, marijuana producer, marijuana retailer, or marijuana wholesaler</u>	<u>\$250</u>	
<u>Deferred Payment Plan 60-Day Late Fee – Marijuana dispensary, marijuana processor, marijuana producer, marijuana retailer, or marijuana wholesaler</u>	<u>\$500</u>	