

## IMPACT STATEMENT

**Legislation title:** Amend Marijuana Regulatory License Procedure and Requirements business regulations (Ordinance; amend Code Chapter 14B.130)

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**Presenter name:** Brandon Goldner

**Purpose of proposed legislation and background information:**

In 2014, Oregon voters passed Measure 91 which legalized the possession and consumption of marijuana (or cannabis) by adults 21 and over, as well as the legal production and sale of cannabis and cannabis items by cannabis businesses. The 2015 Oregon Legislature enacted HB 3400 to amend Measure 91. HB 3400 granted local government limited time place and manner authority over businesses that produce, process, transfer, or sell cannabis.

Portland City Council voted to develop the Cannabis Program in November of 2014 to advocate for the City on cannabis issues at the state legislature, and to implement a local regulatory program that would support the development of the cannabis industry while maintaining livability and public safety in Portland neighborhoods. In September of 2015, Portland City Council voted to adopt Portland City Code 14B.130 to regulate business that produce, process, transfer, or sell cannabis.

The proposed code amendments introduced by this ordinance will do the following:

- Make minor corrections to definitions to align with definitions of the Oregon Liquor Control Commission;
- Create endorsements for Marijuana Processors that align with the endorsements used by the Oregon Liquor Control Commission;
- Change Cannabis Program license requirements related to structural code and building permitting to allow for Processors of Topicals, Edibles, and Concentrates to get a City of Portland Marijuana Regulatory License with issued, rather than final, permitting upon initial licensure;
- Allow Marijuana Retailers that are licensed by the State and the City to renew their City license if a school opens within 1000 feet of that location, to align with Oregon Liquor Control Commission rules;
- Allow for Cannabis Program staff to inspect the premises of businesses that have applied with the Cannabis Program.

**Financial and budgetary impacts:**

The proposed legislation does not have any anticipated financial or budgetary impacts.

**Community impacts and community involvement:**

Since September of 2015, Cannabis Program staff have attended neighborhood association meetings, cannabis educational trainings, national symposiums, and other

events to learn about and implement best practices and processes in a way that reflects the unique fabric of Portland's neighborhoods. The program has also been receptive to feedback received from both neighbors and the cannabis industry, be it by email, phone, letter, or in person. The changes proposed in this ordinance reflect that feedback and an attempt to better strike the balance between the needs of Portland's business community and the needs of Portland's residents and neighborhoods.

### Budgetary Impact Worksheet

**Does this action change appropriations?**

**YES:** Please complete the information below.

**NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

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Eudaly Amendments for Item #1013

Amendment 1: Change Subsection 14B.130.040 E, number 4b, from "The ownership of the business changes by 50 percent or more, requiring a new application.", to "A new application is required".

Amendment 2: Add the language, "and received final inspection approval",  
to the end of Subsection 14B.130.050 A. 6.

Amendment 3: Add the language "If ownership of the licensed entity changes by 51% or more, a new application is required.", to the end of Subsection 14B.130.050 A.9.

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**d. Subsection 14B.130.040 E. is amended as follows:**

No medical dispensary, marijuana retailer or marijuana retail courier may locate its licensed premises for business operations within 1,000 feet of:

1. Any public elementary or secondary school for which attendance is compulsory under ORS 339.020 (2013); or
2. A private or parochial elementary or secondary school, teaching children as described in ORS 339.030 (1) (a) (2013).
3. The distance from a school to a medical dispensary or a marijuana business retailer shall be computed by direct measurement from the nearest property line of the land used for the school to the nearest portion of the building in which the medical dispensary or marijuana retail business is located.
4. If a school described in Subsection 14B.130.040 D. that has not previously been attended by children is established within 1,000 feet of a medical dispensary, marijuana retailer or marijuana retail courier for which a license has been issued under Chapter 14B.130, the medical dispensary, marijuana retailer or marijuana retail courier located at that premises may remain at that location unless:

a. The Office of Neighborhood Involvement revokes the license of the marijuana business under Section 14B.130.110; or

b. A new application is required.

**Commented [GB1]:** CHANGED to reflect that the standard for "grandfathering" is whether or not a new application required; this, along with codifying when a new application is required, gets at the same result through a different vehicle.

**e. Subsection 14B.130.050 A. 6. is amended as follows:**

Marijuana producers and processors must provide documentation showing that all applicable City permits have been ~~applied for~~ 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.

**Commented [GB2]:** ADDED this phrase to clarify that permits need to be final upon renewal.

**f. Subsection 14B.130.050 A. 9. is amended to read as follows:**

The licensee shall notify the Office of Neighborhood Involvement of any changes in the information required in Subsections 14B.130.050 A.1.a.-c. within 10 business days of the change. If ownership of the licensed entity changes by 51% or more, a new application is required.

**Commented [GB3]:** ADDED to include language about ownership change.

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## **Eudaly Amendments to Item 1039**

**(In addition to Amendments 1, 2, and 3 presented last week)**

### **4. Add to "Council Finds:"**

7. The City has an interest in ensuring that Marijuana Retailers can operate, make infrastructure improvements, and sell their business to another business owner, even in cases where a new school opens within 1000 feet of that Marijuana Retailer.

8. The City commits to re-examining, and potentially changing, its cannabis regulations if changes to Oregon Revised Statute or Oregon Administrative Rule are made that affects cannabis businesses.

### **5. Add to "NOW, THEREFORE..."**

2. The City of Portland urges the State to amend its rules to permit licensed Marijuana Retailers to continue to operate and renew their State license when a school opens within 1000 feet of the Retailer, even if the ownership of the business changes by 51% or more.