

## FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: SB 365 - 1

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

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Prepared by: Meg Bushman-Reinhold  
Reviewed by: Michelle Deister, Gregory Jolivet, Julie Neburka, Ken Rocco, Tim Walker  
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### Measure Description:

Prohibits local governments from imposing a system development charge for increased use of a transportation facility that results from the production of marijuana on a property located in an exclusive farm use zone.

### 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 -1 amendment prohibits local government from imposing system development charges for increased use of a transportation facility that results from the production of marijuana on a property located on land exclusively for farm use. 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.

### Oregon Liquor Control Commission

The Oregon Liquor Control Commission (OLCC) accepts local governments' time, place and manner restrictions. The commission requires that license applicants present an authorizing Land-Use Compatibility Statement (LUCS) from their local government before license application review will proceed. SB 365-1 will reduce the number of business changes that are subject to a renewed LUCS. There is no fiscal impact for OLCC.

### Oregon Judicial Department

SB 365 with the -1 amendments modifies the authority of local governments to charge system development fees and prohibit the production of recreational marijuana within their jurisdictions. The bill may cause a nominal increase in the number of legal challenges filed in circuit courts.

The measure also clarifies the law on the use of medical marijuana by criminal defendants on supervision, diversion, or release conditions. These changes will require modifications to OJD forms used for those proceedings. The fiscal impact to the Oregon Judicial Department is expected to be minimal.

### Cities and Counties

The prohibition on transportation system development charges for new marijuana production operations may result in reduced revenue to local governments, but no additional costs. 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 Youth Authority

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