

Senate Bill 302

Sponsored by Senator THATCHER (at the request of former U.S. Attorney Billy Williams) (Pre-session filed.)

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 license to manufacture psilocybin to submit to Oregon Health Authority information regarding ownership and location of premises to be licensed. Prohibits authority from issuing license in specified circumstances.

Requires applicant for license to produce marijuana to submit to Oregon Liquor and Cannabis Commission information regarding ownership and location of premises to be licensed. Prohibits commission from issuing license in specified circumstances.

Requires applicant for medical marijuana grow site registration to submit to authority information regarding ownership and location of premises to be registered. Prohibits authority from issuing registration in specified circumstances.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to ownership of premises; creating new provisions; amending ORS 475A.250, 475A.290,
3 475C.037, 475C.065 and 475C.792; and prescribing an effective date.

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

5 **SECTION 1. Section 2 of this 2023 Act is added to and made a part of ORS 475A.210 to**
6 **475A.722.**

7 **SECTION 2. (1) The Oregon Health Authority may not issue a psilocybin manufacturer**
8 **license under ORS 475A.290 unless the applicant submits with the application a statement**
9 **accurately identifying the legal address and owner of the premises to be licensed and the**
10 **requirements of subsections (2) and (3) of this section are met.**

11 **(2) The authority shall independently verify the information provided under subsection**
12 **(1) of this section regarding the ownership of the premises with the county in which the**
13 **premises to be licensed under ORS 475A.290 is located.**

14 **(3) If the applicant described in subsection (1) of this section is not the owner of the**
15 **premises to be licensed under ORS 475A.290 and the authority is able to verify ownership of**
16 **the premises with the information submitted by the applicant, the authority shall send by**
17 **certified mail a form to the owner of the premises:**

18 **(a) Informing the owner that the premises is intended to be licensed under ORS 475A.290;**

19 **(b) On which the owner, if the owner wishes to consent to the use of the premises for**
20 **the purpose of manufacturing psilocybin, must provide their written signature, witnessed by**
21 **a notary public, confirming ownership of the premises and consenting to the use of the**
22 **premises for the purpose of manufacturing psilocybin; and**

23 **(c) Directing the owner to return the signed and witnessed form to the authority.**

24 **(4) The authority shall cancel an application for a license under ORS 475A.290 if the au-**
25 **thority:**

26 **(a) Is not able to verify ownership of the premises described in subsection (1) of this**
27 **section; or**

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 (b) Does not receive from the owner the signed and witnessed form described in sub-
 2 section (3) of this section.

3 (5) The authority may adopt rules to carry out this section.

4 **SECTION 3.** ORS 475A.250 is amended to read:

5 475A.250. Grounds for refusing to issue license or issuing restricted license. (1) The Oregon
 6 Health Authority may not license an applicant under the provisions of ORS 475A.210 to 475A.722
 7 if the applicant is under 21 years of age.

8 (2) The authority may refuse to issue a license or may issue a restricted license to an applicant
 9 under the provisions of ORS 475A.210 to 475A.722 if the authority makes a finding that the appli-
 10 cant:

11 (a) Has not completed any education or training required by the provisions of ORS 475A.210 to
 12 475A.722 or rules adopted under ORS 475A.210 to 475A.722.

13 (b) Has not passed any examination required by the provisions of ORS 475A.210 to 475A.722 or
 14 rules adopted under ORS 475A.210 to 475A.722.

15 (c) Is in the habit of using alcoholic beverages, habit-forming drugs, or controlled substances to
 16 excess.

17 (d) Has made false statements to the authority.

18 (e) Is incompetent or physically unable to carry on the management of the establishment pro-
 19 posed to be licensed.

20 (f) Has been convicted of violating a federal law, state law or local ordinance if the conviction
 21 is substantially related to the fitness and ability of the applicant to lawfully carry out activities
 22 under the license.

23 (g) Is not of good repute and moral character.

24 (h) Does not have a good record of compliance with ORS 475A.210 to 475A.722 or any rule
 25 adopted under ORS 475A.210 to 475A.722.

26 (i) **Except as provided in section 2 of this 2023 Act**, is not the legitimate owner of the
 27 premises proposed to be licensed, or has not disclosed that other persons have ownership interests
 28 in the premises proposed to be licensed.

29 (j) Has not demonstrated financial responsibility sufficient to adequately meet the requirements
 30 of the premises proposed to be licensed.

31 (k) Is unable to understand the laws of this state relating to psilocybin products, psilocybin
 32 services, or the rules adopted under ORS 475A.210 to 475A.722.

33 (3) Notwithstanding subsection (2)(f) of this section, in determining whether to issue a license
 34 or a restricted license to an applicant, the authority may not consider the prior conviction of the
 35 applicant or any owner, director, officer, manager, employee, agent or other representative of the
 36 applicant for:

37 (a) The manufacture of psilocybin or the manufacture of a marijuana item, as defined in ORS
 38 475C.009, if:

39 (A) The date of the conviction is two or more years before the date of the application; and

40 (B) The person has not been convicted more than once for the manufacture of psilocybin or a
 41 marijuana item; or

42 (b) The possession of a controlled substance, as defined in ORS 475.005, or a marijuana item,
 43 as defined in ORS 475C.009, if:

44 (A) The date of the conviction is two or more years before the date of the application; or

45 (B) The person has not been convicted more than once for the possession of a controlled sub-

1 stance or a marijuana item.

2 **SECTION 4.** ORS 475A.290 is amended to read:

3 475A.290. Manufacturer license; fees; rules. (1) The manufacture of psilocybin products is subject
4 to regulation by the Oregon Health Authority.

5 (2) A psilocybin product manufacturer must have a manufacturer license issued by the authority
6 for the premises at which the psilocybin products are manufactured. To hold a manufacturer license
7 issued under this section, a psilocybin product manufacturer:

8 (a) Must apply for a license in the manner described in ORS 475A.245;

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

10 (c) Must, until January 1, 2025:

11 (A) If the direct owner of the business operating or to be operated under the license is a legal
12 entity, provide proof that more than 50 percent of the shares, membership interests, partnership in-
13 terests, or other ownership interests of the legal entity are held, directly or indirectly, by one or
14 more individuals who have been residents of this state for two or more years;

15 (B) If the direct owner of the business operating or to be operated under the license is a part-
16 nership that is not a legal entity, provide proof that more than 50 percent of the partnership inter-
17 ests of the partnership are held, directly or indirectly, by one or more individuals who have been
18 residents of this state for two or more years; and

19 (C) If the direct owner of the business operating or to be operated under the license is an indi-
20 vidual, provide proof that the individual has been a resident of this state for two or more years; and

21 (d) Must meet the requirements of any rule adopted by the authority under subsections (3) and
22 (4) of this section.

23 (3)(a) *If the applicant is not the owner of the premises at which the psilocybin is to be manufac-*
24 *tured,* The applicant shall, *[submit to the authority signed informed consent from the owner of the*
25 *premises to manufacture psilocybin at the premises]* **with the application submitted to the au-**
26 **thority, provide the information described under and meet the requirements of section 2 of**
27 **this 2023 Act.**

28 *[(b) The authority may adopt rules regarding the informed consent described in this subsection.]*

29 (4) The authority shall adopt rules that:

30 (a) Require a psilocybin product manufacturer to annually renew a license issued under this
31 section;

32 (b) Establish application, licensure and renewal of licensure fees for psilocybin product man-
33 ufacturers; and

34 (c) Require psilocybin products manufactured by psilocybin product manufacturers to be tested
35 in accordance with ORS 475A.590.

36 (5) Fees adopted under subsection (4)(b) of this section:

37 (a) May not exceed, together with other fees collected under ORS 475A.210 to 475A.722, the cost
38 of administering ORS 475A.210 to 475A.722; and

39 (b) Shall be deposited in the Psilocybin Control and Regulation Fund established under ORS
40 475A.492.

41 **SECTION 5.** Section 6 of this 2023 Act is added to and made a part of ORS 475C.005 to
42 **475C.525.**

43 **SECTION 6.** (1) **The Oregon Liquor and Cannabis Commission may not issue a marijuana**
44 **production license under ORS 475C.065 unless the applicant submits with the application a**
45 **statement accurately identifying the legal address and owner of the premises to be licensed**

1 **and the requirements of subsections (2) and (3) of this section are met.**

2 **(2) The commission shall independently verify the information provided under subsection**
 3 **(1) of this section regarding the ownership of the premises with the county in which the**
 4 **premises to be licensed under ORS 475C.065 is located.**

5 **(3) If the applicant described in subsection (1) of this section is not the owner of the**
 6 **premises to be licensed under ORS 475C.065, and the commission is able to verify ownership**
 7 **of the premises with the information submitted by the applicant, the commission shall send**
 8 **by certified mail a form to the owner of the premises:**

9 **(a) Informing the owner that the premises is intended to be licensed under ORS 475C.065;**

10 **(b) On which the owner, if the owner wishes to consent to the use of the premises for**
 11 **the purpose of producing marijuana, must provide their written signature, witnessed by a**
 12 **notary public, confirming ownership of the premises and consenting to the use of the prem-**
 13 **ises for the purpose of producing marijuana; and**

14 **(c) Directing the owner to return the signed and witnessed form to the commission.**

15 **(4) The commission shall cancel an application for a license under ORS 475C.065 if the**
 16 **commission:**

17 **(a) Is not able to verify ownership of the premises described in subsection (1) of this**
 18 **section; or**

19 **(b) Does not receive from the owner the signed and witnessed form described in sub-**
 20 **section (3) of this section.**

21 **(5) The commission may adopt rules to carry out this section.**

22 **SECTION 7.** ORS 475C.037 is amended to read:

23 475C.037. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under
 24 the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the applicant is under 21 years of age.

25 (2) The commission may refuse to issue a license or may issue a restricted license to an appli-
 26 cant under the provisions of ORS 475C.005 to 475C.525 if the commission makes a finding that the
 27 applicant:

28 (a) Is in the habit of using alcoholic beverages, habit-forming drugs, marijuana or controlled
 29 substances to excess.

30 (b) Has made false statements to the commission.

31 (c) Is incompetent or physically unable to carry on the management of the establishment pro-
 32 posed to be licensed.

33 (d) Has been convicted of violating a federal law, state law or local ordinance if the conviction
 34 is substantially related to the fitness and ability of the applicant to lawfully carry out activities
 35 under the license.

36 (e) Is not of good repute and moral character.

37 (f) Does not have a good record of compliance with ORS 475C.005 to 475C.525 or any rule
 38 adopted under ORS 475C.005 to 475C.525.

39 (g) **Except as provided in section 6 of this 2023 Act,** is not the legitimate owner of the
 40 premises proposed to be licensed, or has not disclosed that other persons have ownership interests
 41 in the premises proposed to be licensed.

42 (h) Has not demonstrated financial responsibility sufficient to adequately meet the requirements
 43 of the premises proposed to be licensed.

44 (i) Is unable to understand the laws of this state relating to marijuana items or the rules adopted
 45 under ORS 475C.005 to 475C.525.

1 (3) Notwithstanding subsection (2)(d) of this section, in determining whether to issue a license
 2 or a restricted license to an applicant, the commission may not consider the prior conviction of the
 3 applicant or any owner, director, officer, manager, employee, agent or other representative of the
 4 applicant for:

5 (a) The manufacture of marijuana, if:

6 (A) The date of the conviction is two or more years before the date of the application; and

7 (B) The person has not been convicted more than once for the manufacture or delivery of
 8 marijuana;

9 (b) The delivery of marijuana to a person 21 years of age or older, if:

10 (A) The date of the conviction is two or more years before the date of the application; and

11 (B) The person has not been convicted more than once for the manufacture or delivery of
 12 marijuana; or

13 (c) The possession of marijuana.

14 **SECTION 8.** ORS 475C.065 is amended to read:

15 475C.065. (1) The production of marijuana is subject to regulation by the Oregon Liquor and
 16 Cannabis Commission.

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

20 (a) Must apply for a license in the manner described in ORS 475C.033;

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

22 (c) Must meet the requirements of any rule adopted by the commission under subsections (3) and
 23 (4) of this section.

24 (3)[(a) *If the applicant is not the owner of the premises at which the marijuana is to be*
 25 *produced,*] The applicant shall, [*submit to the commission signed informed consent from the owner of*
 26 *the premises to produce marijuana at the premises*] **with the application submitted to the com-**
 27 **mission, provide the information described under and meet the requirements of section 6 of**
 28 **this 2023 Act.**

29 [(b) *The commission may adopt rules regarding the informed consent described in this*
 30 *subsection.*]

31 (4) The commission shall adopt rules that:

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

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

34 (c) Require marijuana produced by marijuana producers to be tested in accordance with ORS
 35 475C.544;

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

40 (e) Allow a marijuana producer registered under ORS 475C.137 to produce marijuana for medical
 41 purposes in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a marijuana
 42 producer to produce marijuana for nonmedical purposes, excepting those circumstances where dif-
 43 ferentiating between the production of marijuana for medical purposes and the production of
 44 marijuana for nonmedical purposes is necessary to protect the public health and safety;

45 (f) Require marijuana producers to submit, at the time of applying for or renewing a license

1 under ORS 475C.033, a report describing the applicant's or licensee's electrical or water usage;

2 (g) Require a marijuana producer to meet any public health and safety standards and industry
3 best practices established by the commission by rule related to the production of marijuana or the
4 propagation of immature marijuana plants and marijuana seeds; and

5 (h) Support marijuana plant diversity by allowing a qualified marijuana producer to receive
6 marijuana seeds from any source in this state, but not more than a total of 200 marijuana seeds per
7 month from all sources combined.

8 (5) Fees adopted under subsection (4)(b) of this section:

9 (a) May not exceed, together with other fees collected under ORS 475C.005 to 475C.525, the cost
10 of administering ORS 475C.005 to 475C.525;

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

13 (c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS
14 475C.297.

15 **SECTION 9. Section 10 of this 2023 Act is added to and made a part of ORS 475C.770 to**
16 **475C.919.**

17 **SECTION 10. (1) The Oregon Health Authority may not issue a marijuana grow site reg-**
18 **istration under ORS 475C.792 unless the applicant submits with the application a statement**
19 **accurately identifying the legal address and owner of the premises to be registered and the**
20 **requirements of subsections (2) and (3) of this section are met.**

21 **(2) The authority shall independently verify the information provided under subsection**
22 **(1) of this section regarding the ownership of the premises with the county in which the**
23 **premises to be registered under ORS 475C.792 is located.**

24 **(3) If the applicant described in subsection (1) of this section is not the owner of the**
25 **premises to be licensed under ORS 475C.792, and the authority is able to verify ownership**
26 **of the premises with the information submitted by the applicant, the authority shall send by**
27 **certified mail a form to the owner of the premises:**

28 **(a) Informing the owner that the premises is intended to be licensed under ORS 475C.792;**

29 **(b) On which the owner, if the owner wishes to consent to the use of the premises for**
30 **the purpose of a marijuana grow site, must provide their written signature, witnessed by a**
31 **notary public, confirming ownership of the premises and consenting to the use of the prem-**
32 **ises for the purpose of a marijuana grow site; and**

33 **(c) Directing the owner to return the signed and witnessed form to the authority.**

34 **(4) The authority shall cancel an application for a registration under ORS 475C.792 if the**
35 **authority:**

36 **(a) Is not able to verify ownership of the premises described in subsection (1) of this**
37 **section; or**

38 **(b) Does not receive from the owner the signed and witnessed form described in sub-**
39 **section (3) of this section.**

40 **(5) The authority may adopt rules to carry out this section.**

41 **SECTION 11. ORS 475C.792 is amended to read:**

42 475C.792. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site
43 registration system to track and regulate the production of marijuana by a registry identification
44 cardholder or a person designated by the registry identification cardholder to produce marijuana for
45 the registry identification cardholder.

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

3 (c) Paragraph (b) of this subsection does not apply to the production of marijuana as provided
4 in ORS 475C.005 to 475C.525 or as otherwise provided for by the statutory laws of this state.

5 (2) Rules adopted under this section must require an applicant for a registry identification card,
6 or a registry identification cardholder who produces marijuana or who designates another person
7 to produce marijuana, to submit an application to the authority containing the following information
8 at the time of making an application under ORS 475C.783 (2), renewing a registry identification card
9 under ORS 475C.783 (6)(b), or notifying the authority of a change under ORS 475C.783 (6)(a):

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

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

12 (c) *[If the registry identification cardholder or the person responsible for the marijuana grow site*
13 *is not the owner of the premises of the marijuana grow site, signed informed consent from the owner*
14 *of the premises to register the premises as a marijuana grow site]* **The information required under**
15 **section 10 of this 2023 Act;**

16 (d) The address of the marijuana grow site; and

17 (e) Any other information that the authority considers necessary to track the production of
18 marijuana under ORS 475C.770 to 475C.919.

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

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

25 (c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to
26 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may
27 not act as or be designated a person responsible for a marijuana grow site.

28 (4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site
29 registration card if the requirements of subsections (2) and (3) of this section **and section 10 of this**
30 **2023 Act** are met.

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

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

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

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

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

1 usable marijuana.

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

8 (e) Information related to transfers made under this subsection must be submitted to the au-
9 thority in the manner required by ORS 475C.795.

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

13 (9) The authority may inspect:

14 (a) The marijuana grow site of a person designated to produce marijuana by a registry identifi-
15 cation cardholder to ensure compliance with this section and ORS 475C.795 and 475C.806 and any
16 rule adopted under this section and ORS 475C.795 and 475C.806; and

17 (b) The records of the marijuana grow site of a person designated to produce marijuana by a
18 registry identification cardholder to ensure compliance with this section and ORS 475C.795 and any
19 rule adopted under this section and ORS 475C.795.

20 (10) The authority may refuse to register a registry identification cardholder or a designee under
21 this section or may suspend or revoke the registration of a person responsible for a marijuana grow
22 site if the authority determines that the applicant or the person responsible for a marijuana grow
23 site violated a provision of ORS 475C.770 to 475C.919, a rule adopted under ORS 475C.770 to
24 475C.919 or an ordinance adopted pursuant to ORS 475C.827.

25 (11) The authority may require a person responsible for a marijuana grow site, prior to issuing
26 a marijuana grow site registration card under subsection (4) of this section, to pay a fee reasonably
27 calculated to pay costs incurred under this section and ORS 475C.795 and 475C.856.

28 **SECTION 12. (1) Sections 2, 6 and 10 of this 2023 Act and the amendments to ORS**
29 **475A.250, 475A.290, 475C.037, 475C.065 and 475C.792 by sections 3, 4, 7, 8 and 11 of this 2023**
30 **Act become operative on January 1, 2024.**

31 **(2) The Oregon Health Authority and the Oregon Liquor and Cannabis Commission may**
32 **take any action before the operative date specified in subsection (1) of this section that is**
33 **necessary to enable the authority and the commission to exercise, on and after the operative**
34 **date specified in subsection (1) of this section, all of the duties, functions and powers con-**
35 **ferred on the authority and the commission by sections 2, 6 and 10 of this 2023 Act and the**
36 **amendments to ORS 475A.250, 475A.290, 475C.037, 475C.065 and 475C.792 by sections 3, 4, 7, 8**
37 **and 11 of this 2023 Act.**

38 **SECTION 13. This 2023 Act takes effect on the 91st day after the date on which the 2023**
39 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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