

## SENATE MINORITY REPORT AMENDMENTS TO SENATE BILL 326

By Nonconcurring Members of COMMITTEE ON JUDICIARY

April 5

1 On page 1 of the printed bill, line 2, delete “475C.337,” and delete line 3 and insert “475C.037,  
2 475C.065, 475C.337, 475C.341, 475C.349, 475C.353, 475C.792, 536.900 and 537.990 and section 45,  
3 chapter 54, Oregon Laws 2021;”.

4 On page 2, after line 45, insert:

5 “(9)(a) Notwithstanding subsections (2) to (8) of this section, the lessee of real property where  
6 a site is located shall be held responsible for the cleanup of the site if the owner of the real property  
7 demonstrates that:

8 “(A) The real property was leased to another party; and

9 “(B) The owner did not know that the real property was used by the lessee for or in connection  
10 with the unlawful manufacture of a marijuana item or the unlawful production of marijuana.

11 “(b) The owner of real property described in paragraph (a) of this subsection may not be held  
12 responsible for the cleanup of the site.

13 “(c) The city or county that has jurisdiction over the real property described in paragraph (a)  
14 of this subsection has the burden of proving that the owner of the real property knew that the real  
15 property was being used for or in connection with the unlawful manufacture of a marijuana item  
16 or the unlawful production of marijuana.”.

17 On page 11, after line 16, insert:

18 “**SECTION 15. Section 16 of this 2023 Act is added to and made a part of ORS 475C.005**  
19 **to 475C.525.**

20 “**SECTION 16. (1) The Oregon Liquor and Cannabis Commission may not issue a**  
21 **marijuana production license under ORS 475C.065 unless the applicant submits with the ap-**  
22 **plication a statement accurately identifying the legal address and owner of the premises to**  
23 **be licensed and the requirements of subsections (2) and (3) of this section are met.**

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

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

31 “**(a) Informing the owner that the premises is intended to be licensed under ORS**  
32 **475C.065;**

33 “**(b) On which the owner, if the owner wishes to consent to the use of the premises for**  
34 **the purpose of producing marijuana, must provide the owner’s written signature, witnessed**

1 by a notary public, confirming ownership of the premises and consenting to the use of the  
2 premises for the purpose of producing marijuana; and

3 “(c) Directing the owner to return the signed and witnessed form to the commission.

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

6 “(a) Is not able to verify ownership of the premises described in subsection (1) of this  
7 section; or

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

10 “(5) The commission may adopt rules to carry out this section.

11 “**SECTION 17.** ORS 475C.037 is amended to read:

12 “475C.037. (1) The Oregon Liquor and Cannabis Commission may not license an applicant under  
13 the provisions of ORS 475C.005 to 475C.525 or 475C.548 if the applicant is under 21 years of age.

14 “(2) The commission may refuse to issue a license or may issue a restricted license to an ap-  
15 plicant under the provisions of ORS 475C.005 to 475C.525 if the commission makes a finding that the  
16 applicant:

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

19 “(b) Has made false statements to the commission.

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

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

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

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

28 “(g) **Except as provided in section 16 of this 2023 Act**, is not the legitimate owner of the  
29 premises proposed to be licensed, or has not disclosed that other persons have ownership interests  
30 in the premises proposed to be licensed.

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

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

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

39 “(a) The manufacture of marijuana, if:

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

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

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

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

45 “(B) The person has not been convicted more than once for the manufacture or delivery of

1 marijuana; or

2 “(c) The possession of marijuana.

3 “**SECTION 18.** ORS 475C.065 is amended to read:

4 “475C.065. (1) The production of marijuana is subject to regulation by the Oregon Liquor and  
5 Cannabis Commission.

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

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

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

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

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

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

18 “**(3) The applicant shall, with the application submitted to the commission, provide the**  
19 **information described under and meet the requirements of section 16 of this 2023 Act.**

20 “(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 475C.544;

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;

29 “(e) Allow a marijuana producer registered under ORS 475C.137 to produce marijuana for med-  
30 ical purposes in the same manner that rules adopted under ORS 475C.005 to 475C.525 allow a  
31 marijuana producer to produce marijuana for nonmedical purposes, excepting those circumstances  
32 where differentiating between the production of marijuana for medical purposes and the production  
33 of marijuana for nonmedical purposes is necessary to protect the public health and safety;

34 “(f) Require marijuana producers to submit, at the time of applying for or renewing a license  
35 under ORS 475C.033, a report describing the applicant’s or licensee’s electrical or water usage;

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

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

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

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

45 “(b) Shall be in the form of a schedule that imposes a greater fee for premises with more square

1 footage or on which more marijuana plants are grown; and

2 “(c) Shall be deposited in the Marijuana Control and Regulation Fund established under ORS  
3 475C.297.

4 **“SECTION 19. Section 20 of this 2023 Act is added to and made a part of ORS 475C.770  
5 to 475C.919.**

6 **“SECTION 20. (1) The Oregon Health Authority may not issue a marijuana grow site  
7 registration under ORS 475C.792 unless the applicant submits with the application a state-  
8 ment accurately identifying the legal address and owner of the premises to be registered and  
9 the requirements of subsections (2) and (3) of this section are met.**

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

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

17 **“(a) Informing the owner that the premises is intended to be licensed under ORS  
18 475C.792;**

19 **“(b) On which the owner, if the owner wishes to consent to the use of the premises for  
20 the purpose of a marijuana grow site, must provide the owner’s written signature, witnessed  
21 by a notary public, confirming ownership of the premises and consenting to the use of the  
22 premises for the purpose of a marijuana grow site; 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 registration under ORS 475C.792 if the  
25 authority:**

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

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

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

31 **“SECTION 21. ORS 475C.792 is amended to read:**

32 **“475C.792. (1)(a) The Oregon Health Authority shall establish by rule a marijuana grow site  
33 registration system to track and regulate the production of marijuana by a registry identification  
34 cardholder or a person designated by the registry identification cardholder to produce marijuana for  
35 the registry identification cardholder.**

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

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

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

45 **“(a) The name of the person responsible for the marijuana grow site;**

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

2 “[*(c) If the registry identification cardholder or the person responsible for the marijuana grow site*

3 *is not the owner of the premises of the marijuana grow site, signed informed consent from the owner*

4 *of the premises to register the premises as a marijuana grow site;*]

5 “(c) **The information required under section 20 of this 2023 Act;**

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

7 “(e) Any other information that the authority considers necessary to track the production of

8 marijuana under ORS 475C.770 to 475C.919.

9 “(3)(a) The authority shall conduct a criminal records check under ORS 181A.195 of any person

10 whose name is submitted under this section as the person responsible for a marijuana grow site.

11 “(b) A person convicted of a Class A or Class B felony under ORS 475.752 to 475.920 for the

12 manufacture or delivery of a controlled substance in Schedule I or Schedule II may not act as or

13 be designated a person responsible for a marijuana grow site for two years from the date of con-

14 viction.

15 “(c) A person convicted more than once of a Class A or Class B felony under ORS 475.752 to

16 475.920 for the manufacture or delivery of a controlled substance in Schedule I or Schedule II may

17 not act as or be designated a person responsible for a marijuana grow site.

18 “(4) Subject to subsection (11) of this section, the authority shall issue a marijuana grow site

19 registration card if the requirements of subsections (2) and (3) of this section **and section 20 of this**

20 **2023 Act** are met.

21 “(5) A person who holds a marijuana grow site registration card under this section must display

22 the card at the marijuana grow site at all times.

23 “(6) A marijuana grow site registration card must be obtained and posted for each registry

24 identification cardholder for whom marijuana is being produced at a marijuana grow site.

25 “(7)(a) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana as-

26 sociated with the production of marijuana for a registry identification cardholder by a person re-

27 sponsible for a marijuana grow site are the property of the registry identification cardholder.

28 “(b) All seeds, immature marijuana plants, mature marijuana plants and usable marijuana asso-

29 ciated with the production of marijuana for a registry identification cardholder by a person re-

30 sponsible for a marijuana grow site must be transferred to the registry identification cardholder

31 upon the request of the registry identification cardholder.

32 “(c) All usable marijuana associated with the production of marijuana for a registry identifica-

33 tion cardholder by a person responsible for a marijuana grow site must be transferred to a

34 marijuana processing site upon the request of the registry identification cardholder. For purposes

35 of this paragraph, a request to transfer usable marijuana constitutes an assignment of the right to

36 possess the usable marijuana.

37 “(d) All seeds, immature marijuana plants and usable marijuana associated with the production

38 of marijuana for a registry identification cardholder by a person responsible for a marijuana grow

39 site must be transferred to a medical marijuana dispensary upon request of the registry identifica-

40 tion cardholder. For purposes of this paragraph, a request to transfer seeds, immature marijuana

41 plants or usable marijuana constitutes an assignment of the right to possess the seeds, immature

42 marijuana plants or usable marijuana.

43 “(e) Information related to transfers made under this subsection must be submitted to the au-

44 thority in the manner required by ORS 475C.795.

45 “(8) A registry identification cardholder, or the designated caregiver of a registry identification

1 cardholder, may reimburse a person responsible for a marijuana grow site for all costs associated  
2 with the production of marijuana for the registry identification cardholder.

3 “(9) The authority may inspect:

4 “(a) The marijuana grow site of a person designated to produce marijuana by a registry iden-  
5 tification cardholder to ensure compliance with this section and ORS 475C.795 and 475C.806 and any  
6 rule adopted under this section and ORS 475C.795 and 475C.806; and

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

10 “(10) The authority may refuse to register a registry identification cardholder or a designee  
11 under this section or may suspend or revoke the registration of a person responsible for a marijuana  
12 grow site if the authority determines that the applicant or the person responsible for a marijuana  
13 grow site violated a provision of ORS 475C.770 to 475C.919, a rule adopted under ORS 475C.770 to  
14 475C.919 or an ordinance adopted pursuant to ORS 475C.827.

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

18 **“SECTION 22. (1) Sections 16 and 20 of this 2023 Act and the amendments to ORS**  
19 **475C.037, 475C.065 and 475C.792 by sections 17, 18 and 21 of this 2023 Act become operative**  
20 **on January 1, 2024.**

21 **“(2) The Oregon Health Authority and the Oregon Liquor and Cannabis Commission may**  
22 **take any action before the operative date specified in subsection (1) of this section that is**  
23 **necessary to enable the authority and the commission to exercise, on and after the operative**  
24 **date specified in subsection (1) of this section, all of the duties, functions and powers con-**  
25 **ferred on the authority and the commission by sections 16 and 20 of this 2023 Act and the**  
26 **amendments to ORS 475C.037, 475C.065 and 475C.792 by sections 17, 18 and 21 of this 2023**  
27 **Act.”.**

28 In line 17, delete “15” and insert “23”.

29 /s/ Dennis Linthicum  
30 Senator

31 /s/ Kim Thatcher  
32 Senator

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34