

SB 326-MR3  
(LC 2250)  
3/29/23 (SCT/ps)

Requested by Senator LINTHICUM

**PROPOSED MINORITY REPORT AMENDMENTS TO  
SENATE BILL 326**

1 On page 1 of the printed bill, line 2, delete “475C.337,” and delete line 3  
2 and insert “475C.037, 475C.065, 475C.337, 475C.341, 475C.349, 475C.353,  
3 475C.792, 536.900 and 537.990 and section 45, chapter 54, Oregon Laws  
4 2021;”.

5 On page 2, after line 45, insert:

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

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

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

13 “(b) The owner of real property described in paragraph (a) of this sub-  
14 section may not be held responsible for the cleanup of the site.

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

20 On page 11, after line 16, insert:

21 **“SECTION 15. Section 16 of this 2023 Act is added to and made a**

1 part of ORS 475C.005 to 475C.525.

2 **“SECTION 16. (1) The Oregon Liquor and Cannabis Commission**  
3 **may not issue a marijuana production license under ORS 475C.065 un-**  
4 **less the applicant submits with the application a statement accurately**  
5 **identifying the legal address and owner of the premises to be licensed**  
6 **and the requirements of subsections (2) and (3) of this section are met.**

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

11 **“(3) If the applicant described in subsection (1) of this section is not**  
12 **the owner of the premises to be licensed under ORS 475C.065, and the**  
13 **commission is able to verify ownership of the premises with the in-**  
14 **formation submitted by the applicant, the commission shall send by**  
15 **certified mail a form to the owner of the premises:**

16 **“(a) Informing the owner that the premises is intended to be li-**  
17 **censed under ORS 475C.065;**

18 **“(b) On which the owner, if the owner wishes to consent to the use**  
19 **of the premises for the purpose of producing marijuana, must provide**  
20 **the owner’s written signature, witnessed by a notary public, confirm-**  
21 **ing ownership of the premises and consenting to the use of the prem-**  
22 **ises for the purpose of producing marijuana; and**

23 **“(c) Directing the owner to return the signed and witnessed form**  
24 **to the commission.**

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

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

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

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

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

3       “475C.037. (1) The Oregon Liquor and Cannabis Commission may not li-  
4 cense an applicant under the provisions of ORS 475C.005 to 475C.525 or  
5 475C.548 if the applicant is under 21 years of age.

6       “(2) The commission may refuse to issue a license or may issue a re-  
7 stricted license to an applicant under the provisions of ORS 475C.005 to  
8 475C.525 if the commission makes a finding that the applicant:

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

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

12       “(c) Is incompetent or physically unable to carry on the management of  
13 the establishment proposed to be licensed.

14       “(d) Has been convicted of violating a federal law, state law or local or-  
15 dinance if the conviction is substantially related to the fitness and ability  
16 of the applicant to lawfully carry out activities under the license.

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

18       “(f) Does not have a good record of compliance with ORS 475C.005 to  
19 475C.525 or any rule adopted under ORS 475C.005 to 475C.525.

20       “(g) **Except as provided in section 16 of this 2023 Act**, is not the le-  
21 gitimate owner of the premises proposed to be licensed, or has not disclosed  
22 that other persons have ownership interests in the premises proposed to be  
23 licensed.

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

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

28       “(3) Notwithstanding subsection (2)(d) of this section, in determining  
29 whether to issue a license or a restricted license to an applicant, the com-  
30 mission may not consider the prior conviction of the applicant or any owner,

1 director, officer, manager, employee, agent or other representative of the  
2 applicant for:

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

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

6 “(B) The person has not been convicted more than once for the manufac-  
7 ture or delivery of marijuana;

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

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

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

13 “(c) The possession of marijuana.

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

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

17 “(2) A marijuana producer must have a production license issued by the  
18 commission for the premises at which the marijuana is produced. To hold a  
19 production license issued under this section, 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  
23 under subsections (3) and (4) of this section.

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

28 “[*(b) The commission may adopt rules regarding the informed consent de-*  
29 *scribed in this subsection.*]

30 **“(3) The applicant shall, with the application submitted to the**

1 **commission, provide the information described under and meet the**  
2 **requirements of section 16 of this 2023 Act.**

3 “(4) The commission shall adopt rules that:

4 “(a) Require a marijuana producer to annually renew a license issued  
5 under this section;

6 “(b) Establish application, licensure and renewal of licensure fees for  
7 marijuana producers;

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

10 “(d) Assist the viability of marijuana producers that are independently  
11 owned and operated and that are limited in size and revenue with respect to  
12 other marijuana producers, by minimizing barriers to entry into the regu-  
13 lated system and by expanding, to the extent practicable, transportation  
14 options that will support their access to the retail market;

15 “(e) Allow a marijuana producer registered under ORS 475C.137 to  
16 produce marijuana for medical purposes in the same manner that rules  
17 adopted under ORS 475C.005 to 475C.525 allow a marijuana producer to  
18 produce marijuana for nonmedical purposes, excepting those circumstances  
19 where differentiating between the production of marijuana for medical pur-  
20 poses and the production of marijuana for nonmedical purposes is necessary  
21 to protect the public health and safety;

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

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

29 “(h) Support marijuana plant diversity by allowing a qualified marijuana  
30 producer to receive marijuana seeds from any source in this state, but not

1 more than a total of 200 marijuana seeds per month from all sources com-  
2 bined.

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

4 “(a) May not exceed, together with other fees collected under ORS  
5 475C.005 to 475C.525, the cost of administering ORS 475C.005 to 475C.525;

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

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

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

13 **“SECTION 20. (1) The Oregon Health Authority may not issue a  
14 marijuana grow site registration under ORS 475C.792 unless the appli-  
15 cant submits with the application a statement accurately identifying  
16 the legal address and owner of the premises to be registered and the  
17 requirements of subsections (2) and (3) of this section are met.**

18 **“(2) The authority shall independently verify the information pro-  
19 vided under subsection (1) of this section regarding the ownership of  
20 the premises with the county in which the premises to be registered  
21 under ORS 475C.792 is located.**

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

27 **“(a) Informing the owner that the premises is intended to be li-  
28 censed under ORS 475C.792;**

29 **“(b) On which the owner, if the owner wishes to consent to the use  
30 of the premises for the purpose of a marijuana grow site, must provide**

1 **the owner’s written signature, witnessed by a notary public, confirm-**  
2 **ing ownership of the premises and consenting to the use of the prem-**  
3 **ises for the purpose of a marijuana grow site; and**

4 **“(c) Directing the owner to return the signed and witnessed form**  
5 **to the authority.**

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

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

10 **“(b) Does not receive from the owner the signed and witnessed form**  
11 **described in subsection (3) of this section.**

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

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

14 **“475C.792. (1)(a) The Oregon Health Authority shall establish by rule a**  
15 **marijuana grow site registration system to track and regulate the production**  
16 **of marijuana by a registry identification cardholder or a person designated**  
17 **by the registry identification cardholder to produce marijuana for the regis-**  
18 **try identification cardholder.**

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

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

24 **“(2) Rules adopted under this section must require an applicant for a**  
25 **registry identification card, or a registry identification cardholder who**  
26 **produces marijuana or who designates another person to produce marijuana,**  
27 **to submit an application to the authority containing the following informa-**  
28 **tion at the time of making an application under ORS 475C.783 (2), renewing**  
29 **a registry identification card under ORS 475C.783 (6)(b), or notifying the**  
30 **authority of a change under ORS 475C.783 (6)(a):**

1       “(a) The name of the person responsible for the marijuana grow site;  
2       “(b) Proof that the person is 21 years of age or older;  
3       “[(c) *If the registry identification cardholder or the person responsible for*  
4 *the marijuana grow site is not the owner of the premises of the marijuana grow*  
5 *site, signed informed consent from the owner of the premises to register the*  
6 *premises as a marijuana grow site;*]  
7       “(c) **The information required under section 20 of this 2023 Act;**  
8       “(d) The address of the marijuana grow site; and  
9       “(e) Any other information that the authority considers necessary to track  
10 the production of marijuana under ORS 475C.770 to 475C.919.  
11       “(3)(a) The authority shall conduct a criminal records check under ORS  
12 181A.195 of any person whose name is submitted under this section as the  
13 person responsible for a marijuana grow site.  
14       “(b) A person convicted of a Class A or Class B felony under ORS 475.752  
15 to 475.920 for the manufacture or delivery of a controlled substance in  
16 Schedule I or Schedule II may not act as or be designated a person respon-  
17 sible for a marijuana grow site for two years from the date of conviction.  
18       “(c) A person convicted more than once of a Class A or Class B felony  
19 under ORS 475.752 to 475.920 for the manufacture or delivery of a controlled  
20 substance in Schedule I or Schedule II may not act as or be designated a  
21 person responsible for a marijuana grow site.  
22       “(4) Subject to subsection (11) of this section, the authority shall issue a  
23 marijuana grow site registration card if the requirements of subsections (2)  
24 and (3) of this section **and section 20 of this 2023 Act** are met.  
25       “(5) A person who holds a marijuana grow site registration card under  
26 this section must display the card at the marijuana grow site at all times.  
27       “(6) A marijuana grow site registration card must be obtained and posted  
28 for each registry identification cardholder for whom marijuana is being  
29 produced at a marijuana grow site.  
30       “(7)(a) All seeds, immature marijuana plants, mature marijuana plants



1 and usable marijuana associated with the production of marijuana for a  
2 registry identification cardholder by a person responsible for a marijuana  
3 grow site are the property of the registry identification cardholder.

4 “(b) All seeds, immature marijuana plants, mature marijuana plants and  
5 usable marijuana associated with the production of marijuana for a registry  
6 identification cardholder by a person responsible for a marijuana grow site  
7 must be transferred to the registry identification cardholder upon the request  
8 of the registry identification cardholder.

9 “(c) All usable marijuana associated with the production of marijuana for  
10 a registry identification cardholder by a person responsible for a marijuana  
11 grow site must be transferred to a marijuana processing site upon the re-  
12 quest of the registry identification cardholder. For purposes of this para-  
13 graph, a request to transfer usable marijuana constitutes an assignment of  
14 the right to possess the usable marijuana.

15 “(d) All seeds, immature marijuana plants and usable marijuana associ-  
16 ated with the production of marijuana for a registry identification cardholder  
17 by a person responsible for a marijuana grow site must be transferred to a  
18 medical marijuana dispensary upon request of the registry identification  
19 cardholder. For purposes of this paragraph, a request to transfer seeds, im-  
20 mature marijuana plants or usable marijuana constitutes an assignment of  
21 the right to possess the seeds, immature marijuana plants or usable  
22 marijuana.

23 “(e) Information related to transfers made under this subsection must be  
24 submitted to the authority in the manner required by ORS 475C.795.

25 “(8) A registry identification cardholder, or the designated caregiver of a  
26 registry identification cardholder, may reimburse a person responsible for a  
27 marijuana grow site for all costs associated with the production of marijuana  
28 for the registry identification cardholder.

29 “(9) The authority may inspect:

30 “(a) The marijuana grow site of a person designated to produce marijuana

1 by a registry identification cardholder to ensure compliance with this section  
2 and ORS 475C.795 and 475C.806 and any rule adopted under this section and  
3 ORS 475C.795 and 475C.806; and

4 “(b) The records of the marijuana grow site of a person designated to  
5 produce marijuana by a registry identification cardholder to ensure compli-  
6 ance with this section and ORS 475C.795 and any rule adopted under this  
7 section and ORS 475C.795.

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

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

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

22 **“(2) The Oregon Health Authority and the Oregon Liquor and**  
23 **Cannabis Commission may take any action before the operative date**  
24 **specified in subsection (1) of this section that is necessary to enable**  
25 **the authority and the commission to exercise, on and after the oper-**  
26 **ative date specified in subsection (1) of this section, all of the duties,**  
27 **functions and powers conferred on the authority and the commission**  
28 **by sections 16 and 20 of this 2023 Act and the amendments to ORS**  
29 **475C.037, 475C.065 and 475C.792 by sections 17, 18 and 21 of this 2023**  
30 **Act.”.**

1 In line 17, delete "15" and insert "23".

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