



**MARIJUANA SUBCOMMITTEE AGENDA
NOVEMBER 19, 2015, 1:30 PM
NEWBERG CITY HALL 414 East First Street
Permit Center Conference Room**

The Council Subcommittee for the policy study regarding Marijuana will review issues pertaining to both medical marijuana (MMJ) and recreational marijuana (RMJ) which include but are not limited to:

- **Understanding similarities and differences,**
- **Land Use (time, place & manner),**
- **Paraphernalia, and**
- **Taxation.**

You are encouraged to thoroughly explore the issues and make recommendations for Council deliberation and action.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. ELECTION OF CHAIR

IV. UNDERSTANDING SIMILARITIES AND DIFFERENCES OF MEDICAL MARIJUANA AND RECREATIONAL MARIJUANA

V. FUTURE MEETING SCHEDULE

VI. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.

Oregon's Seven Regulated Marijuana Activities

Marijuana Type	Grow	Make Products	Wholesale	Transfer to User
Medical OHA Registration	Marijuana Grow Site: Location for planting, cultivating, growing, trimming, or harvesting marijuana or drying marijuana leaves or flowers Register under ORS 475.304	Marijuana Processing Site: Location for compounding or converting marijuana into medical products, concentrates or extracts Register under section 85 of HB 3400	None	Medical Marijuana Dispensary: Transfer usable marijuana, immature marijuana plants, seed, and medical products, concentrates and extracts to patients and caregivers Register under ORS 475.314
Recreational OLCC License	Producers: Manufacture, plant, cultivate, grow, harvest Obtain license under section 12 of HB 3400	Processors: Process, compound or convert marijuana into products, concentrates or extracts, but does not include packaging or labeling Obtain license under section 14 of HB 3400	Wholesalers: Purchase marijuana items for resale to a person other than a consumer Obtain license under section 15 of HB 3400	Retailers: Sell marijuana items to a consumer Obtain license under section 16 of HB 3400 *Certain employees must obtain an OLCC handlers permit under section 19 of HB 3400

Similarities

11/19/2015

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Regulates distribution of marijuana	Regulates distribution of marijuana
Types of operations	Types of operations
Marijuana Grow Site	Producers
Marijuana Processing Site	Processors
Applications/Renewals/Fees	Applications/Renewals/Fees
Application required	Application required
Approval or denial of an application	Approval or denial of an application
Fees	Fees
Annual renewal	Annual renewal
Registration can be revoked	License can be revoked
Registered with Secretary of State	Criminal background check
Criminal background check	Site visits by OLCC
Site visit by OHA	
Registration cannot be transferred to another location	
Location Requirements	Location Requirements
Local government can establish land use controls	Local government can establish land use controls
Proximity requirements to schools	Proximity requirements to schools
Security	Security
Restricted access areas	Restricted access areas
Minors not permitted under 18	Under 21 not permitted
Safe for storage	Safe for storage

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Alarm Systems	Alarm Systems
Video Surveillance	Video Surveillance
Camera Coverage	Camera Coverage
Video Recording	Video Recording
Testing	Testing
Operation	Operation
Record Keeping	Record Keeping
Packaging & Labeling	Packaging & Labeling
Inspections & Enforcement	Investigation & Enforcement
Violations	Violations
Signs	Signs

Differences

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Oregon Health Authority	Oregon Liquor Control Commission
Registration	License
Serves medical marijuana card holders	Serves general public 21 and older
HB 3400 Medical Marijuana provision changes operative March 1, 2016	
Types of operations	Types of operations
Marijuana Grow Site	Producers
Marijuana Processing Site	Processors
Marijuana Dispensary	Wholesalers
	Retailers
Applications/Renewals/Fees	Applications/Renewals/Fees
Dispensary \$3500 registration fee, \$500 application fee	\$250 non-refundable fee
Dispensary renewal \$3500 registration fee, \$500 application fee	Fee amount Producers \$4750
	Fee amount Processors \$4750
Registration fee is returned if application incomplete, denied, withdrawn	
Growers - Oregon resident for 1 year if registered before 1/1/15	Fee amount Wholesaler \$4750
Growers - Must be an Oregon resident for 2 years	Fee amount Retailers \$4750
Registration renewal 60 days before expiration	Fee amount Laboratories \$4750
	Renewal fee \$250 non-refundable plus original fee amount
	Handlers permit fee \$100
	Other fees \$50-\$1000
	Late renewal fee \$150
	Must be an Oregon resident for 2 years
	Registration renewal 20 days before expiration

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Location Requirements	Location Requirements
Dispensary 1000 feet from school public or private elementary, secondary, career school	Retail 1000 feet from public elementary or secondary school
Dispensary 1000 foot separation between facilities	Retail 1000 feet from private or parochial school
Does not require a Land Use Compatibility Statement	No greater than 1000 foot separation between retailers
MMD can't be on a registered grow site	Land Use Compatibility Statement
Dispensaries in commercial, industrial, mixed use or agricultural land	Can't be on Federal property
Facilities can not be mobile	Can't be at Medical Marijuana grow location
	Can't be at Medical Marijuana processing location
	Can't be at Medical Marijuana dispensary location
	Can't be at a liquor license or retail liquor facility
	Producer can't be on lot or parcel as another Producer
	Producer can't be on public land
	Retail can't be in an area zoned exclusively for residential use
	Wholesaler can't be in an area zoned exclusively for residential use
	Local jurisdiction has prohibited a license type
	Processor with endorsement to extract can't be in an area zoned exclusively for residential use
	Processor, wholesaler, laboratory, retailer must be in an enclosed building
	Can't sell product between 10 PM & 7 AM

Security	Security
Commercial grade door locks	Commercial grade door locks
Locked, secured area	Tour groups permitted for producer and research certificate holder
Restricted access areas	Producers prevent public access and obscure by fully enclosing indoor production or for outdoor production with solid wall or fence 8 feet high
Electronic records encrypted	Restricted access areas
Electronic backup system	
Video recordings & archived records in locked storage	

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Alarm Systems	Alarm Systems
Connected to security company	Connected to a security company
Panic buttons	Panic buttons

Video Surveillance	Video Surveillance
Digital	Digital
Digital or network video recorders	Video monitors
Video monitors	Digital archiving devices
Digital archiving devices	Printer
Color printer	Resolution and frame requirements
No resolution and frame requirements	

Camera Coverage	Camera Coverage
In all secure and restricted access areas	Point of sale areas
Point of sales areas	Entry's and Exits (interior and exterior)
Entry's and Exits (interior and exterior)	Limited access areas

Video Recording	Video Recording
24 hours day	24 hours day
No resolution requirements	Resolution requirements
Retention for 30 days	Retention for 30 days
Produce still color photos	Date and timed stamped
Date and timed stamped	

Operation	
Variety of operation requirements	Variety of operation requirements based on the type of license or certificate that is issued

Record Keeping	Record Keeping
Requirements for records to be retained	Cannabis Tracking System through OLCC

Violations	Violations
Variety of violation provisions	Variety of violation provisions

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Marijuana Grow Site	Recreational Marijuana Producers
Application	Indoor or outdoor
Residency form	Sell or deliver to processor, wholesaler, retailer, laboratory, research certificate holder
Grow site registration card	Producer outdoors applies to entire lot or parcel
All usable marijuana, plants, seedlings, seeds by a grower are the property of the patient	Can not operate in a primary residence
Grower can produce marijuana for no more than 4 patients (cardholders)	Cultivation batch's not more than 100 immature plants, may have an unlimited number of batch's
Grow sites and dispensary can not be at same location	Canopy size limitations (indoor and outdoor)
Max 6 mature plants for each card holder	Canopy area must be separated by physical boundary such as walls or 10 feet open space
Max 12 mature plants if in an area zoned for residential use	Mixed cultivation indoor/outdoor, limits on canopy size
Max 48 plants if not in an area zoned for residential use	Written operating procedures
Outdoor max 12 lbs usable marijuana per mature plant	Pesticides, fertilizers, soil amendments, growing media are regulated
Indoors max 6 lbs usable marijuana per mature plant	
Medical Marijuana Opt-In	Medical Marijuana Opt-In
N/A	Growers are allowed to apply for a Producer license
	Can not possess more marijuana and plants than allowed under ORS 475.300

Marijuana Dispensary	Marijuana Retailers
Registration	Receive from producer, wholesaler, processor, laboratory
Land use limitations - not in residential, 1000 feet from public elementary, se	Sell 1 oz, 16 oz cannabinoid product in solid form, 72 oz cannabinoid in liquid, 5 grams cannabinoid extracts or concentrate, 4 immature plants, ten marijuana seeds
Can not be at same location as a grow site	Can not provide free samples, sell or giveaway pressurized butane containers, require purchase of other products, provide coupons, sell products from industrial hemp
New school established with 1000 feet dispensary may remain	Consumer health posting requirements
	Delivery to residences
	Tax collection

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Marijuana Processing Site	Marijuana Processors
Application & renewal	Edible processor, topical processor, concentrate processor, extract processor
Edibles, concentrates, extracts	Requires an endorsement
Database	Can hold multiple endorsements along with license
Can only transfer to a cardholder, caregiver or dispensary	Can not process products modeled for products marketed to children, products shaped as animal, vehicle, person or character
Land use limitations	Written policies and procedures
	Training
	Edibles processed in facility licensed by ODA
	Extracts processed in enclosed room
	Concentrates - machine and chemical extraction processes
	Topical can not operate in a restaurant including seasonal, intermittent, limited service

Wholesalers	Wholesalers
Does not allow wholesalers	Purchase from producer, processor or wholesaler
	Sell any marijuana item to retail, wholesale, research
	Sell only mature plants and seeds to producer
	Sell only usable marijuana to a processor
	Can not receive from other than producer, processor or wholesaler
	Sell to consumer

Laboratories
Test for producers, processors, wholesalers, retailers
Accredited by Oregon Health Authority
Annual license renewal
Tracking & reporting

Research Certificate
Public & private researchers

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Handlers Permit	Handlers Permit
N/A	Permit required for work within a retailers establishment
	Application process
	Education course
	Retake education course every 5 years
	Permit renewal every 5 years
Testing	Testing
At least one lab to do testing	License required
Tests for mold, pesticides, mildew	Harvest and process lots
	Labeling, storage, security requirements
Packaging & Labeling	Packaging & Labeling
Percentage of THC, weight in grams, testing batch number, description of product	Child resistant
Warning label to keep out of reach of children	Not packaged to be attractive to minors
Child resistant	Packaging can be reused
Packaging not attractive to minors	Requires packaging approval
Seed to Sale Tracking	Seed to Sale Tracking
N/A	Cannabis Tracking System (CTS)
	Administrator Account
Transfers to Registered Facility	Transportation & Delivery
Authorization to Transfer form	Transport by licensee or licensee representative
Only patient or designated primary caregiver can transport	Insurance, lockable vehicle, climate controlled
	Transport manifest
	Waste Management
	Solid waste
	Hazardous waste
	Wastewater

Medical Marijuana (OHA)	Recreational Marijuana (OLCC)
Advertising	Advertising
N/A	Can not target individuals under 21, including cartoon characters, toys
	Handbills not allowed
	Limits television, radio, print media or internet advertising if 30% of audience is under 21
	Limits marketing towards location based devices

Inspections/Enforcement	Investigation & Enforcement
Initial inspection with 6 months of application approval	No sale to under age 21
Complain inspections	Must allow OLCC staff access during and after business hours
Inspection can be done at any time	On-site consumption prohibited
Notice of Violation	Import/export into or out of State not allowed
Formal enforcement	Prizes not allowed
Notice of Proposed Revocation	No drive-up window activities
Civil action	Pricing must be at or above licensee's costs
Informal enforcement	State or local government inspections allowed

Moratoriums	Moratoriums
May 1, 2014 to May 1, 2015	N/A

Limited Retail Sales	Limited Retail Sales
Permitted from October 1, 2015 - December 31, 2016 if local jurisdiction does ban activity	N/A

Signs	Signs
Variety of signage requirements	Variety of signage requirements

Tax	Tax
No State tax	State taxes recreational retail and processors

Medical and Recreational Marijuana

September 8, 2015

Newberg Tax on Marijuana

- Ordinance No. 2014-2777, October 6, 2014
- Established a 5% tax on medical gross sales and 10% on non-medical gross sales.
- Seller collects the tax.
- Taxes paid directly to the City on a quarterly schedule.
- Penalties if payments are not made on time.

Medical Marijuana

- Measure 67 (1998)
- SB 1351 (2014) – Allowed a Moratorium until May 1, 2015.
- Ordinance No. 2014-2772 - City adopted moratorium.
- Ordinance No. 2015-2780, April 6, 2015.
 - Regulates Medical Marijuana Dispensaries
 - 1,000 feet from Schools and Parks
 - 1,000 foot separation between dispensaries
 - Hours operation 9 AM – 8 PM
 - Not in residential

Measure 91 and 2015 Legislative Bills

- Measure 91 passed November 2014 – legalized Recreational Marijuana
- HB 3400 – Omnibus bill medical and recreational
- HB 2014 – State Tax Structure
- SB 460 – Early sales recreational from medical dispensaries
- SB 844 – Task force, offenses, hospice/residential care

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Key Questions

- Does the City Council want a ban on early recreational sales from Medical Marijuana Dispensaries that start October 1?
- Does the City Council want a ban on medical processors and dispensaries?
- Does the City Council want a ban on recreational producers (growers), processors, wholesalers or retail?
- What does the City Council want to do with the marijuana tax?

Recreational Early Sales

- Does the City Council want a ban on early recreational sales from Medical Marijuana Dispensaries that start October 1?
- Retail sales begin October 1 from Medical Marijuana Dispensaries in limited amounts ($\frac{1}{4}$ ounce, 4 non-flowering plants, seeds).
- Recreational sales from Medical Dispensaries end December 31, 2016.
- Ban would not allow recreational sales.
- A ban does not require referral to the voters.
- Ordinance would need to be brought back on September 21 if a ban is desired.

Medical Ban

- Does the City Council want a ban on medical processors and dispensaries?
- City passed Ordinance 2015-2780 April 6, 2015, allowing medical dispensaries.
- Two dispensaries are working to establish operations (Portland Road and N. Springbrook Road).
- City did not adopt regulations for medical marijuana growers or processors in April 2015.
- HB 3400 does not restrict where growers may locate.
- HB 3400 restricts processors from areas zoned for residential use.

Medical Ban

- Ordinance on medical bans to be submitted to OHA.
- Ban stops registration at OHA.
- Medical dispensaries and processors registered with State before City adopts ban are not subject to the ban if they have completed a city land use process.
- If no ban is desired, need to develop land use regulations for processors (at a minimum not in residential).
- Time, place and manner regulations.

Recreational Ban

- Does the City Council want a ban on recreational producers (growers), processors, wholesalers or retail?
- HB 3400 does not restrict where producers may locate.
- HB 3400 restricts processors from areas zoned exclusively for residential use.
- HB 3400 restricts wholesale and retail from areas exclusively zoned for residential, 1,000 feet from a public/private school.
- Banning recreational establishes a moratorium and creates a requirement for a referral to the voters at next statewide general election (November 2016).
- Ordinance on recreational ban to be submitted to OLCC.

Recreational Ban

- Stops licensing process at OLCC.
- If no ban is desired, need to develop land use regulations for producers, processors, wholesalers and retailers.
- Time, place and manner regulations (includes retail separation no greater than 1,000 feet).
- Land use compatibility statement form OLCC.

Marijuana Tax

- What does the City Council want to do with the marijuana tax?
 - City Council passed Ordinance No. 2014-2777 establishing a 5% tax on medical gross sales and 10% on non-medical gross sales.
 - Is this tax grandfathered?
 - Legislature established 17% tax on recreational - DOR collects.
 - Local taxes are possible at 3% (requires ordinance referred to voters/November 2016).
 - Unclear if medical can be taxed.
 - Early sales from Medical Dispensaries are taxed at 25% by State.

Marijuana Tax

- 10% of State taxes collected go to cities that have not banned medical or recreation marijuana facilities.
- Producers are taxed at \$35 oz. flowers, \$10 oz. leaves, \$5 immature plant.
- Tax revenues go to law enforcement to assist in performing their duties.
- Up to July 1, 2017 taxes are distributed proportionally based on population.
- After July 1, 2017 distributed proportionally based on number of recreational licenses for premises located in a city (50% based on number growers, processors, wholesale licenses & 50% on number retail licenses per city).
- If ban any one of the recreational producers, processors, wholesalers, retailers or medical processor or dispensary – no share of State tax.

Marijuana Tax Summary

	City of Newberg	Newberg/State		State
Medical	5% Gross sales	N/A		N/A
Recreational	10% Gross sales	N/A		17%
State Rec Auth	N/A	3% Voter approval		
Rec/MMD	10% Gross sales	N/A		25%
Producers	N/A	N/A		\$35 oz Flowers
	N/A	N/A		\$10 oz Leaves
	N/A	N/A		\$5 oz Immature Plant
Processors	N/A	N/A		N/A
Wholesalers	N/A	N/A		N/A
Shared Revenue	N/A	10% State Taxes Collected to Law Enforc		40% Common School Fund, 20% MHA & DS, 15% State Police, 10% Cities, 10% Counties, 5% OHA

Next Steps

- Direction from City Council