



## Board of County Commissioners Public Hearing

Consider HB 3400: Opt Out of Marijuana Businesses in Unincorporated Areas (outside cities)

### PRESENTATION SUMMARY

#### HEARING FORMAT

Public hearings at **10:00 a.m.** and **5:30 p.m.** on **August 12, 2015.**

The hearings will be conducted in the following order:

- Staff will provide a presentation.
- **PUBLIC HEARING**
  - **Please fill out comment card, limit comments to 2-4 minutes, and be respectful.**
- Board to continue or close the public hearing.
- Board to deliberate and decide whether to adopt an ordinance to opt out some/all marijuana businesses at a future public meeting.

#### BACKGROUND

Electors of Oregon passed Ballot Measure 91 (recreational marijuana) in November 2014.

2015 Legislature enacted HB 3400 on June 30, 2015, including opt out provisions for marijuana businesses.

- Deschutes County may opt out by adopting an ordinance within 180 days of the effective date of HB 3400 (June 30, 2015).
- Grandfathering for existing medical processors and dispensaries that have successfully completed the local land use process (no applications submitted).

**BOCC may enact an ordinance which prohibits the establishment of any or all of the following businesses in the UNINCORPORATED AREA of Deschutes County:**

- a) Medical Marijuana processing sites;
- b) Medical Marijuana dispensaries;
- c) Recreational Marijuana producers (growers);
- d) Recreational Marijuana processors;
- e) Recreational Marijuana wholesalers;
- f) Recreational Marijuana retailers; or
- g) Any combination of the entities described above.

#### PUBLIC HEARING PURPOSE

**To receive public input on whether to enact an ordinance to opt out of marijuana businesses in unincorporated Deschutes County (outside cities).**

#### **Why now?**

- Significant public interest. Hearing provides an opportunity for everyone to share their opinions.



- Provide clarity to citizens, businesses, agencies, etc. on what's legal & what's not as soon as possible.
- Inform private investment decisions.

**This is NOT a public hearing to address:**

- Measure 91 (it's the law).
- Marijuana businesses in the cities of Bend, La Pine, Redmond or Sisters.
- Personal grow, use or possession of recreational marijuana.

**HB 3400: A LAND USE SNAPSHOT**

**Retail Marijuana Production ("commercial grows"), as licensed by OLCC, is:**

- An agricultural crop that is permitted outright in the Exclusive Farm Use (EFU) Zone like any other farm crop.
- Entitled to protections and duties provided under the Oregon Right to Farm Act.
- Eligible for farm use deferral under Oregon property tax law like any other farm crop.

**Land Use:**

- Requires a Land Use Compatibility Statement (LUCS) from local government prior to OLCC's issuance of marijuana business license.
- In EFU, the law prohibits farm stands, farm commercial activities, and new farm dwellings based on marijuana crops.
- Allows counties to permit marijuana crops in farm and forest zones, similar to EFU:
  - Forest 1 & 2 Zones (F-1, F-2)
  - Multiple Use Agricultural-10 Zone (MUA-10)
  - Rural Residential-10 Zone (RR-10)

**OPT OUT: WHAT DOES IT MEAN?**

- Marijuana businesses identified in the ordinance would be prohibited in unincorporated areas.
- Community Development Department cannot sign OLCC form (LUCS) for "opt out" businesses, and OLCC cannot issue a license for those businesses.
- Temporary moratorium in effect until the November 2016 general election.
- Local option tax is prohibited, and disqualification for shared state tax revenue.

**PARTIAL OPT OUT OR NO OPT OUT?**

**Partial opt out – selected marijuana businesses prohibited:**

- Ordinance referred to voters in Nov. 2016.
- Disqualification from state shared revenue.

**No opt out:**

- Marijuana is a farm crop in the EFU zone and protected by the Oregon Right to Farm Act.
- Board may decide in the future to allow and/or regulate marijuana businesses in other zones as allowed by HB 3400.



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