

**SB 365 -1, -2, -3 STAFF MEASURE SUMMARY**

**Senate Committee On Business and General Government**

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**Meeting Dates:** 2/28, 4/2

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**WHAT THE MEASURE DOES:**

Prohibits local government from imposing system development charge (SDC) on farm use that is conducted in an exclusive farm use zone. Allows premises used for marijuana production to continue to be used for marijuana production if premises was first licensed prior to local government prohibition on marijuana production under specified conditions. Clarifies that supervision, diversion, or release conditions related to marijuana must be imposed in same manner as supervision, diversion, or release conditions related to prescription drugs. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Benefits of grandfathering existing producers in jurisdiction that subsequently moves to ban production within its borders
- Rationale for tailoring transportation SDCs to marijuana producers and relative merits of assessing SDCs on farm use conducted in exclusive farm use zones
- Authority of local government to prohibit marijuana production and adopt time, place, and manner restrictions on the production of marijuana
- Intent of amendments to ensure marijuana farmers are not treated differently than other farmers

**EFFECT OF AMENDMENT:**

- 1 Replaces prohibition on assessment of SDCs on farm use in exclusive farm use zone with prohibition of SDCs for increased use of transportation facility that results from marijuana production in exclusive farm use zone.
- 2 Clarifies that marijuana is an outright permitted use of exclusive farm use zone. Exempts marijuana production in exclusive farm use zone from reasonable regulations adopted by local government. Prohibits local government from adopting standards for marijuana production in exclusive farm use zone unless ordinance applies to all farm use. Prescribes standards for local government regulation of marijuana production in exclusive farm use zone.
- 3 Replaces the measure. Prohibits local government from imposing regulation or SDC related to a crop other than marijuana that is produced in exclusive farm use zone.

**BACKGROUND:**

Oregonians voted to legalize the production, sale, and consumption of medical marijuana in 1998 and recreational marijuana in 2014. Marijuana has also been defined as a crop for the purposes of "farm use" since 2015, allowing it to be the primary product grown on land zoned exclusively for farm use. Local governments are authorized to adopt and assess system development charges, which are fees designed to cover the expense of capital improvements as needed to keep pace with growth. Senate Bill 365 prohibits local government from imposing system development charges on farm use conducted on land zoned exclusively for farm use.

Legal production of marijuana has occurred within the state since 1998. Local governments have been authorized since 2015 to adopt local ordinances prohibiting the production of recreational marijuana within their jurisdictions. Senate Bill 365 allows land used for marijuana production prior to the adoption of local ordinance prohibiting the production of recreational marijuana to continue to be used for marijuana production under specified circumstances.

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Current statute allows a criminal defendant on supervision, diversion, or release conditions who is registered as a medical marijuana patient to use medical marijuana in the same manner as any other prescription medication. The measure clarifies those provisions.