

**CITY OF PORTLAND  
CANNABIS PROGRAM**

**ADMINISTRATIVE GUIDELINES**



# CANNABIS PROGRAM ADMINISTRATIVE GUIDELINES

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## A. Definitions

1. As used in these administrative guidelines, unless the context requires otherwise, the following definitions apply:
  - a. **“Applicant”** means any individual that is directly involved in the management and operation of, or has at least 10 percent ownership interest in, the marijuana business or medical dispensary in the City.
  - b. **“Application” and “application materials”** means the application forms as developed by Civic Life and documentation required to be submitted at the time of submittal as part of the application process for the City.
  - c. **“Application Abandonment Warning”** means a notice that a Marijuana Regulatory License application may be considered abandoned if action is not taken as outlined in Section K, Abandonment or Termination of a Marijuana Regulatory License application.
  - d. **“Civic Life”** means the City of Portland’s Office of Community & Civic Life, the bureau under which the Cannabis Program is housed.
  - e. **“Incomplete”** means a Marijuana Regulatory Application that is missing information or documentation required to make a licensing determination.
  - f. **“Licensee”** means a person or entity that holds a City of Portland Marijuana Regulatory License.
  - g. **“LUCS”** means Land Use Compatibility Statement.
  - h. **“Marijuana”** means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae. “Marijuana” does not include industrial hemp, as defined in ORS 571.300.
  - i. **“Marijuana Business”** means any location within the City that is licensed or required to be licensed or has submitted an application to be licensed by the Oregon Liquor Control Commission or any location that is registered or required to be registered as a dispensary by the Oregon Health Authority;
  - j. **“Marijuana Laboratory”** means any person who is conducting tests of marijuana under Oregon law.
  - k. **“Marijuana items”** means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.
  - l. **“Marijuana processor”** means a person who processes marijuana items in this City.
  - m. **“Marijuana producer”** means a person who produces marijuana in this City.
  - n. **“Marijuana retailer”** means a person who sells or makes available for purchase marijuana or marijuana items in this City.

- o. **“Marijuana wholesaler”** means a person who purchases marijuana or marijuana items in this state for resale to a person other than a consumer.
- p. **“MRL”** means Marijuana Regulatory License.
- q. **“Marijuana Regulatory License”** means a license issued by the City to produce, process, sell, or transfer marijuana and marijuana items.
- r. **“Medical Dispensary”** means a business located within the City that is registered with the Oregon Health Authority under ORS 475.314 and authorized to transfer usable marijuana, marijuana items and immature marijuana plants, or a site for which an applicant has submitted an application for registration under ORS 475.314.
- s. **“OHA”** means Oregon Health Authority.
- t. **“OLCC”** means Oregon Liquor Control Commission.
- u. **“PCC”** means Portland City Code.
- v. **“Primary Contact”** means the person designated in the application who may conduct business with the City of Portland on behalf of the applicant or licensee.
- w. **“Research Certificate Holder”** means any person authorized under Oregon law to receive marijuana items for the purpose of medical or public health and safety research.
- x. **“Social Equity Program”** means a Marijuana Business that qualifies for a Marijuana Regulatory License fee credit pursuant to PCC 14B.130.055.
- y. **“MWESB-Certified Vendor”** means any business listed on the State of Oregon’s Certified Vendor Directory as an Emerging Small Business, Minority Business Enterprise, Service-Disabled Veteran Business Enterprise, or Women Business Enterprise.

## **B. Unlicensed locations**

1. A person or business found to be operating a Marijuana Business without a MRL shall be subject to Level 1 violations.
2. The following criteria will be used to substantiate whether a business is operating as a Marijuana Business:
  - a. There is evidence that the business is transferring marijuana and/or marijuana items for consideration;
  - b. There is evidence that the business is advertising themselves to be offering marijuana and/or marijuana items for consideration; or
  - c. There is evidence of commercial activity or production of marijuana beyond what could reasonably be assumed for personal use.

3. A business or individual suspected of operating a Marijuana Business may receive a warning letter from Civic Life.
  - a. If unlicensed activity is substantiated by Cannabis Program Staff, Portland Police Bureau, Portland Fire & Rescue, Bureau of Development Services, the Oregon Liquor Control Commission, Multnomah County Environmental Health Services, or the Oregon Health Authority, a violation may be issued by Civic Life.
  - b. Violations shall be considered when licensing determinations are made by Civic Life.

### **C. Application Procedure**

1. An applicant for a Marijuana Regulatory License must submit an application to Civic Life in accordance with the following procedure. An applicant must sign up online at [www.portlandoregon.gov/cannabis](http://www.portlandoregon.gov/cannabis) to be assigned a date and time for an intake appointment to submit a MRL application. The appointment request must include the following:
  - a. Primary Contact Name;
  - b. Address for the location proposed to be licensed; and
  - c. Type of License sought.
2. Civic Life will assign dates and times for intake appointments on a first-come, first-serve basis.
3. An application for a MRL will only be accepted in person, by appointment. The MRL application must include the following documents at the time of submittal:
  - a. Completed MRL application form;
  - b. Completed Personal History forms for all applicants including the Primary Contact, owners, managers;
  - c. Completed Marijuana Control Plan, if applying as a Marijuana Retailer or Medical Dispensary;
  - d. Zoning Verification map for the address of the proposed business location from the Bureau of Development Services; p
  - e. Floor plan;
  - f. The specified fee.
4. If the MRL application is for a Medical Dispensary or Marijuana Retailer, the following documents must be provided within 60 days of application submittal:

- a. Certificate of Compliance (City of Portland Business License) issued by the Office of Management and Finance – Revenue Division according to PCC 7.02.300.A;
  - b. Business Registration issued by the Oregon Secretary of State Business Registry;
  - c. Electrical Permit for the Security Alarm installation, finalized from the Bureau of Development Services, if required;
  - d. Security Alarm Permit issued by the Portland Police Bureau Alarms Unit;
  - e. Documented proof of access and use of the proposed location such as a Lease or title to the real property. If the documentation provided is a Lease, it must be executed and current at the time application and through license issuance, and must be accompanied by written consent from the property owner allowing the premises to be used for a marijuana business.
5. If the MRL application is for a Marijuana Producer, Marijuana Processor, or Marijuana Wholesaler license, the following must be provided within six months of submittal:
- a. Certificate of Compliance (City of Portland Business License) issued by the Office of Management and Finance – Revenue Division according to PCC 7.02.300.A;
  - b. Business Registration issued by the Oregon Secretary of State Business Registry;
  - c. Marijuana producers and processors must provide documentation showing that an applicable commercial building permit has been issued or obtained. Marijuana processors of cannabinoid extracts must also provide documentation showing that the applicable commercial building permit, mechanical permit(s) for extraction equipment, and tank permit(s) from the City Fire Marshal’s Office have been obtained and received final inspection approval. The documentation for a commercial building permit may include a temporary Certificate of Occupancy.
  - d. Electrical Permit for the Security Alarm installation issued and finalized from the Bureau of Development Services, if required;
  - e. Security Alarm Permit issued by the Portland Police Bureau – Alarms Unit;
  - f. Documented proof of access and use of the proposed location such as a Lease or title to the real property. If the documentation provided is a Lease, it must be executed and current at the time application and through license issuance and must be accompanied by written consent from the property owner allowing the premises to be used for the proposed business type.

## **D. Application Withdrawal**

1. An applicant may submit a request to withdraw a MRL application at any time.
  - a. An applicant must submit the request in writing and must be delivered via email, US mail or in person to Civic Life. The request must be submitted by the Primary Contact or Legal Representative.
    - (1) The request must include the following information:
      - (a) Business Legal Name and DBA;
      - (b) Physical and mailing addresses;
      - (c) MRL number; and
      - (d) A statement to request the withdrawal.

## **E. Application Amendment or Supplement**

1. An applicant may submit a request to amend or supplement a MRL application. The request must be made in writing and must be delivered via email, US mail, or in person to Civic Life.
  - a. The request must be submitted by the Primary Contact or legal representative and must include the following information:
    - (1) Business Legal Name and DBA;
    - (2) Physical and mailing address;
    - (3) MRL number; and
    - (4) A statement to request the amendment, and the reason for the request.
  - b. Amend a MRL application from a Medical Dispensary application to a Marijuana Retailer application. The request may be made so long as Civic Life has not made a licensing determination.
  - c. Amend a MRL application from a Marijuana Retailer application to a Medical Dispensary application. The request may be made so long as Civic Life has not made a licensing determination.
  - d. Amend the address for a MRL application for a Marijuana Producer, Marijuana Processor or Marijuana Wholesaler. The request may be made so long as the new address is within the same tax lot.
  - e. Amend the address for a MRL application for a Medical Dispensary or a Marijuana Retailer. The request may only be made if the footprint of the proposed location is the same, except as allowed by this section.
  - f. Amend the footprint for a MRL application for a Medical Dispensary or Marijuana Retailer. The request may only be made if a footprint inspection

has not been conducted. Amendments after the footprint inspection is conducted will be reviewed on a case by case basis.

- g. Amend the Marijuana Control Plan for a MRL application. The request must include the updated version of the document to be amended.

#### **F. Land Use Compatibility Statement Review Requests**

1. If an applicant seeks a LUCS for a Marijuana Business, the completed request form must be submitted along with a MRL application in accordance with Section C.; Application Procedure. Research Facilities or Laboratories are not required to submit a MRL application.
2. If the business is a Laboratory or Research Facility, the applicant must submit the following documentation;
  - a. Completed City of Portland Land Use Compatibility Review Form;
  - b. Completed Land Use Compatibility Information Form;
  - c. Bureau of Development Service Zoning Verification map issued by the Bureau of Development Services; and
  - d. The specified Fee.
3. Civic Life will process the LUCS within a maximum of 21 days as required by 475B.063.2 and send the original LUCS to the applicant and address listed on the LUCS via mail.

#### **G. Social Equity Program**

1. Applicants of the Social Equity Program may qualify to receive a 15-25% licensing fee reduction as outlined in PCC 14B.130.055.
  - a. Applications must be submitted at least 30 days prior to licensure to qualify.
  - b. Social Equity Program Applications must be filled out in their entirety with all required supporting documentation or the application may be denied.
  - c. Applications for reconsideration may be submitted so long as all required documentation is provided prior to licensure.
2. Applicants may request participation in the Social Equity Program by demonstrating qualifications on a form provided by Civic Life.
  - a. Small Business Qualifying Factor



- (1) Applicants must disclose the previous calendar year's combined "Total Income" of the business entity applying and all business entities (including any parent companies, associate companies, subsidiaries, or affiliates) with ownership interests of 10% or greater.
    - (a) Applicants must submit supporting documentation in the form of Internal Revenue Service (IRS) tax return forms for each entity (Form 1120 for corporations; Form 1120S for S corporations; Form 1120, Form 1065, or Form 1040 for LLCs; Form 1065 for partnerships; Form 1040 for sole proprietorships).
    - (b) Applicants may redact portions of the IRS forms, except for the business entity name, address, and "Total Income."
  - (2) Applicants must disclose the total number of recreational or medical cannabis licenses from all states obtained by or pending for the business entity seeking the license and all individuals and entities with 10% or greater ownership interest (including any parent companies, associate companies, subsidiaries, or affiliates).
    - (a) Applicants must submit the OLCC Individual History Forms disclosed with the State application pertaining to the location seeking the Social Equity Program fee reduction for owners holding 10% interest or greater.
    - (b) Applicant's must submit copies of all OLCC Marijuana Business Questionnaires, including the Corporate Questionnaire, Limited Liability Questionnaire, Limited Partnership Questionnaire, and Sole Proprietor/Other Entity Form.
    - (c) Individuals' medical cards issued for personal medical purposes do not constitute a medical cannabis license for purposes of this application.
- b. Small Business w/ MWESB-Certified Vendors Qualifying Factor
- (1) Applicants must demonstrate the qualifications for Small Business Qualifying Factor as stated above.
  - (2) Applicants must also submit receipts, contracts, or other supporting documentation to demonstrate the following:
    - (a) If the application is for a new license, the entity seeking the license paid a MWESB-Certified vendor(s) at least \$30,000 during the 24 months immediately preceding license issuance, for expenses directly related to the application's marijuana business location.
    - (b) If the application is for a renewal license, the entity seeking the license paid a MWESB-Certified vendor(s) at least \$30,000 during the most recent licensing period, for expenses directly related to the application's marijuana business location.

- (3) The marijuana business, or any owners, including any parent companies, associate companies, subsidiaries, or affiliates, may not have any shared ownership with the ancillary industry vendor(s) or its parent companies, associate companies, subsidiaries, or affiliates.
- c. Prior Cannabis Convictions Qualifying Factor.
- (1) Applicant may demonstrate that 25% or greater of ownership are represented by individuals with a federal or state conviction for a criminal offense committed prior to July 1, 2015 in which possession, delivery, or manufacture of marijuana or marijuana items is an element, whether misdemeanor or felony.
    - (a) Applicant must provide ownership percentage(s), jurisdiction of the conviction, and conviction date for each applicable owner.
    - (b) Applicant must also provide proof of the conviction, which may include records to set aside or expunge the original conviction.
  - (2) Alternatively, Applicant may demonstrate that 20% or greater of the cannabis business's staff hours are represented by individuals with a federal or state conviction for a criminal offense committed prior to July 1, 2015 in which possession, delivery, or manufacture of marijuana or marijuana items is an element, whether misdemeanor or felony.
    - (a) Applicant must provide signed certification by each staff member verifying that they have a qualifying conviction, their average monthly hours, and the jurisdiction and date of the conviction.
    - (b) Applicant must also provide the total number of monthly staff hours for the business.

## **H. Notification to Partner Bureau and Agencies, and Public Notice**

1. Civic Life is required to provide notice when an MRL application is received for Medical Dispensary and Marijuana Retailer. The notice shall include the business name, trade name, address of the location to be licensed, and the type of license sought. The notice shall be shared in the following ways:
  - a. A link to a web address for the Marijuana Control Plan for the Medical Dispensary or Marijuana Retailer;
  - b. Except for renewal applications and locations previously licensed for the proposed use with change in ownership, property owners and property occupants within 300 feet of the proposed licensed location shall be notified via US mail;
    - (1) Notices will not be mailed out until after the LUCS has been processed and the initial review of the application has been completed.

- c. The area District Coalition Office, Neighborhood Association and Business Association where the Medical Dispensary or Marijuana Retailer is seeking a MRL shall be notified via email;
- d. Area residents where the Medical Dispensary or Marijuana Retailer is seeking a MRL shall be notified by public notice posted at the proposed location. The public notice for an MRL application received for a specific location must be posted so they are visible by members of the public. The public notice must be left up for a minimum of 30 days.
  - (1) Public notices will be not be posted until Civic Life has received either a valid and current lease for the proposed location or a purchase sales agreement.

## **I. Application Review and Inspection of Premises**

- 1. Applications received for Marijuana Regulatory Licenses shall be reviewed in accordance with PCC 14B.130. Applications shall be processed in the order in which they are received. Incomplete applications shall be held in queue for further review. The applicant shall be notified via email and US mail to inform them the application is incomplete. The notice shall include a list of the missing items as well as the due date to submit them.
  - a. If the applicant fails to submit the required documentation as detailed in Section C., Application Procedure, the application may be denied, unless a document deadline extension is requested and granted as provided for under Section J., Deadline Extension Requests for a MRL application.
- 2. Civic Life shall inspect the premises of the proposed location for a business to be licensed within Portland City limits prior to the issuance of a MRL. Applicants shall have 10 business days to rectify any deficiencies as noted in the inspection report or the MRL application may be denied.
  - a. Civic Life shall inspect for the following:
    - (1) Posted Notice:
      - (a) Hours of Operation;
      - (b) Security Alarm Permit issued by the Portland Police Bureau – Alarms Unit;
      - (c) Certificate of Compliance (City of Portland Business License) issued by the Office of Management and Finance Revenue Division
    - (2) Inspection points for Marijuana Producers and Marijuana Processors:
      - (a) Floor Plan
      - (b) Personal History Forms

- (c) Alarm System
  - (d) Surveillance System
  - (e) 30-day off-site backup. Off Site storage of Security footage. As required by City Code, an applicant must demonstrate offsite storage for security footage with a 30 day back up. Offsite storage must be in a separate building from the location
  - (f) Safes/Locks
  - (g) Checking identification of customers
  - (h) Air Filtration
  - (i) Building Secureness
  - (j) Refrigerated storage for perishable products
  - (k) Storage of flammable products
  - (l) Mechanical permits for mechanical equipment
  - (m) Maximum Allowable Quantities (MAQ)
  - (n) CO2 systems
- (3) Inspection points for Medical Dispensaries, Marijuana Wholesalers and Marijuana Retailers:
- (a) Floor Plan
  - (b) Personal History Forms
  - (c) Alarm system
  - (d) Surveillance System
  - (e) 30-day off-site backup. Off Site storage of Security footage. As required by City Code, an applicant must demonstrate offsite storage for security footage with a 30 day back up. Offsite storage must be in a separate building from the location
  - (f) Safes/Locks
  - (g) Checking identification of customers
  - (h) Air filtration
  - (i) Building secureness
  - (j) Refrigerated storage for perishable products
  - (k) Maximum Allowable Quantities (MAQ)
3. Following a favorable inspection of the premises to be licensed, Civic Life shall conduct a final review of the MRL application.
4. If no cause exists for denial, Civic Life shall notify the Primary Contact or Legal Representative that MRL application has been approved. The notice shall be

delivered via email and US mail. Civic Life shall issue the MRL after the following has been received:

- a. Documented proof that a state license or registration has been issued; and
  - b. The specified licensing fee.
5. If there is cause for denial, Civic Life shall notify the Primary Contact or Legal Representative that MRL application has been denied. The notice shall be delivered via email and US mail. If the Primary Contact or Legal Representative believe the determination was made in error, they may request a review by Civic Life. The request must be submitted in writing within 10 business days of the determination and must include all evidence that supports the request and the associated administrative review fee.

#### **J. Deadline Extension Requests for MRL Applications**

1. Upon application review, if Civic Life finds a MRL application is missing information or documentation the applicant shall be notified via email and US mail to inform them the application is incomplete. The notice shall inform the Primary Contact or Legal Representative they have the right to request a deadline extension to postpone the due date to submit the missing items. The request must be received prior to the due date for missing documents. If the Deadline Extension Request is denied, the missing items must be submitted to Civic Life by the due date stated on the notice.
2. The Primary Contact or Legal Representative may submit a Deadline Extension Request to submit missing information or documentation required under Subsections C.5, or C.6., so long as the due date to submit missing information or documentation has not passed.
3. If a request is received outside of the allowed timeframes, the request may be denied. Request must be delivered to Civic Life via email, mail or in person. Missing three or more deadlines results in automatic denial of the application.
4. Requests must include:
  - a. A Deadline Extension Request form; and
  - b. Any and all documentation to support the reason for the request.
5. Extension requests will be reviewed on a case by case basis.
6. Applicants shall be notified of the determination of the request via email or mail.

#### **K. Abandonment or Termination of a Marijuana Regulatory License Application**

1. This section outlines guidelines and procedures for abandonment and termination of Marijuana Regulatory License applications.

- a. Civic Life may treat a Marijuana Regulatory License application as abandoned, and terminate the application, if:
  - (1) An incomplete Marijuana Regulatory License application is past its deadline; and
  - (2) The applicant does not have a pending Deadline Extension Request, and;
  - (3) The Cannabis Program notifies the Primary Contact or legal representative by an Application Abandonment Warning, by email and US mail, that the following action is needed to keep the application active:
    - (a) Submittal of the missing information or documentation, submitted in accordance with Section F.1.a of these Administrative Guidelines; OR
    - (b) A Deadline Extension Request for the missing information or documentation, in accordance with Section J of these Administrative Guidelines.
  - (4) If Civic Life does not receive the above information within 10 business days, the application may be considered abandoned, and the application may be terminated.
- (5) Civic Life may terminate an application if:
  - (1) Two (2) years since initial application submittal has passed and the application is not deemed complete for licensure.
    - (a) Applicants may be allowed to reapply at any time.
    - (b) If a retail application is resubmitted, applicant has sixty (60) days to show progress. If no progress is shown, application may be denied without allowance for request of a deadline extension.
  - (6) Missing three or more deadlines results in an automatic denial of the application.

**L. Grounds for Denial of Initial or Renewal Application**

- 1. Inability to meet licensure requirements under PCC 14B.130.040 D.2.
  - a. Pursuant to PCC 14B.130 Civic Life shall deny an application submitted under the Distance Requirement Exception Sections 14B.130.040 D.2.a.(1) or 14B.130.040 D.2.a.(2), if the application does not meet the requirements for licensure under the Distance Requirement Exception provisions.
- 2. Crime or Livability Incidents
  - a. Pursuant to PCC 14B.130.070, Civic Life shall investigate crime and livability complaints in the immediate vicinity of the location proposed to be licensed.

- b. Following the investigation, if Civic Life determines that there are substantiated complaints related to illegal activity, livability, and crime incidents associated with the business, Civic Life may deny the MRL application or suspend or revoke the MRL.
  - (1) In evaluating and substantiating complaints and incidents, the following shall be considered:
    - (a) The proximity or relevance of the incidents to the location to be licensed or renewed
    - (b) The number and/or types of complaints received and documentation available
    - (c) Any mitigating or aggravating circumstances associated with the incidents
- 3. Misrepresentation of material facts on application: if the applicant is found to have misrepresented material facts on the application, the application shall be denied.
- 4. Withholding information required for application review or inspections. The application may be denied for any of the following:
  - a. The application is missing information;
  - b. Information in the application cannot be verified;
  - c. There exists document proof that the applicant is non-cooperative with Cannabis Program staff, or;
  - d. The application is illegible.
- 5. Failure to operate in compliance with 14B.130 or any other City or State law, subsequent to PCC 14B.130.070. C. 5.
- 6. If a location has received three or more violations for operating out of compliance with PCC 14B.130, future applications may be denied subsequent to PCC 14B.130.070. C. 5.

#### **M. Conditional Approval**

- 1. Conditional Approval of an application for Marijuana Regulatory License.
  - a. Civic Life may conditionally approve an application for a Marijuana Regulatory License for Marijuana Business or Medical Dispensary under the following conditions:
    - (1) The application demonstrates compliance with Portland City Code 14B.130.040; minimum standards;
    - (2) The premises to be licensed has successfully passed the final inspection.

- (3) The MRL application has successfully passed the final review.
- b. The conditional approval shall expire and the licensee shall be denied after six months unless:
  - (1) The applicant shows good cause for an extension and requests an extension prior to the expiration of the conditional approval; or
  - (2) The Primary Contact or Legal Representative provides documented proof of the following prior to the expiration of the Conditional Approval:
    - (a) Oregon Medical Marijuana Dispensary Registration issued by the Oregon Health Authority; or
    - (b) State Marijuana License issued by the Oregon Liquor Control Commission License for Marijuana Retailers, Producers, Processors and Wholesalers.

#### **N. License Issuance**

1. Civic Life may issue an MRL to a Marijuana Business or Medical Dispensary under the following conditions:
  - a. The location has passed the final inspection and final application review;
  - b. The license fee has been paid, and;
    - (1) The City has received proof that the business to be licensed has been approved by the Oregon Health Authority at the proposed location, if the Marijuana Business is a Medical Dispensary, or;
    - (2) The City has received proof that the business to be licensed has been approved by the Oregon Liquor Control Commission at the proposed location, for all other Marijuana Businesses.
2. The applicant will be notified of approval and given 14 days to pick up their license and pay the fee.
3. Licenses will be issued to the applicant after payment is received in person.
4. License fees must be paid in person by cash, check or credit card on specified days and times as available on the Cannabis Program website.

#### **O. Posting a Marijuana Regulatory License**

1. Marijuana Businesses and Medical Dispensaries must post their MRL, issued by Civic Life, in the interior of the building, visible and accessible to customers and inspectors.

#### **P. License Renewal**

1. Civic Life shall provide notice of the expiration of a MRL to the Licensee no less than 45 days prior to the expiration date.



2. Licensees must submit the following to renew their license prior to the expiration of the MRL:
  - a. Completed MRL application form;
  - b. Completed Personal History forms for all applicants including the Primary Contact, owners, managers and PRD (person responsible for dispensary);
  - c. Proof of State Licensure or Registration with the appropriate State Agency:
    - (1) Oregon Medical Marijuana Dispensary Registration issued by the Oregon Health Authority; or
    - (2) State Marijuana License issued by the Oregon Liquor Control Commission License for Marijuana Retailers, Producers, Processors and Wholesalers.
  - d. Completed Marijuana Control Plan;
  - e. Security Alarm Permit issued by the Portland Police Bureau Alarms Unit;
  - f. Documented proof of access and use of the proposed location such as a Lease or title to the real property. If the documentation provided is a Lease, it must be executed and current at the time application and through license issuance and must be accompanied by written consent from the property owner allowing the premises to be used for the proposed license category; and
  - g. The specified fee.
3. Any licensee who submits a completed renewal MRL application with Civic Life at least 20 days before the date the MRL license expires may continue to operate as if the MRL were renewed, pending a licensing determination by Civic Life.
  - a. Any licensee who does not submit a completed renewal application at least 20 days before the existing license expires must stop engaging in any licensed activity when the MRL expires.
  - b. If Civic Life receives a completed MRL renewal application less than 20 days before the date the existing MRL expires, the applicant may be subject to a late renewal fee. Civic Life shall, upon receipt of the renewal MRL renewal application and appropriate late renewal fee, issue a letter of authority to operate beyond the expiration of the MRL, pending a licensing determination by Civic Life.
  - c. A licensee must not engage in any licensed activity after the MRL expires. If Civic Life receives a completed MRL renewal application within 30 days after the date the existing MRL expires, Civic Life will, upon receipt of the renewal MRL renewal application and appropriate late renewal fee, issue a letter of authority to operate beyond the expiration of the MRL, pending a licensing determination by Civic Life.

- d. Civic Life will not renew a MRL if Civic Life receives the MRL renewal application more than 30 days after the MRL expires. The 1000-foot buffer perimeter established for a Licensed Medical Dispensary or a Marijuana Retailer shall be removed 30 days after the MRL expires. A person who wants to resume licensed activity in this circumstance must submit a completed new MRL application in accordance with Section C.; Application Procedure.

#### **Q. Change in ownership of a license**

1. If a valid MRL is held at a location, an application may be submitted for a Change of Ownership without loss of the 1000-foot buffer perimeter established for a Licensed Medical Dispensary or a Licensed Marijuana Retailer.
2. If ownership of the business entity changes by 50% or more, a new application is required.
  - a. The MRL application must include:
    - (1) Documentation that the current Licensee for the location is aware of the application;
    - (2) The footprint of the proposed location is materially the same;
    - (3) The current license has not expired; and
    - (4) The completed MRL application has been received with the specified fee in accordance with Section C.; Application Procedure.
3. If ownership of the licensed entity changes by less than 50%, a change in partnership form is required within 10 business days of the change, and will be treated as the same licensee. The request must be made in writing and must be delivered via email, US mail or in person to Civic Life. An ownership change of less than 50% may only be performed once in a 90-day period without having to reapply as described in Subsection Q.2.
  - a. The request must be submitted by the Primary Contact or Legal Representative and must include the following information:
    - (1) Business Legal Name and DBA;
    - (2) Physical and mailing address;
    - (3) MRL number; and
    - (4) Updated Personal History Forms for each owner; and
    - (5) A statement to request the change in ownership that describes the changes.

## **R. Change in ownership of a MRL application**

1. If ownership of the business entity changes by 50% or more, a new application is required; and will be treated as new in time, and will require a new fee to be submitted. The original application's position in line will be forfeited.
2. If ownership of the licensed entity changes by less than 50%, a change in partnership form is required within 10 business days of the change, and will be treated as the same application.
3. The request must be made in writing and must be delivered via email, US mail or in person to Civic Life.
  - a. The request must be submitted by the Primary Contact or Legal Representative and must include the following information:
    - (1) Business Legal Name and DBA;
    - (2) Physical and mailing address;
    - (3) MRL number; and
    - (4) Updated Personal History Forms for each owner; and
    - (5) A statement to request the change in ownership that describes the changes.

## **S. Change in operation**

1. Any change in hours of operation, address, floor plan, Marijuana Control Plan, or Primary Contact must be submitted to the Cannabis Program within 10 business days of the change via email or US mail.

## **T. Violation notice and penalties**

1. Notice of violation of these Administrative Guidelines or PCC 14B.130 shall be sent to the Primary Contact or Legal Representative of the licensed location, or to the registered agent of the business, or to the entity reasonably assumed to be responsible for the business. This also includes locations for which no record of application exists but the Cannabis Program staff believe the business should be licensed by the City of Portland Cannabis Program.
2. The business shall be given 10 business days to respond to the notice.
3. Penalties in the amount of up to \$5,000 per day may be assessed.
4. The Cannabis Program reserves the right to reduce violations in any way seen fit in order to bring businesses fully in compliance.

## **U. Suspension, Revocation, Civil Penalties and Sanction Schedule**

1. Violation Level Categories.
  - a. Level I violations create a present threat to public health or safety.

- b. Level II violations create the potential for threat to public health or safety.
  - c. Level III violations create a climate conducive to abuses associated with the sale of marijuana and marijuana products.
  - d. Level IV violations the create inconsistency with the orderly regulation of marijuana businesses and medical dispensaries.
2. Level I Violations may include but are not limited to:
- a. Illegal Market. Contributing to sales in the illegal market is a level 1 violation. A licensee may be found to be contributing to sales in the illegal market if any of the following occur:
    - (1) Making marijuana or marijuana items available for sale in a location not licensed by the City of Portland.
    - (2) Accepting money or any good or service in exchange for sale of marijuana or marijuana items outside of the licensed location.
  - b. Contributed to minor consumption of Marijuana, except as allowed under the Oregon Medical Marijuana Act. A licensee may be found to be contributing to minor consumption if any of the following occur:
    - (1) Licensee or representatives of the licensee make marijuana or marijuana items available to minors either at or in the immediate vicinity of the licensed premises.
    - (2) Licensee engages in marketing and advertising in areas frequented by minors or that would be attractive to minors as a primary audience.
  - c. Contributing to the distribution of marijuana and marijuana products across state lines.
  - d. Licensee or representatives for the licensee for a Medical Dispensary or Marijuana Retailer are found to be making marijuana or marijuana products for sale by delivery except as specifically authorized by Oregon law for current Medical Marijuana Patient Cardholders or Caregivers as established under ORS 475.314.
  - e. The location to be licensed has contributed to crime and nuisance activity in the immediate vicinity of the location while holding a marijuana regulatory license.
  - f. The location to be licensed has incurred violations due to non-compliance with the provisions of Chapter 14B.130.
  - g. The location has incurred violations from the Oregon Health Authority or the Oregon Liquor Control Commission.
3. Level II Violations may include but are not limited to:

- a. Licensee or representatives for the licensee for a Medical Dispensary or Marijuana Business are found to have failed to designate personnel at the entrance intended for consumers to require all persons entering the premises to produce a State approved form of identification.
  - b. Licensee or representatives of the licensee have been found to allow consumption of marijuana or marijuana items on the premises licensed under Chapter 14B.130, except as specifically authorized by Oregon law for employees of medical marijuana dispensaries who are current Medical Marijuana Patient Cardholders.
  - c. Licensee or representatives of the licensee have been found to allow unlawful activity under state and local laws to take place the licensed location.
4. Level III Violations may include but are not limited to:
- a. Licensee or representatives for the licensee for a Medical Dispensary or Marijuana Retailer are found to be operating outside the allowed hours of operation of between 7:00 a.m. and 10:00 p.m.
5. Level IV Violations may include but are not limited to:
- a. Licensee or agents of the licensee have failed to maintain in proper working order at the licensed premises a security system including alarms, safes, and surveillance cameras.
    - (1) Licensee or agents of the licensee for Marijuana Producers, Processors or Wholesalers have been found to allow the licensed location to be open to the general public.
    - (2) Licensee or agents of the licensee fail to maintain current valid permits required by state and local laws.
    - (3) Licensee or agents of the licensee have been found to fail to prominently display licenses or permits required by state and local laws.
    - (4) Licensee or agents of the licensee have been found to fail to maintain an air filtration system to ensure odor impacts upon neighboring properties are minimized.
6. Sanction Schedule
- a. Exhibit I lists the sanctions for single or multiple violations that occur within a two-year period for each level described in Section U.2.-5., Violation Level Categories.

Exhibit I

Sanction Schedule – Licensed Marijuana Businesses

<b>Level</b>	<b>1<sup>st</sup> Violation 2-yr period</b>	<b>2<sup>nd</sup> Violation 2-yr period</b>	<b>3<sup>rd</sup> Violation 2-yr period</b>	<b>4<sup>th</sup> Violation 2-yr period</b>	<b>5<sup>th</sup> Violation 2-yr period</b>	<b>6<sup>th</sup> Violation 2-yr period</b>
<b>I</b>	\$5000.00	10 business closure	Revoke			
<b>II</b>	\$2500.00	Level I	10 business day closure	Revoke		
<b>III</b>	\$1250.00	Level II	Level I	10 business day closure	Revoke	
<b>IV</b>	\$625.00	Level III	Level II	Level I	10 business day closure	Revoke