

City of Portland

Cannabis Policy Center: Portland Cannabis Business Regulations



Sept. 30, 2015 – Chapter 14B.130 Adopted

What we knew:

- Unregulated Medical Industry – OHA capacity
- Recreational Sales were beginning in 132 Dispensaries in Portland – No OLCC Rules in place
- Wide Spectrum of compliance in existing Medical Marijuana Industry
- Saturation and adherence to Cole Memo Guidelines were a priority
- No State regulatory oversight over over illegal locations/sales

What we did NOT know:

- Existing Illegal locations
Confidentiality afforded to dispensaries made it difficult to identify
- How many dispensaries would choose to sell recreational and would eventually convert
- Landscape of other Jurisdictions (Opt out and regulatory framework)



Portland Marijuana Regulatory License

Portland enacted the Cannabis Policy Center and Chapter 14B.130 to meet the following needs of the City:

- Responsible integration of the industry
- Mitigate environmental impacts related to livability and public safety
- Provide safeguards for Security of the industry
- Address Community expectations
- Address unlicensed locations (Oregon Health Authority and Oregon Liquor Control Commission have no statutory authority)



Community Concerns

Complaints Related to Cannabis Businesses

- Opposition to marijuana businesses siting in their neighborhood (from public notification)
- Saturation concerns
- Concerns about proximity of marijuana business to schools, parks and daycare centers
- Odor of marijuana in residential and commercial zones
- Complaints about specific businesses related to:
 - Public Consumption and Loitering
 - Increase car and foot traffic at the business location
 - Possible illegal grow sites, processing (extraction) and sales



State Rules and Portland Rules

- No State Rules when Chapter 14B.130 was adopted
- OHA and OLCC have different requirements – OLCC is more stringent in many ways
- State does not consider Local Regulations in licensing – Collaboration through LUCS
- State provides uniformity for Industry across rural, coastal and urban environments
- Lessons learned from Alcohol:
 - Urban needs differ because of close proximity of communities.
 - Livability and Safety of the Environment are key concerns to local jurisdictions
 - Promoting Collaboration and Integration is important



Marijuana Regulatory License: Regulations Unique to Portland

Unlicensed Businesses

- The State does NOT have the authority to regulate unlicensed businesses; the City does
- Allows regulated and legal cannabis businesses to be protected by those businesses that operate illegally
- Mitigates livability concerns (sale to minors, sales from mobile premises, etc.) that may impact the community's perception of the legal, regulated industry



Marijuana Regulatory License: Regulations Unique to Portland

Neighborhood Notifications

- Allows neighbors to familiarize themselves with the cannabis business BEFORE they're licensed
- Notification process does NOT include a public comment period; there is no review board for licenses as exist in other jurisdictions
- For Medical Dispensaries and Marijuana Retailers, notices must be mailed to neighbors within 300 feet of the site, posted on site, and have the Marijuana Control Plan available online.



Marijuana Regulatory License: Regulations Unique to Portland

1000ft Buffers Between Medical Dispensaries and Marijuana Retailers

- Concerns from industry about proximity of businesses to others
- Concerns from community about saturation
- Potential proposal to include parks, libraries, day cares, or other areas (similar to states like Washington) were NOT adopted for concerns about oversaturation of Portland neighborhoods that lack those amenities.



Marijuana Regulatory License: Regulations Unique to Portland

Medical Dispensaries and Marijuana Businesses NOT Allowed to Site in Residential Zones RF-RH

- Similar to OLCC restriction (no Marijuana Business allowed in areas zoned exclusively for Residential use); slight difference with Portland's restriction, as Portland restricts those zones that are mostly residential, but are not EXCLUSIVELY residential
- Concerns about saturation of residential neighborhoods with cannabis businesses



Marijuana Regulatory License: Regulations Unique to Portland

Commercial Building Permitting Requirements

- NOTE: Proper permitting is required of ALL Portland businesses, not just cannabis businesses.
- When PCC 14B.130 first passed, ALL license types needed to show proper building and mechanical permitting before being licensed; with amendments passed in Dec. 2016, those requirements now only apply to Producers and Processors, the license types that carry the greatest level of risk to owners, staff, and neighbors.
- Accessibility and lifesafety issues, seismic concerns, parking and pedestrian issues, and a number of explosions in Colorado prompted the City to approach this issue proactively rather than reactively



Marijuana Regulatory License: Regulations Unique to Portland

Security System Requirements: Proof of a Security System, Security Alarm Permit, and Electrical Permit for Security System (If needed)

- Security is a major concern for cannabis businesses and neighbors; requiring a security system ensures City staff can identify and work with business on potential concerns
- Security Alarm Permit requirement ensures that any potential security issues notify the Portland Police Bureau, benefitting both the storefront and neighbors to the businesses
- Electrical permit only needed IF the security system installation requires such a permit



Marijuana Regulatory License: Regulations Unique to Portland

Air Filtration: Proof of an Air Filtration System and Applicable Permits

- Odor was a concern for stakeholders when Portland's regulation was being developed
- These concerns are largely addressed on a complaint-driven basis
- Proof of permit submittal ONLY required of the filtration system requires them



Duplication: State Rules and Portland Rules

- **School Buffers:** Yes.
- **Security Plans:** OHA and OLCC have different requirements. City code provides clear expectation for urban environment; OLCC allows for waiver due to the many types of environments they will consider across Oregon.
- **Structural Code:** OLCC requires compliance with structural code for Processors but not for initial licensing. OHA does not. City Code provides consistency in ensuring safe environment.
- **Security Alarm:** State requires an alarm – City requires the permit so they are on record with PPB.
- **Floor Plans:** City of Portland evaluates buffers between businesses

MORE DETAIL AVAILABLE ON STATE & CITY COMPARISON IN PACKET



City	Application/License Fees (Despite State Fees)	Zoning	Commercial Building Permit Requirements	Buffer	Local regulations
Portland	\$750-\$975/\$2000-\$4975	No Residential	For producers/processors only	1000 ft buffer for retailers and schools	Yes
Gresham	\$260/\$5130 also charged for inspection fees \$410,\$620 for off-hours	No residential	Yes including mechanical ventilation permits	1000 ft buffer cross-buffer, schools, child care facilities, park, religious institution	Yes
Denver	\$2500/\$5000	No residential	Yes - all businesses	1000 ft. from schools, rehabs, other stores, daycares, Producers are also 1000 ft. from residential zones and schools	Yes
Las Vegas	\$5000/\$25,000-\$60,000 + 2-6% gross revenue	No residential. Not allowed to grow for personal use within a 25 mile radius of a dispensary	Yes - all businesses	1000 ft from schools, 300 ft from community facilities, 660 feet from residential zones,not permitted in gaming corridor. Only 80 dispensary max in Clark County	Yes
Seattle	\$500-\$1000 license fee	No residential, no downtown zones	Yes - all businesses	1,000 feet of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or game arcade that allows minors to enter.	Yes
Oakland	Initial fees \$11,245-\$33,756	No residential	Yes-all businesses	State law mandates 600 ft buffer from schools, and residential zones. local jurisdictions may tighten that. Cap on number of dispensaries allowed	Yes
Anchorage	\$1700 land use permit	No residential	Yes-all businesses	500 ft from churches, schools, DOC's, playgrounds, community centers, public housing facilities, shelters, rehabs, video arcades	Yes

Questions?
Comments?
Suggestions?

