

## FINDINGS

### I. BACKGROUND

#### A. Deschutes County Marijuana Regulation History

Following the passage of Ballot Measure 91 (2014), legalizing the sale and recreational use of marijuana, and HB 3400 (2015), refining the implementation of marijuana legalization, the Deschutes County Board of Commissioners (Board) adopted marijuana regulations in June 2016 (Ordinance Nos. 2016-013, 2016-014, 2016-015, 2016-017, 2016-018, and 2016-019). Following their initial adoption, the Board committed to reexamine Deschutes County's marijuana land use regulations post-implementation after gaining additional experience regulating the evolving marijuana industry. Deschutes County utilized extensive resources from 2017 to 2019 to attempt to develop reasonable time, place, and manner marijuana regulations. During this time, citizens on all sides of the issue vocally expressed their dissatisfaction, consistently expressing doubt that Deschutes County's regulations have the ability to successfully harmonize ostensibly incompatible land uses in the rural County due to marijuana's classification as a farm crop.

On August 19, 2019, the Board adopted by emergency Ordinance No. 2019-014, which prohibited the establishment of future (new) marijuana production and processing businesses in unincorporated Deschutes County (commonly referred to as an Opt Out). Ordinance No. 2019-015, adopted on October 16, 2019, further clarified that Ordinance No. 2019-014 has no impact on the County's past marijuana production land use decisions and does not preclude those applicants from moving forward in the licensure process with the Oregon Liquor Control Commission (OLCC).

Oregon law (ORS 475B.968) provides that Deschutes County may adopt ordinances prohibiting marijuana businesses, but must then refer the matter to County electors at the next statewide general election. On November 3, 2020, Ballot Measure 9-134 asked voters if they wanted to repeal the opt-out ordinances. As the ballot measure was phrased, a "yes" vote would once again allow new marijuana production and processing businesses in Deschutes County, and a "no" vote would continue to prohibit new marijuana production and processing businesses in Deschutes County. Ultimately, 57% of Deschutes County's electorate voted "no" to [Measure 9-134](#), thereby upholding the opt-out and prohibiting future/new commercial marijuana production and processing businesses from being established in the unincorporated County. Existing marijuana production and processing businesses may continue to operate per their conditions of approval. Retail marijuana businesses are unaffected by the opt-out.

### II. PROPOSAL

This is a legislative text amendment to Deschutes County Code (DCC), Title 18, County Zoning. The amendments modify marijuana retail hours consistent with the Oregon Liquor and Control Commission (OLCC) requirements and provide the Board of County Commissioners the discretion to modify annual marijuana reporting requirements.

### III. REVIEW CRITERIA

Deschutes County lacks specific criteria in DCC Titles 18, 22, or 23 for reviewing a legislative plan amendment. Nonetheless, since Deschutes County is initiating one, the County bears the responsibility for justifying that the amendments are consistent with Statewide Planning Goals and its existing Comprehensive Plan.

## **A. Statewide Planning Goals and Guidelines**

Goal 1: Citizen Involvement: The amendments do not propose to change the structure of the County's citizen involvement program. Notice of the proposed amendments were provided to the *Bulletin* for the Board public hearing.

Goal 2: Land Use Planning: This goal is met because ORS 197.610 allows local governments to initiate post acknowledgments plan amendments (PAPA). An Oregon Land Conservation and Development Department 35-day notice was initiated on June 9, 2021. The Planning Commission will hold a public hearing on July 22, 2021. The Findings document provides the adequate factual basis for the amendments.

Goal 3: Agricultural Lands: The proposed amendments do not make changes regarding marijuana's status as a farm crop, or the appropriate location of commercial grow sites and processing operations, and therefore continue to support Statewide Goal 3, to preserve and maintain agricultural lands. The proposed amendments to the County Code are consistent with these provisions of state law and are therefore consistent with Goal 3.

Goal 4: Forest Lands: The proposed text amendments do not propose to change the County's Plan policies or implementing regulations for compliance with Goal 4, and therefore are in compliance.

Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources: Complies because the text amendment does not propose to change the County's Plan policies or implementing regulations for Goal 5 open spaces, scenic and historic areas, and natural resources.

Goal 6: Air, Water and Land Resources Quality: The proposed text amendments do not propose to change the County's Plan policies or implementing regulations for compliance with Goal 6, and therefore are in compliance.

Goal 7: Areas Subject to Natural Disasters and Hazards: The proposed text amendments do not propose to change the County's Plan or implementing regulations regarding natural disasters and hazards; therefore, they are in compliance.

Goal 8: Recreational Needs: Complies because the text amendment does not propose to change the County's Plan or implementing regulations regarding recreational needs.

Goal 9: Economy of the State: Goal 9 and its implementing regulations focus on economic analysis and economic development planning required in urban Comprehensive Plans. The proposed amendments apply to rural lands but do not propose to amend the Comprehensive Plan. Nevertheless, there are currently two retail marijuana businesses in unincorporated Deschutes County. DCC 18.116.330(C)(1) permits hours of operation from 9am to 7pm for marijuana retail; however, the OLCC permits hours of operation from 7am to 10pm. Increasing the allowable hours has the potential to increase those retail businesses' economic opportunities with respect to sales as well as employment. Changing the reporting requirements will not have a direct effect on the economy of the state.

Goal 10: Housing: This goal is not applicable because, unlike municipalities, unincorporated areas are not obligated to fulfill certain housing requirements.

Goal 11: Public Facilities and Services: Complies because the text amendments do not propose to change the County's Plan or implementing regulations regarding public facilities and services.

Goal 12: Transportation: The proposed text amendments do not propose to change the County's Plan or implementing regulations regarding the Transportation System Plan; therefore, they are in compliance.

Goal 13: Energy Conservation: Complies because the text amendments do not propose to change the County's Plan or implementing regulations regarding energy conservation.

Goal 14: Urbanization: Complies because the text amendments do not propose to change the County's Plan or implementing regulations regarding urbanization.

Goals 15 through 19 are not applicable to the proposed text amendments because the County does not contain these types of lands.

**D. Deschutes County Comprehensive Plan**

Chapter 1, Comprehensive Planning: This chapter sets the Goals and Policies of how the County will involve the community and conduct land use planning. As described above, the proposed regulations will be discussed at work sessions with the Board of County Commissioners, as well as to the Planning Commission, which is the County's official committee for public involvement. Both will conduct separate public hearings.

These actions also satisfy the Goals and relevant Policies of Section 1.3, Land Use Planning Policies. Goal 1 of this section is to "maintain an open and public land use process in which decisions are based on the objective evaluation of facts." Staff, the Planning Commission, and the Board reviewed the text amendments.

Chapter 2, Resource Management: This chapter sets the Goals and Policies of how the County will protect resource lands, including but not limited to, Agriculture and Forest as well as Water Resources and Environmental Quality.

Section 2.2, Agricultural Lands Policies, states that Goal 1 is to "preserve and maintain agricultural lands and the agricultural industry." Changing annual reporting requirements for existing marijuana production and processing businesses will not have a direct effect on the agricultural lands they may operate on. Retail businesses are not permitted on agricultural lands.

Goal 2 promotes a diversified, sustainable, revenue-generating agricultural sector. Policy 2.2.10 calls for the promotion of economically viable opportunities and practices while Policy 2.2.11 encourages small farming enterprises including but not limited to, niche markets and organic farming and valued-added projects. The proposed text amendments do not change existing marijuana businesses' ability to operate as a revenue generating agricultural businesses.

Goal 3 specifies the Exclusive Farm Use (EFU) policies, classifications, and codes are consistent with local and emerging agricultural conditions and markets. As noted above, the proposed amendments only impact reporting aspects of marijuana recreational production and processing businesses.