



CITY COUNCIL

Work Session Meeting Minutes July 11, 2022

Mayor Drotzmann called the work session meeting to order at 6:00pm. Present were Councilors Hardin, Spicerkuhn, Peterson, Duron, Primmer, and Myers. Councilors Davis, Myers, and Barron were excused. Staff in attendance was: City Manager Byron Smith, Assistant City Manager Mark Morgan, City Attorney Richard Tovey, Chief Edmiston, Planning Director Clint Spencer, Finance Director Mark Krawczyk, Parks and Recreation Director Brandon Artz, and City Recorder Lilly Alarcon-Strong. Youth Advisory Members Julissa Gonzales Mendoza was also in attendance.

Psilocybin Discussion

Planning Director Clint Spencer presented information (attached) regarding Psilocybin also known as Mushrooms similar to LSD; Measure 109 which passed in 2021 that legalizes manufacturing, selling, and administering psilocybin; the historic and recently studied effects and benefits of psilocybin; psilocybin is regulated by the Oregon Health Authority however it has not completed its rule making regarding this process; local government opt-out options through general election votes, only.

Planning Director Spencer and City Attorney Tovey answered questions from the Council and stated the Council will be asked to make a decision, during the regular City Council meeting later tonight, to either refer this decision to the voters to possibly opt-out of the selling and administering of psilocybin or not to refer this decision to the voters and allow Psilocybin within the City, without a vote of the people, on January 2nd, 2023.

League of Oregon Cities (LOC) Discussion

City Manager Byron Smith presented information from Section 12, Item A of the agenda regarding LOC Legislative Priorities. City Manager Smith stated each even-numbered year the LOC asks each city to review the seven policy committees' recommendations and provide input to the LOC Board as it prepares to adopt the LOC's 2023 legislative agenda to take to the coming two-year legislative cycle. Of the 29 policy priorities listed by the Committee's, City Manager Smith has helped narrow down the recommendations to 10 based on the last Council Goal Setting Report. City Manager Smith highlighted and reviewed the five he believes the Council may find the most important. However, the Council can only select four as its policy priorities.

City Manager Smith answered questions from the Council and stated the Council will be asked to select four priorities from the list presented during the regular City Council meeting later tonight.

Adjournment

Mayor Drotzmann adjourned the work session meeting at 6:44pm and stated the Council will take a short break before starting the regular City Council meeting at 7:00pm.



PSILOCYBIN WORK SESSION

July 11, 2022



Oregon's Drug Legalization History

- Measure 67 – 1998
 - Authorized medical marijuana possession and cultivation
- Measure 91 – 2014
 - Authorized recreational marijuana use and retail sales
- Measure 110 – 2020
 - Decriminalized possession of small amounts of all drugs for personal use
- Measure 109 – 2021
 - Creates new psilocybin (mushrooms) program for manufacturing, selling, and administering psilocybin products



What is Psilocybin?

- Psilocybin is a compound derived from mushrooms which is similar to LSD
- Produces euphoric and hallucinogenic effects when ingested, either orally or brewed into a tea
- Effects start 1 to 2 hours after ingestion and can last up to 6 hours
- May affect mood, sensory perception, sleep, hunger, body temperature, muscle control, and other bodily functions
- Classified as a Schedule 1 substance under the federal Controlled Substances Act
- Legalized by popular vote in Oregon in 2020

Source: <https://www.drugs.com/illicit/psilocybin.html>



What is Psilocybin?

- Historically used in rituals
- More recently studied for psychological benefits
 - Shows benefit for “existential distress” experienced by cancer patients
 - Potential treatment for anxiety and depression
 - Additional studies are planned to compare effects with traditional antidepressants
 - Upcoming studies will evaluate new therapy potential for opioid addiction, Alzheimer’s, PTSD, anorexia, and other conditions

Source: <https://www.drugs.com/illicit/psilocybin.html>

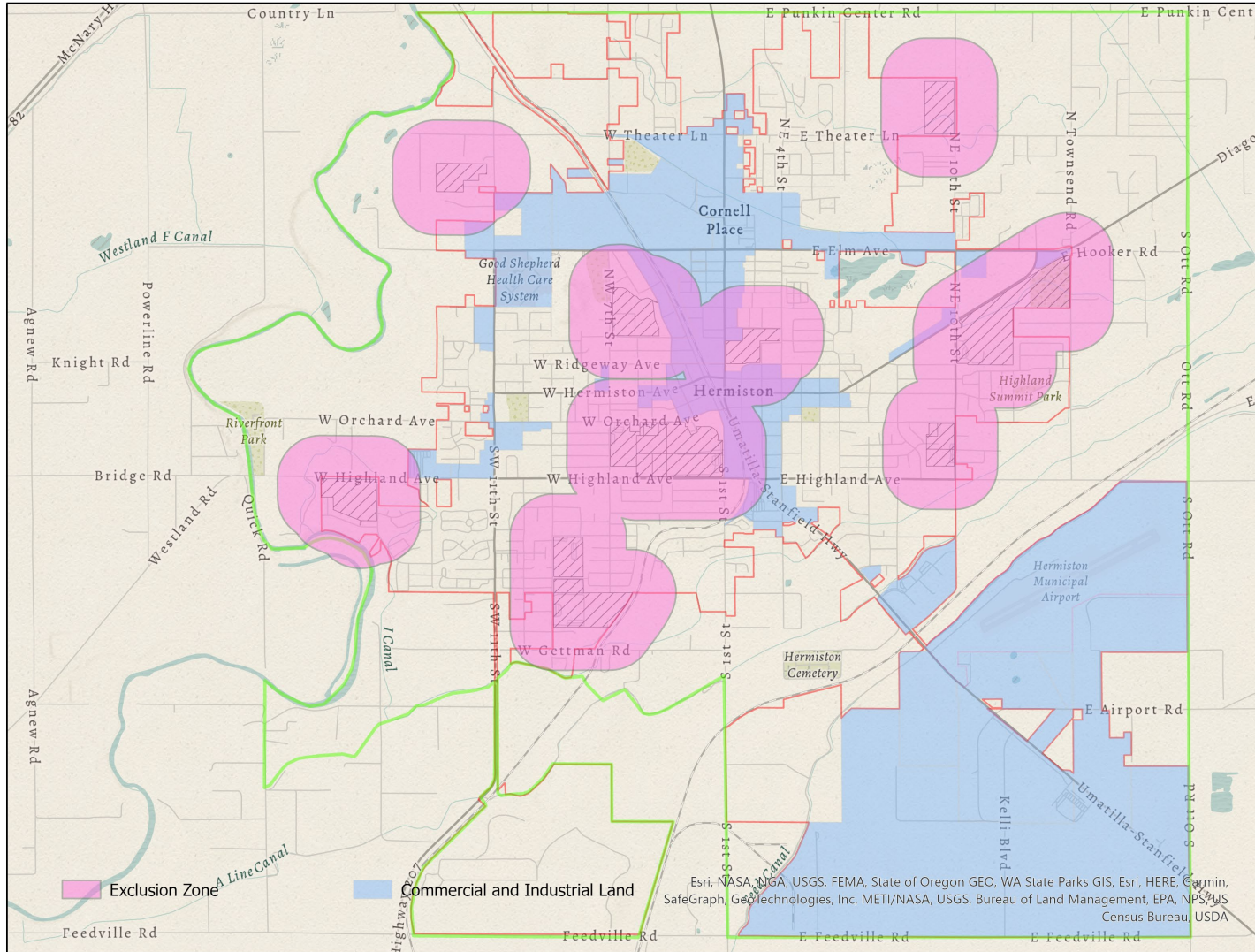


Measure 109 Facts

- Psilocybin service centers are regulated by the Oregon Health Authority (OHA)
 - Not considered a health care facility
 - Cannot be located in a residential zone
 - Cannot be located within 1,000 feet of a school
 - May administer dosages to people over 21
 - Product must be consumed on the premises, no outside sales



Measure 109 Facts



Measure 109 Facts

- Psilocybin manufacturing centers are permitted
 - Requires licensing by OHA
 - May not be manufactured outdoors
 - Manure may not be used as a growth medium for the fungi
 - May also be a service center
 - All psilocybin products must be tested by a licensed lab prior to sale



Measure 109 Facts

- Local government rules
 - Cities may not require special licenses or taxes
 - Cities may establish time, place and manner rules
 - Cities are required to sign Land Use Compatibility Statements (LUCS) for submission to OHA during site development
 - Additional fees above those regularly charged to development (SDCs, building permit fees, etc.) are prohibited



Local Voting History

- Measure 91 – Legal Marijuana
 - No 12,121 (63%)
 - Yes 7,176 (37%)
- Hermiston Ordinance 2344 – Local Marijuana Prohibition
 - Yes 2,786 (54%)
 - No 2,344 (46%)
- Measure 110 – Decriminalized Drug Possession
 - No 17,553 (56%)
 - Yes 13,874 (44%)



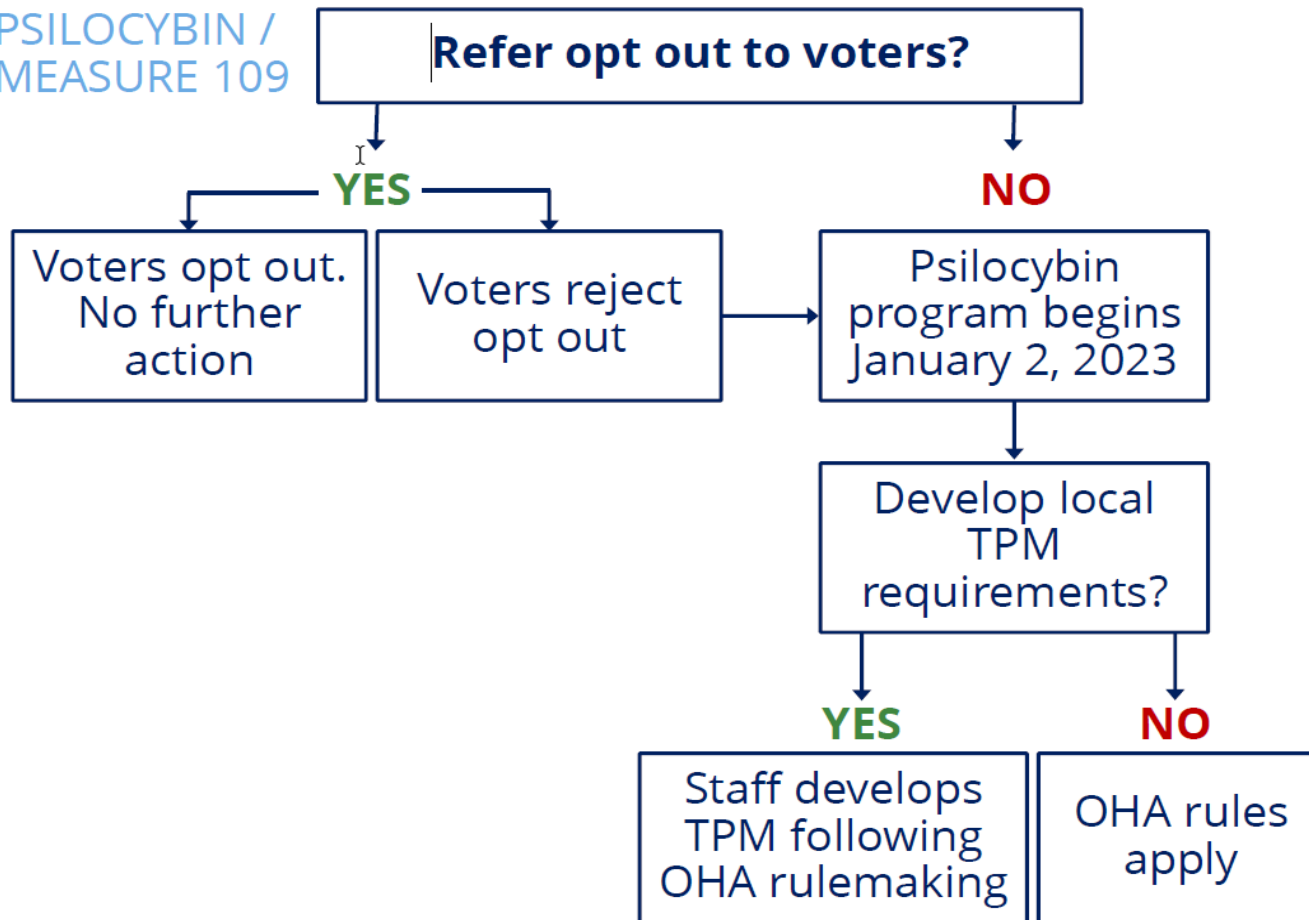
What's Next?

- OHA has not yet completed rule making process
 - Estimated completion before end of 2022
 - Manufacturing and service centers can begin obtaining licenses Jan 2, 2023
- State administrative rules allow local governments a one-time opt-out option
- Cities can opt-out and prohibit psilocybin only through a popular vote in the November 2022 general election
 - Umatilla County voted against Measure 109 in 2020
 - 20,120 No (64%)
 - 11,330 Yes (36%)
- Should the city refer a prohibition to the voters in November?
- Should the city consider a repeal of the marijuana prohibition?



What's Next?

PSILOCYBIN /
MEASURE 109



TPM = time, place, and manner rules



Local Government Partners Webinar Introduction to The Oregon Psilocybin Services Act

**Angie Allbee, Section Manager
Jesse Sweet, Policy Analyst
Jennifer Violette, Licensing Program Manager
Gil Garrott, Compliance Program Manager
Oregon Psilocybin Services**

June 17, 2022



PUBLIC HEALTH DIVISION
Oregon Psilocybin Services

Oregon Psilocybin Services Section

Oregon Psilocybin Services is a new section housed within the Oregon Health Authority Public Health Division's Center for Health Protection.

The OPS team has been designed around three program areas:

- **Policy and Engagement**
- **Licensing**
 - **Local Government and Law Enforcement Liaison position**
- **Compliance**

Each program will center on health equity, including outreach to partners and communities and working to ensure access to services.

Ballot Measure 109: The Oregon Psilocybin Services Act

In November of 2020, Ballot Measure 109, the Oregon Psilocybin Services Act was passed by voters in Oregon. The ballot measure is now codified as ORS 475A.

M109 created a license and regulatory framework for production of psilocybin and facilitation of psilocybin services for adults 21 years of age and older and created the Oregon Psilocybin Advisory Board that makes recommendations to OHA.

M109 does not:

- Create a consumer market for psilocybin
- Allow for export or import of psilocybin
- Allow licensees to interact with unregulated markets

License Types

Manufacturer License

- Cultivates fungi and manufactures psilocybin products
- Cannot cultivate outdoors
- Premise must have defined boundaries
- Cannot exceed production quantities established in rule
- Product tracking system required to track manufacturing, sale and transfer of psilocybin products to prevent diversion, ensure accurate accounting, ensure accurate reporting of lab testing results

Laboratory License

- All psilocybin products must be tested by a licensed lab prior to sale.
- Labs must be accredited by the Oregon Environmental Laboratory Accreditation Program
- Testing results must be entered in the product tracking system

License Types (cont'd)

Facilitator License

- Supervises sessions where clients consume psilocybin.
- Must complete **OHA approved training program** as a condition of licensure.
- Must pass exam approved or administered by OHA

Service Center License

- Cannot be located within 1000 feet of a school
- Must have defined boundaries
- Transfers psilocybin products to client for use during administration session

Psilocybin Services

Psilocybin will only be administered to persons 21 years or older in licensed service center settings under the supervision of trained and licensed facilitators.

Psilocybin Services may include:

- Preparation Session
- Administration Session
- Integration Session (optional)

Product tracking system required to track manufacturing, sale and transfer of psilocybin products to:

- Prevent diversion
- Ensure accurate accounting
- Ensure accurate reporting of lab testing results

Local Government Issues

Local Government Opt-Out:

- Local governments (cities and counties) may adopt ordinances that prohibit Manufacturers and Service Centers
- Ordinances must be referred to voters at the next general election

Local Government Time Place and Manner Regulations

- Local governments may adopt reasonable regulations on hours, location, and operation of licenses

Land Use Compatibility Statements (LUCS)

- Applicants for Service Center and Manufacturer licenses are required to request a LUCS from their local government before submitting a license application

Site Requirements

Service Centers:

- GIS mapping tool for school proximity
- Cannot be located on public land; must have defined boundaries
- Cannot be located within a residence
- Cannot be located in an area within city limits that is zoned exclusively for residential use

Manufacturers:

- Cannot be located on public land; must have defined boundaries
- Outdoor cultivation is prohibited
- Landlord must consent to use

TPM:

- OPS will not track local time place and manner regulations

License and Application Fees, Taxes

License and Application Fees

- License and application fees will be set in rule later this year
- Oregon Psilocybin Services will be a fee-based program and fees must cover the costs associated with the agency's work

Taxes

- Service Centers collect a 15% tax on the sale of psilocibin products payable to Oregon Department of Revenue
- Local taxes and fees are prohibited
- Psilocybin services are not taxed

OHA Key Dates

- **November 24, 2021:** Preliminary recommendations from OPAB
- **December 2021:** Public Listening Sessions
- **January 1, 2022:** Community Interest Survey
- **May 13, 2022:** Effective Date for Expedited Rules.
- **June 1, 2022:** OHA begins accepting applications for training programs
- **June 30, 2022:** Recommendations for Remaining Rules
- **July 2022:** Public Listening Sessions
- **September 2022:** RAC for Remaining Rules
- **November 1-21, 2022:** Public Comment for Remaining Rules
- **December 30, 2022:** Effective Date for Remaining Rules
- **January 2, 2023:** OHA begins accepting applications for licensure

Thank You!

Please visit our website:

<https://www.oregon.gov/psilocybin>

MODEL



Model Psilocybin Ordinance & Ballot Measure

JUNE 2022

Cities and counties that desire to prohibit the establishment of psilocybin-related businesses may do so by referral at a statewide general election, meaning an election in November of an even-numbered year. Cities and counties should consult the secretary of state’s referral manual and work with the city recorder, elections official, or similar official to determine the procedures necessary to refer an ordinance to the voters.

Once the governing body of a city or county adopts an ordinance, its city or county must submit the ordinance to the Oregon Health Authority (OHA). The OHA will then stop registering and licensing the prohibited businesses until the next statewide general election, when the voters will decide whether to approve or reject the ordinance. In other words, the governing body’s adoption of an ordinance acts as a moratorium on new psilocybin-related businesses until the election.

In addition, it is important to note that once election officials file the referral with the county election office, the ballot measure is certified to the ballot. At that point, the restrictions on public employees engaging in political activity will apply. Consequently, cities should consult the secretary of state’s manual *Restrictions on Political Campaigning by Public Employees* and their city attorney to ensure that public employees are complying with state elections law in their communications about the pending measure. The model ordinances and ballot measures below contain two versions. The first is a permanent ban of psilocybin-related businesses until the ordinance is repealed and the second acts as a two-year moratorium.

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This document is not a substitute for legal advice. City and county councils considering prohibiting psilocybin-related activities should not rely solely on this sample. Any city or county council considering any form of regulation of psilocybin should consult with its city or county attorney regarding the advantages, disadvantages, risks and limitations of any given approach.

Legal counsel can also assist a city or county in preparing an ordinance that is consistent with local procedures, existing ordinances and charter, and advise on what process is needed to adopt the ordinance. The sample provided is intended to be a starting point, not an end point, for any jurisdiction considering prohibiting psilocybin-related activities.

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PERMANENT BAN

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ORDINANCE NO. _____

AN ORDINANCE DECLARING A BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS

WHEREAS, in November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state’s psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of June {date}, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of {city} is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

WHEREAS, the {city} City Council believes that prohibiting psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety and welfare of the people of {city}; and

WHEREAS, the City Council seeks to refer to the voters of {city} the question of whether to establish a ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

Now, therefore,

THE CITY OF {CITY} ORDAINS AS FOLLOWS:

Section 1. Prohibition.

The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the City of {city}.

Section 2. Referral.

This ordinance is referred to the electors of the city of {city} for approval at the next statewide general election on November 8, 2022.

Section 3. Effective Date.

This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

First reading this ____ day of _____, 2022.

Second reading and passage by this Council this ____ day of _____, 2022.

Signed by the Mayor this ____ day of _____, 2022.

ATTEST:

SIGNED:

{NAME}, City Recorder

{NAME}, Mayor

BALLOT TITLE

A caption which reasonably identifies the subject of the measure.
10-word limit under ORS 250.035(1)(a)

Prohibits psilocybin-related businesses within {city}. [Prohibition sunsets after two years.]

QUESTION

A question which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure.
20-word limit under ORS 250.035(1)(b)

Shall {city or county} prohibit {psilocybin-related businesses} in {city or county}?

SUMMARY

A concise and impartial statement summarizing the measure and its major effect.
17-word limit under ORS 250.035(1)(c)

State law allows operation manufacturer, distribution and possession of psilocybin and psilocin. State law provides that a {city or county} council may adopt an ordinance to be referred to the voters to prohibit the establishment of any of those registered or licensed activities.

Approval of this measure would prohibit the establishment of {psilocybin project manufacturers} and/or {psilocybin service center operators} within the area {subject to the jurisdiction of the city} or {in the unincorporated area subject to the jurisdiction of the county.}

EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet.

500-word limit under ORS 251.345 and OAR 165-022-0040(3)

Approval of this measure would prohibit the establishment {and operation} of psilocybin-related businesses within the {city or county}.

A {city or county} council may adopt an ordinance prohibiting the establishment of psilocybin related businesses within the {city or county}, but the council must refer the ordinance to the voters at a statewide general election. The {CITY or COUNTY} OF {NAME} {city or county} council has adopted an ordinance prohibiting the establishment of psilocybin-related businesses within the {city or county} and, as a result, has referred this measure to the voters.

If approved, this measure would prohibit psilocybin-related businesses within the {city or county}.

TWO-YEAR MORATORIUM



ORDINANCE NO. _____

AN ORDINANCE DECLARING A TEMPORARY BAN ON PSILOCYBIN SERVICE CENTERS AND THE MANUFACTURE OF PSILOCYBIN PRODUCTS

WHEREAS, in November 2020, Oregon voters approved Ballot Measure 109, known as the Oregon Psilocybin Service Act (codified at ORS 475A), which allows for the manufacture, delivery and administration of psilocybin at licensed facilities; and

WHEREAS, ORS 475A.235 provides that the Oregon Health Authority will regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services in the state; and

WHEREAS, the Oregon Health Authority has initiated a rulemaking process to implement the state’s psilocybin regulatory program and intends to begin accepting applications for psilocybin-related licenses on January 2, 2023; and

WHEREAS, as of June {date}, 2022, the Oregon Health Authority has not completed the rulemaking process for implementing the state’s psilocybin regulatory program, and the City of {city} is uncertain how the manufacture, delivery and administration of psilocybin at licensed psilocybin facilities will operate within the city; and

WHEREAS, ORS 475A.718 provides that a city council may adopt an ordinance to be referred to the electors of the city prohibiting the establishment of state licensed psilocybin product manufacturers and/or psilocybin service centers in the area subject to the jurisdiction of the city; and

WHEREAS, the {city} City Council believes that prohibiting psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries to enable the adoption of the state’s psilocybin licensing and regulatory program and to allow the city to adopt reasonable time, place, and manner regulations on the operation of psilocybin facilities is in the best interest of the health, safety and welfare of the people of {city}; and

WHEREAS, the City Council seeks to refer to the voters of {city} the question of whether to establish a two-year temporary ban on state-licensed psilocybin product manufacturers and psilocybin service centers within the city’s jurisdictional boundaries.

Now, therefore,

THE CITY OF {CITY} ORDAINS AS FOLLOWS:

Section 1. Prohibition.

The establishment of psilocybin product manufacturers licensed under ORS 275A.290 and psilocybin service centers licensed under ORS 475A.305 is prohibited in the city of {city}.

Section 2. Referral.

This ordinance is referred to the electors of the city of {city} for approval at the next statewide general election on November 8, 2022.

Section 3. Effective Date.

This ordinance takes effect and becomes operative 30 days after the day on which it is approved by a majority of voters.

Section 4. Sunset.

This ordinance is repealed on December 31, 2024.

First reading this ____ day of _____, 2022.

Second reading and passage by this Council this ____ day of _____, 2022.

Signed by the Mayor this ____ day of _____, 2022.

ATTEST:

SIGNED:

{NAME}, City Recorder

{NAME}, Mayor

BALLOT TITLE

A caption which reasonably identifies the subject of the measure.
10-word limit under ORS 250.035(1)(a)

Prohibits psilocybin-related businesses within {city}. [Prohibition sunsets after two years.]

QUESTION

A question which plainly phrases the chief purpose of the measure so that an affirmative response to the question corresponds to an affirmative vote on the measure.
20-word limit under ORS 250.035(1)(b)

Shall {city or county} prohibit {psilocybin-related businesses} in {city or county}?

SUMMARY

A concise and impartial statement summarizing the measure and its major effect.
17-word limit under ORS 250.035(1)(c)

State law allows operation manufacturer, distribution and possession of psilocybin and psilocin. State law provides that a {city or county} council may adopt an ordinance to be referred to the voters to prohibit the establishment of any of those registered or licensed activities.

Approval of this measure would prohibit the establishment of {psilocybin project manufacturers} and/or {psilocybin service center operators} within the area {subject to the jurisdiction of the city} or {in the unincorporated area subject to the jurisdiction of the county.}

EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet.

500-word limit under ORS 251.345 and OAR 165-022-0040(3)

Approval of this measure would prohibit the establishment {and operation} of psilocybin-related businesses within the {city or county}.

A {city or county} council may adopt an ordinance prohibiting the establishment of psilocybin related businesses within the {city or county}, but the council must refer the ordinance to the voters at a statewide general election. The {CITY or COUNTY} OF {NAME} {city or county} council has adopted an ordinance prohibiting the establishment of psilocybin-related businesses within the {city or county} and, as a result, has referred this measure to the voters.

If approved, this measure would prohibit psilocybin-related businesses within the {city or county} until December 31, 2024.