

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage but with Amendments and Be Printed Engrossed and Be Referred to the Committee on Revenue by Prior Reference
Vote:	6 - 3 - 0
Yeas:	Barton, Garrett, Krieger, Tomei, Williamson, Barker
Nays:	Cameron, Hicks, Olson
Exc.:	0
Prepared By:	Lea Kear, Counsel
Meeting Dates:	4/2

WHAT THE MEASURE DOES: Establishes Cannabis Control, Regulation, and Taxation Act (Act). Provides for regulation of production, processing, and sale of marijuana and marijuana infused products. Defines “homegrown,” “marijuana processor,” “marijuana producer,” “marijuana retailer,” “marijuana wholesaler,” and additional terms for the purposes of the Act. Exempts homegrown marijuana not exceeding six mature plants and 24 ounces, homegrown marijuana infused products, and medical marijuana from Act. Directs Oregon Health Authority (OHA) to regulate production, possession, sale, purchase, transportation, importation, and delivery of marijuana. Directs OHA to grant and suspend licenses for the sale or production of marijuana and marijuana infused products, aid in investigations, and adopt any necessary rules. Directs Oregon Liquor Control Commission (OLCC) to regulate sale, possession, production, purchase, transportation, importation, and delivery of marijuana. Directs OLCC to collect taxes and duties. Establishes system of licensing. Allows for marijuana retail license. Sets application fees and license fees. Allows OHA to inspect books of licensee with 72 hour notice. Imposes a tax on marijuana production of \$35 per ounce. Requires producers to file statements of quantity. Requires producers to keep sales records. Gives State of Oregon exclusive right to tax in connection with production, sale, transporting, delivering, or handling or marijuana. Establishes Cannabis Tax Account distinct from general fund. Directs distribution of moneys Cannabis Tax Fund as follows: 40 percent to Common School Fund; 20 percent to State Police Account; 20 percent to Mental Health Alcoholism; and 20 percent to the General Fund. Prohibits marijuana from being given as prize. Authorizes Governor to suspend licenses. Limits applicability of crimes related to manufacturing, distributing, or possessing marijuana to person under 21 years of age, or for delivery of marijuana, to person who delivers marijuana to someone under 21 years of age. Declassifies marijuana from the list of controlled substances under ORS chapter 475. Models regulation of marijuana to regulation of alcohol. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Interactions with Federal law
- Similar legislation in Washington and Colorado
- Implications of referring measure to Revenue Committee

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: The Cannabis Control, Regulation, and Taxation Act is an entirely new law. Under current law it is unlawful to manufacture and deliver marijuana, regardless of one’s age. Marijuana is classified as a controlled substance under ORS chapter 475. The Oregon Medical Marijuana Act allows for the manufacture and delivery under certain narrow circumstances. House Bill 3371A presents sweeping changes to the legal treatment of marijuana in Oregon.