

Dear Members of the Measure 91 Joint Committee,

My name is Sam Chapman, founding partner of New Economy Consulting, a firm that advises local governments on enacting sensible marijuana policies and regulations as well as assisting entrepreneurs on correctly navigating those regulations. Thank you for scheduling this hearing on Senate Bill 464.

Currently, marijuana extracts are one of the more controversial areas of marijuana policy. Many parties, from both sides of the marijuana debate, have voiced concerns about marijuana extracts and the lack of regulation surrounding this relatively new substance. Such concerns have come to the forefront of the debate after numerous explosive accidents resulting from the *unregulated* production of marijuana extracts. Senate Bill 464 seeks to alleviate those concerns by empowering the OHA/OLCC to develop rules to ensure the safety of its commercial production.

Appropriate regulation of commercial extraction of cannabinoids is important to protect personal and public health of Oregonians statewide. The ability of commercial extractors to use solvents safely is also important to the medicinal and adult use of marijuana products.

The few, but significant fires and explosions that have occurred in Oregon homes, motel rooms, and as of recently, gas station bathrooms, are without a doubt a concern for public safety.

The butane & propane in lighters, gas grills, and small canisters are all poor-grades of solvent with many contaminants and should be prohibited from use in cannabinoid extraction. These are typically the “solvents” used by amateur producers. Hazardous contaminants are likely to be found in amateur extraction products for two reasons:

- 1) Home extractors often use contaminated gas canisters and;
- 2) They use substandard equipment that extracts metals, plastics, and other contaminants from the equipment itself.

Improper equipment used by unqualified operator in a substandard facility also contributes to a high risk of explosion or fire. Therefore, requiring proper equipment, ventilation, facilities, and qualified technicians for commercial extraction is essential for protecting the public from contaminants, fires, and explosions.

By strictly regulating the commercial extraction of cannabinoids using CO₂, butane, and propane, we have an opportunity to support the safe & responsible operation & innovation of the cannabinoid extraction industry and promote the availability of safe & effective marijuana products, while reducing the activity of unsafe & irresponsible unregulated extraction.

What SB 464 does:

- Ensures the safe production of marijuana extracts: SB 464 empowers the OHA/OLCC to analyze the production process for marijuana extracts and, with such knowledge, create rules to ensure the future safety of the process.
- Establishes clear criteria from which OHA/OLCC can act: SB 464 outlines seven criteria – ranging from the hygiene of the producer to testing the end product – to ensure that the OHA/OLCC has a clear guideline regarding its task. Furthermore, by assigning this responsibility to the OLCC, SB 464 puts the responsibility of regulating in the hands of the regulators – ensuring that facts, and not political rhetoric, will drive the creation of rules and regulations.
- Ensures that marijuana extracts produced are safe: The final task assigned to the OHA/OLCC in SB 464 is to create protocols for the testing of marijuana extracts to ensure that they are safe for human consumption. It is unclear whether such a task would include addressing concerns about the high concentration of THC in marijuana extracts.

What it doesn't do:

- Regulate the production of marijuana extracts using non-volatile substances: The definition of solvent (substance used to create marijuana extract) excludes non-flammable substances such as vegetable glycerin and water. The request for an amended definition found below will also include oils and fats, as well as the generally flammable substances of ethanol and carbon dioxide, assuming that no heat or pressure is applied.
- SB 464 does not in any way affect the rights of medical marijuana patients to possess extracts. Rather, SB 464 seeks to close the loophole left by Measure 91 in that it banned people 21+ from creating any extracts home home, but left the ability for production of extracts by medical marijuana patients intact.

What amendments need to be made?

1. Change section 2 sub 5 definition of extracts to:

- *“Cannabinoid extract” means a product containing cannabinoids that has undergone a chemical or physical separation process from marijuana plant material; for the purposes of Sections 1-7 of this act, cannabinoid extract does not include products extracted mechanically or with the following solvents: glycerin, fats, oils, water, and when no heat or pressure is applied, ethanol & carbon dioxide.*
 - Reasoning: The definition as is does not include fats, oils, and other solvents that are non-combustible to the list of items that medical marijuana patients can still use to produce extracts at home. These are common solvents used to make brownies, water hash, and rick simpson oil, which is most commonly made for cancer patients.

2. Change the shared authority between the OHA and the OLCC to only the OLCC being the main licensing authority, but state that the OLCC may consult with the OHA as needed to develop and implement rules.

- Initially, the idea was to have the OHA be the authority that oversees this licensure process. However in hindsight, it makes the more sense to give the authority to the OLCC so they can implement the rules and regulations alongside the rest of the licenses they will be creating.

3. Require that any violations of this law be handed administratively and not criminally.

- This will align extract production with other production licenses.

Thank you for your time!

Best,

Sam Chapman
Sam@necoregon.com
503-396-9062