



OREGON CANNABIS

Political Action Committee

Testimony of Geoff Sugerman

Oregon Cannabis PAC

SB 936, HB 3400

March 30, 2015

In 1998 I had the very great honor of being the campaign director for the effort to pass medical marijuana in Oregon. Some of the people sitting here today – both on the dais and in the audience -- were also a part of that historic effort.

I think it is important to recount a little bit of the history and the changes that have occurred to this program over the years as we consider the bills before you today.

The original OMMA allowed a qualified patient to grow up to three plants. And it allowed possession at home of up to three ounces of usable marijuana. It did not have a specific card for a grower. It did not allow even for reimbursement of expenses. And it did not include dispensaries.

OMMA was a law that provided protection for patients and their primary caregivers so they would have a defense to prosecution if they were arrested for being in possession of marijuana.

In the 2005 legislative session, a bill was passed that did several things.

- It changed the affirmative defense language from the original OMMA.
- It created a new “growers” card.
- It increased plant limits from 3 to 6 mature plants and allowed for 18 immature plants.
- It allowed for possession of up to 24 ounces per patient.
- It allowed growers to serve up to four patients.

Since then an entire industry has built up around this program. Clinics serving thousands of patients a year, growers and processors filling the needs of patients, the emergence of dispensaries, and in some cases, using this program as cover to feed the black market in this state and others.

I know of very few people today who will not admit that the current medical program has been used in some cases for illegal purposes. So while it has served patients adequately over the years, it has also come with some unintended consequences that both of these bills seek to address.

In 2013, the Legislature passed HB 3460 to license and regulate the over 200 medical marijuana dispensaries that were operating in the state. Once again, this made a significant change to the program that was approved by voters in 1998.

These dispensaries came into existence because there are literally thousands of patients who, though required to list a grow site, did not grow themselves and have never had a grower to work with.

In 2014, two more important events occurred. The Federal Government released the Cole Memo, giving clear instructions to states on how they can operate legal adult use or medical marijuana programs. That memo told us we could operate legally provided we met and maintain compliance with each of the 8 points outlined in the memo.

Then in November of 2014, Oregon passed Measure 91, which gave to the OLCC the authority to license and regulate growers, processors, wholesalers and retail outlets.

Now this legislature, this committee, is working to bring these various components together so that Oregon can enter this legal market in a way that ensures ALL patients will have access to the medicine they need, that the adult use market is well-regulated and controlled, and that responds affirmatively to the points outlined in the Cole memo for both the adult use and the medical programs.

Both Senate Bill 936 and House Bill 3400 have many similar components.

- Both bills place new requirements on medical marijuana grow sites.
- Both bills require producers of marijuana for patients to register with the Oregon Health Authority
- Both bill seek to end the practice of allowing unlimited numbers of growers to produce at the same physical location.
- Both bills require the OLCC and the OHA to work together in developing these new rules.
- Both bills require a system to track the amount of plants being grown and the amount of marijuana produced.
- Both bills limit the number of mature plants that can be grown in an urban residential area to 12 plants.
- Both bills allow for inspection of medical marijuana grow sites.

Where these bills differ is in the amount of plants that can be grown outside of urban residential areas. SB 936 allows for 24 mature plants; HB 3400 allows for 48 mature plants.

While the Oregon Cannabis PAC has been involved in many meetings, discussions, email exchanges and other communications, including a weekly meeting of more than 20 lobbyists where we have often discussed these issues, our PAC has taken no position on the number of plants allowed in medical grow sites. We believe it was the Legislature that changed the plant limits and possession amounts approved by voters in 1998, and that the legislature should decide what limits are appropriate under this new system and under these proposed bills.

These are the positions of the Oregon Cannabis PAC as we have expressed to every member of this committee, at every one of our meetings or events and every committee hearing at which we have testified:

- We believe OLCC should license its producers, processors, wholesalers and retail facilities with a strong regulatory system that requires background checks, inspections, tracking systems and grow size limits that can be increased over time to meet the need of the adult use market.
- We believe that patients and growers should be allowed to continue to work together under the OMMP program housed at the OHA.
- We believe excess marijuana produced under the medical program can and should be allowed in dispensaries that opt to continue to serve only medical patients. We believe anyone selling into an OLCC licensed facility should have to undergo the same licensure and regulatory process.
- We believe qualified medical marijuana patients should be able to purchase marijuana at OLCC licensed retail shops without having to pay taxes.
- We strongly support the language in HB 3400 that specifically preempts local government taxation. And we believe similar language preventing bans and overzealous zoning should be pre-empted as well.

Some have also questioned why OLCC retail outlets, producers and processors should be allowed to serve both markets.

Last year the OHA adopted a rule under which patients are no longer required to list a grower or a grow site. Since then somewhere close to 8,000 patients have opted to list no grower. Those are patients who acquire their medical marijuana from existing dispensaries.

In addition to those patients who no longer list a grower, we also know that there are thousands of patients who have listed themselves and their own address as a grow site, but have never grown at that location. They too are patients at current medical marijuana dispensaries.

To us, it is a simple question of access.

Over the years, there have been many occasions where patients and growers have come into conflict. While many patients and growers have solid working relationships where patients receive the medicine they need, there have also been numerous instances where conflicts have arisen. The point is, patient and grower relationships often don't work as intended, and many patients today still do not have a reliable source for their marijuana. This is particularly true in areas where dispensaries have been banned by local governments.

These patients, whether it is 8,000, 18,000 or 28,000 should continue to have access to any retail outlet to assure they have safe, reliable access at the most reasonable, tax-free price. Allowing any patient to purchase tax free at any OLCC licensed retail shop provides those patients the same access to the full range of products today.

Over these past few months, we have engaged in many discussions over the future of both the adult use and the medical marijuana programs. We believe we are not far from a system that will serve patients and adult use users, one that will meet the requirements of the Cole memo and provide Oregon with a reliable, accountable system for entering this new legal market while still staying true to the medical marijuana program that was approved by voters in 1998.

We continue to stand ready to work with all interested parties on making both programs work effectively.

Thank you.