

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO:

Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Adam Crawford, Administrator

Meeting Dates: 3/30, 5/20, 5/27, 6/1, 6/3

WHAT THE MEASURE DOES: Requires Oregon Health Authority (OHA) to create and maintain database tracking production and processing of marijuana produced by at marijuana grow sites. Specifies information to be included in database and how often person responsible for grow site must report to OHA. Specifies Legislative Assembly as only government body vested with ability to levy tax or fee on production, processing or sale of marijuana or medical marijuana. Specifies number of mature marijuana plants allowable at site within city limits zoned for residential use. Specifies number of mature marijuana plants allowable at all other sites. Requires OHA to collaborate with Oregon Liquor Control Commission while making rules to harmonize medical marijuana facility licensure with retail recreational marijuana licensure. Provides exemption from criminal liability if certain conditions are met. Defines terms. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Oregon Medical Marijuana Act provisions
- Requirements for tracking of marijuana
- Recreational marijuana regulatory agencies

EFFECT OF COMMITTEE AMENDMENT: (-1 amendment) Replaces measure. Requires licensed marijuana producers (growers), marijuana wholesalers (wholesalers), marijuana processors (processors), and marijuana retailers (retailers) be 21 years of age and resident of Oregon for two years. Requires Oregon Liquor Control Commission (OLCC) to adopt rules restricting size of premises for indoor marijuana grows and or of plants for outdoor marijuana grows. Allows OLCC to require segregated areas for premises that hold multiple licenses. Requires OLCC to develop seed to sale tracking system. Requires growers, wholesalers, processors and retailers licensed by OLCC to use seed to sale tracking system when transferring marijuana. Establishes authority for OLCC marijuana enforcement inspectors (inspectors), including authority to inspect, arrest, seize and issue citations. Prohibits inspectors from conducting investigations or inspections for purpose of ensuring compliance with Oregon Medical Marijuana Act (OMMA). Allows OLCC to impose civil penalty of not more than \$5,000 per day of violation. Allows OLCC to require retailer to use age verification equipment prior to sale. Requires OLCC establish system for awarding permits to retail workers participating in sale, possession or securing of marijuana at retail establishment. Establishes requirements for permitted workers. Requires growers, wholesalers, processors and retailers to maintain surety bond and liability insurance. Requires growers to submit expected energy and water usage at time of license application. Defines terms.

Establishes Legislative Assembly as sole body with authority to tax and regulate marijuana unless otherwise expressly permitted by state law. Imposes tax on at point of retail sale. Requires OLCC to enter into agreement with Department of Revenue (Department) authorizing Department to implement, administer and enforce rules and procedures for collection of tax. Establishes the Marijuana Control and Regulation Fund and Seed and Start Fund. Directs deposit of application, licensure and renewal of licensure fees. Prohibits OLCC from establishing fees on growers, wholesalers, processor or retailers exceeding administration costs.

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This summary has not been adopted or officially endorsed by action of the committee.

Requires Oregon Liquor Control Commission (OLCC) to request land use compatibility statement from city or county planning commission prior to issuance of any license. Prohibits OLCC from issuing license if statement shows proposed land use is prohibited. Confirms marijuana is crop for purposes of exclusive farm use law.

Requires Oregon Health Authority (OHA) and OLCC to require all marijuana items sold by either medical marijuana dispensaries or retailers be tested prior to sale or transfer. Exempts medical marijuana growers or caregivers from requirement. Requires OHA to establish rules for licensing and accrediting testing lab. Requires OHA, in consultation with OLCC and Oregon Department of Agriculture (ODA), to establish standards for testing marijuana items. Allows OHA to inspect testing labs. Allows OHA to impose civil penalty for violations not exceeding \$500 per day.

Requires OHA and OLCC to require all marijuana items transferred or sold be packaged and labeled in manner that ensures public health and safety. Exempts medical marijuana growers or caregivers from requirement. Requires OHA, in consultation with OLCC and ODA, to establish standards for packaging and labeling marijuana items. Allows OHA to enter into agreement with OLCC to inspect and ensure compliance with labeling and packaging requirements. Allows OHA to impose civil penalty for violations not exceeding \$500 per day.

Requires OLCC certify marijuana seed breeders and propagators of immature marijuana plants. Allows those certified to sell marijuana seed and immature marijuana plants to OMMA cardholders, medical marijuana dispensaries, growers, processors or retailers. Requires OLCC, in consultation with ODA, to establish qualifications for certification. Allows OLCC to inspect those certified. Allows OLCC to impose civil penalty for violations not exceeding \$500 per day.

Allows OHA, in conjunction with OLCC and ODA, to establish program identifying and certifying private and public researchers of cannabis.

Provides exemption to specified licensees from criminal laws of Oregon relating to possession, delivery or manufacture of marijuana. Modifies conditions and class of felony or misdemeanor for specified marijuana laws. Requires OLCC to examine available research on influence of marijuana on ability of person to operate vehicle and report to interim committees of Legislative Assembly related to judiciary on or before January 1, 2017.

Establishes January 1, 2016 as operative date for specified parts of measure. Establishes October 1, 2015 as operative date for specified criminal exemptions. Measure takes effect on 91st day after sine die of 78th Legislative Assembly.

(-2 amendment) Replaces measure. Specifies unlawful manufacture, delivery and possession of marijuana as convictions that may be set aside by court order.

(-3 amendment) Replaces measure. Allows registered medical marijuana dispensary (dispensary) to sell dried marijuana leaves or flowers or immature marijuana plants to persons who provide proof of being at least 21 years of age so long as dispensary is located in city or county that has not adopted ordinance prohibiting such sales. Allows medical marijuana growers (grower) to sell dried marijuana leaves or flowers or immature marijuana plants to medical marijuana dispensaries so long as grower has obtained consent from registered cardholder for whom marijuana was grown and approval from Oregon Liquor Control Commission (OLCC). Allows OLCC to inspect dispensaries and growers who sell to those persons not medical marijuana cardholders. Requires dispensaries and growers who sell dried marijuana leaves or flowers or immature marijuana plants be subject to Measure 91 statues and rules. Sunsets on December 31, 2016. Declares emergency, effective on passage.

(-5 amendment) Modifies -1 amendments. Allows city or county to adopt ordinances prohibiting Oregon Liquor Control Commission (OLCC) licensed growers, processors, wholesalers or retailers. Requires ordinance be adopted within 180 days after effective date of measure. Requires city or county to order election when presented with petition. Requires election be held at time of next statewide election. Specifies petition must be filed 60 days prior to election and be signed by 4 percent of registered voters of city or county.

(-6 amendments) Modifies -1 amendments. Modifies state powers related to land use and marijuana. Deletes provision establishing Legislative Assembly as sole body with authority to regulate marijuana unless otherwise expressly permitted by state law.

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(-7 amendment) Modifies -1 amendments. Adds marijuana producer and wholesaler to reasonable regulation requirements. Deletes provision allowing processing of marijuana leaves or flowers as permitted on marginal and nonmarginal exclusive farm use land

BACKGROUND: In 1998, Oregon voters approved Ballot Measure 67 to allow medical use of marijuana within specified limits. The Oregon Medical Marijuana Program (OMMP) under the Oregon Health Authority (OHA) administers the program regulating medical marijuana. The Oregon Medical Marijuana Act (OMMA) governs the OMMP and has been frequently modified since its passage.

House Bill 3400 would require the OHA to create a database that would track the production, processing and transfer of medical marijuana. House Bill 3400 also vests sole authority to tax or impose fees on either medical or recreational marijuana with the Legislative Assembly. The measure would also limit the number of plants allowable under the OMMA at an individual grow site to 12 within city limits zoned for residential use and 48 at all other sites.