Les Helgeson
GREEN HILLS LLC

Comments re: HB 3400 -13

Co-Chairs Lininger and Burdick, Members of the Committee,

It is encouraging to see the medical provisions – minus the opt out language – incorporated into HB 3400.

I have one primary concern about the so called opt in process whereby medical growers might supply excess product to adult use outlets. It would be unduly burdensome to require growers to pay for two licenses (OLCC and OHA). Indeed, the cost benefit can easily discourage such otherwise legitimate sales.

Likewise, unrealistic and unqualified faith in the seed to sale system is a barrier to participation, since such system is easily "cracked" and in the end provides no greater compliance record for purposes of the Cole Memo than what has been referred to as "tracking light". Please stop emulating Colorado. We are Oregon!

If OHA is sufficiently funded to conduct inspections and enforce reporting requirements it is likely that all desired benefits of an expensive and unwieldy seed to sale system employed on such a small scale would be met. Nor would expensive additional licenses be required.

As an example, medical growers might allocate 6 plants for patient needs and sell most of the surplus to a dispensary – say 36 plants worth of product. That would leave 6 plants available to sell to the adult use market.

It should be clear from this example that obtaining a second license at considerable expense (and employing an additionally expensive seed to sale system for the grower) is not going to "pencil out". Indeed, if "tracking light" is insufficient then we can assume the 6 plants above would end up in the black market.

I believe that most medical growers would welcome the opportunity to sell surplus product to legitimate outlets and comply with OHA tracking/accountability requirements. Certainly these requirements do not create conflict with the Cole Memo, nor has any medical grower been prosecuted in Oregon since the memo was issued. Thus reliance on seed to sale is but a financial gift to select corporate software providers at the expense of those who can afford it least.

Please leave seed to sale tracking for those who wish to grow 10,000 sq. ft. of product. Clearly, growers who meet the 48 plant threshold (1500 sq. ft.) should not be unfairly burdened and forced to sell surplus on the black market.

Likewise, growers in the adult use system should be taxed based upon the size of their respective operations. This presents an argument against shifting to what amounts to a sales tax. The environmental impacts of large grow operations have been sufficiently demonstrated so the implementation of an increasing tax rate reflecting the carbon footprint of respective operations is reasonable and perhaps the most effective way of dealing with the canopy/plant size of the operation.

Such a tax might be 12% or less for medical sized growers and range upward to perhaps as much as 30% for those insisting upon 10,000 sq. ft. canopies while reflecting the total revenues anticipated in M91. We then not only hold growers accountable for quantities of product produced but the environmental impacts that we would all inevitably create, as well.

Thank you for your consideration of these suggestions.