

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

SUBSEQUENT REFERRAL TO:

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Adam Crawford, Administrator

Meeting Dates: 2/2

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**WHAT THE MEASURE DOES:** Repeals requirement that Oregon Liquor Control Commission (OLCC) licensed marijuana producers (growers), marijuana wholesalers (wholesalers), marijuana processors (processors), and marijuana retailers (retailers) be resident of Oregon for two years. Directs OLCC to adopt rules allowing OHA registrants who apply for and receive OLCC licenses to transfer inventory into the OLCC system. Exempts information submitted by OLCC license applicant from public disclosure. Requires OLCC to adopt rules to increase viability of marijuana growers of limited size and revenue. Requires OLCC to report to specified Legislative committees on rules adopted by January 1, 2017.

Repeals requirement that Oregon Health Authority (OHA) registered grow sites, processors, and retailers be resident of Oregon for two years. Directs OHA to establish youth marijuana-use prevention pilot project (project). Establishes guidelines for selecting implantation areas of project. Appropriates funds for project. Allows Oregon Medical Marijuana Program (OMMP) growers to enter into personal agreements to provide marijuana to multiple OMMP cardholders with their existing plant counts. Allows OMMP cardholders who are on post-prison supervision and parole to consume marijuana. Requires OHA to approve or deny application for OMMP registrant within 30 days of receipt of completed application. Allows applicant for OMMP registration to use completed application receipt as registry identification card for 30 days following date upon which receipt was issued. Requires OHA to convene work group to develop recommendations on clinical guidelines for physicians who prescribe marijuana. Requires OHA to report work group recommendations to specified Legislative committees on or before January 1, 2017. Requires OHA to report to specified Legislative committees on rules adopted or steps taken relating to recalling contaminated or unfit marijuana or marijuana derived products on or before January 1, 2017.

Amends criminal penalties relating to marijuana crimes. Specifies open container offenses relating to marijuana. Allows governing board of city or county to repeal ordinances prohibiting establishment of one or more types of licensed or registered marijuana establishments. Allows Governor or Governor's designee to enter into agreements with federally recognized Indian tribes to allow for cross-jurisdictional enforcement and coordination of marijuana-related businesses on tribal lands. Establishes operative dates for specified parts of measure. Declares emergency, effective on passage.

#### ISSUES DISCUSSED:

**EFFECT OF COMMITTEE AMENDMENT:** (-1 amendment) Replaces measure. Repeals requirement that Oregon Liquor Control Commission (OLCC) licensed marijuana producers (growers), marijuana wholesalers (wholesalers), marijuana processors (processors), and marijuana retailers (retailers) be resident of Oregon for two years. Directs OLCC to adopt rules allowing OHA registrants who apply for and receive OLCC licenses to transfer inventory into the OLCC system. Exempts information submitted by OLCC license applicant from public disclosure. Prohibits retailer from discounting marijuana item or offer marijuana item for free if sale of item is made in conjunction with retail sale of other item. Requires OLCC to adopt rules to increase viability of marijuana growers of limited size and revenue. Requires OLCC to report to specified Legislative committees on rules adopted by January 1, 2017.

2/2/2016 10:55:00 AM \*

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

Repeals requirement that Oregon Health Authority (OHA) registered grow sites, processors, and retailers be resident of Oregon for two years. Directs OHA to establish youth marijuana-use prevention pilot project (project). Establishes guidelines for selecting implantation areas of project. Allows Oregon Medical Marijuana Program (OMMP) growers to enter into personal agreements to provide marijuana to multiple OMMP cardholders with their existing plant counts. Requires OHA to approve or deny application for OMMP registrant within 30 days of receipt of completed application. Allows applicant for OMMP registration to use completed application receipt as registry identification card for 30 days following date upon which receipt was issued. Requires OHA to convene work group to develop recommendations on clinical guidelines for physicians who prescribe marijuana. Requires OHA to report work group recommendations to specified Legislative committees on or before January 1, 2017. Requires OHA to report to specified Legislative committees on rules adopted or steps taken relating to recalling contaminated or unfit marijuana or marijuana derived products on or before January 1, 2017.

Amends criminal penalties relating to marijuana crimes. Amends Oregon consumption of marijuana in a vehicle while on the highway is Class B violation. Allows governing board of city or county to repeal ordinances prohibiting establishment of one or more types of licensed or registered marijuana establishments. Allows Governor or Governor's designee to enter into agreements with federally recognized Indian tribes to allow for cross-jurisdictional enforcement and coordination of marijuana-related businesses on tribal lands. Agreements made by Governor or Governor's designee must not allow unfair competitive advantage for marijuana related businesses established on tribal lands. Requires conditions of supervision for OMMP cardholders released from prison or jail related to marijuana use must be imposed in same manner as conditions of supervision related to prescription drugs. Establishes operative dates for specified parts of measure. Declares emergency, effective on passage.

(-2 amendment) Modifies -1 amendment. Removes language requiring agreements made by Governor or Governor's designee must not allow unfair competitive advantage for marijuana related businesses established on tribal lands. Adds requirement stipulating agreements must include enforceable public health and safety standards.

**BACKGROUND:** In 1998, Oregon voters approved Ballot Measure 67 to allow medical use of marijuana within specified limits. In 2014, Oregon votes passed Measure 91 allowing the sale, regulation and taxation of marijuana into a recreational market for people over 21 years of age. Both of the measures were modified during the 2015 Legislative Session, primarily in House Bill 3400 A (2015). Some of these changes include requiring licensees of the recreational system or registrants of the medical system to be Oregon residents for at least two years.

House Bill 4014 makes a series of changes to the laws regulating the production, processing, sale, transfer, or use of marijuana. These changes include repealing the two year residency requirement, changing the classification of criminal penalties relating to specified marijuana crimes, and allowing OMMP growers, processors, and retailers to transfer over inventory when becoming an OLCC licensee. The bill also requires the OHA to approve or deny OMMP registration applications within 30 days of receipt, and also to conduct a youth prevention pilot project in an urban and a rural area of the state.