

# House Bill 2198 & Senate Bill 1057

Ongoing implementation, unexpected barriers  
and issue and fixes

## House Bill 2198 & Senate Bill 1057

HB 2198 also adopted the following important provisions.

- Allowed OMMP grow sites to transfer up to 20 pounds per year into the OLCC regulated market via wholesalers and processors.
- Re-defined plant limits for households and OMMP grow sites.
- Allow OMMP grow sites to be identified using tax lot ID#'s, and GPS coordinates.
- Reinstated caregivers ability to grow for a patient.
- Prohibited high-cost security measures as a condition of reporting into CTS.
- Allowed dispensaries to be located within 500' of a school under certain conditions.

## House Bill 2198 & Senate Bill 1057

The two most significant provisions in SB 1057 affecting OMMP patients and their growers were:

- A 10 plant limit on all households in Oregon.
  - 6 medical and 4 recreational no matter how many patients lived there
- Mandated seed-to-sale tracking, for OMMP grow sites with more than 12 plants.
  - These growers must now begin using the same Cannabis Tracking System (CTS) now used by OLCC licensees use known as METRC

## House Bill 2198 & Senate Bill 1057

Prior to SB 1057.

Two patients at the same address could grow:

6 medical plants each  
4 recreational plants

16 plants total

Statewide

After SB 1057

Two patients at the same address could now only grow:

6 medical plants  
4 recreational plants

10 plants total

Statewide

After HB 2198 amended SB 1057

Two patients at the same address could now only grow:

12 medical plants only

No recreational plants allowed

Statewide

Or:

A patient and a non-patient can grow 6 medical & 4 recreational.

In any of these cases the grow site is capped at 12 plants total

## House Bill 2198 & Senate Bill 1057

This led to counsel advising OHA to this decision:

“HB 2198 creates a new grow site compliance issue where patients growing for themselves at their own address would no longer be able to grow for others and the grow site would be capped at 12 plants.”

This became known among growers as the “12 plant rule.”

ORS 475B.425(2)(a) allows “A person may be designated to produce marijuana under ORS 475B.420 by no more than four registry identification cardholders.”

The newly issued interpretation was confusing and OMMP growers facing harvest season had to hurriedly reconfigure grow sites to become compliant or be subject to a civil penalty from OHA inspectors who were conducting grow site inspections in several areas around the state.

*The overall cost of submitting a change form and new grow site registration fees to become compliant under this new change:*

*\$300.00 to \$600.00.*

## SB 1057

OMMP grow sites with more than 12 plants must switch from the OHA's monthly tracking system into the tracking system used by OLCC licensees known as METRC.

To determine how many OMMP growers will be entering METRC, growers are required to notify the OHA of one of three choices:

- Remain with the OMMP and grow more than 12 plants and begin reporting into the CTS no later than July 1, 2018,
- Remain with OMMP but reduce grow site to 12 plants or less or, exempt from tracking in CTS
- Transition into OLCC and have application in to OLCC by January 1, 2018.

Deadline for returning Grow Site Election Forms

**December 1, 2017**

Any grow site that does not return the form will not be allowed to renew the grow site and patients will not be allowed to renew at the grow site.

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## Grow Site Election Form Returns to date

### Mailing

Letters sent to Growers in August, 2017	34,899
Regarding number of Grow Sites	25,155
Logged returned mail bad address	1,128

### Grow Site Election Status Approximation from Mailing

Grow Site Election Designation Entered	25,155
Grow Site Election Designation Entered	5,429
Grow Site Election Designation Entered	500
Grow Site Election Designation Entered	19,907

### Grow Site Election Designation Entered

OMMP CTS Pending	156
OLCC Pending	85
OMMP Exempt	5,060
Flagged Incomplete	128

## House Bill 2198 & Senate Bill 1057

SB 1057 Section(40) outlines the mandate for tracking of OMMP grow site and subsection (10) states:

“This section does not apply to a marijuana grow site located at an address where a registry identification cardholder produces marijuana and no more than 12 mature marijuana plants and 24 immature marijuana plants are produced at the address.”

This means if you are a patient growing for yourself at an address that is not your primary residence, and the grow site address you are at is growing more than 12 plants, you must enter the CTS.



# OMMP Gardens – Costs

## 48 Plant Grow Site

**Patients Required                      8**

**Growers Required                      2**

**Grow site registration fee      \$200/patient  
   \$1600/grow site**

**METRC User Fee - \$480/grower/year  
   \$960/grow site**

**Total for 48 plant Grow Site and User Fees only –  
   \$2,560**

**Less scale and admin. Fee  
State Certified Scale - \$300 -800  
Admin. Fee TBD**

**4 growers – 16 patients - 96  
   plants**

**Grow site registration fees-  
   \$3,200**

**METRC User Fee - \$480 per  
   grower - \$1,920**

**Total for 96 Plant Grow  
   Site - \$5,120**

## OMMP Gardens – Costs

### Revenue pulled from OMMP Growers under METRC Mandate

#### Grow site fee model

4,000 grow sites, \$480/grow site  
\$1.92M

#### Grower fee model

10,000 growers, \$480/grower  
\$4.8M

SB 1057 Section 40(8).

“When imposing a fee on a person responsible for a marijuana grow site, marijuana processing site or medical marijuana dispensary under ORS 475B.420, 475B.435 or 475B.450, the authority shall impose an additional fee that is reasonably calculated to pay costs incurred under this section other than costs paid pursuant to subsection (7) of this section.”

## HB 2198 Section (11)

SECTION 11. If Senate Bill 1057 becomes law, ORS 475B.428, as amended by section 23, chapter 24, Oregon Laws 2016, and section 37, chapter 183, Oregon Laws 2017 (Enrolled Senate Bill 1057), is amended to read:

475B.428. (1)(a) A registry identification cardholder and the designated primary caregiver of the registry identification cardholder may jointly possess:

- (A) Six or fewer mature marijuana plants; and
- (B) Twelve or fewer immature marijuana plants.

(b)(A) **Unless an address is the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder**, the address where a registry identification cardholder or the primary caregiver of a registry identification cardholder produces marijuana may be used to produce not more than:

- (i) Six or fewer mature marijuana plants per registry identification cardholder, up to 12 mature marijuana plants; and
- (ii) Twelve or fewer immature marijuana plants per registry identification cardholder, up to 24 immature marijuana plants.

**(B) Except as provided in subparagraph (C) of this paragraph, an address that is subject to this paragraph may not be used to produce marijuana plants pursuant to ORS 475B.245.**

**(C) Subject to subparagraph (D) of this paragraph, an address that is subject to this paragraph may be used to produce marijuana plants pursuant to ORS 475B.245 if a person other than a registry identification cardholder who is using the address to produce marijuana plants pursuant to ORS 475B.400 to 475B.525 resides at the address.**

**(D) An address that is subject to this paragraph may not be used to produce more than 12 total mature marijuana plants.**

(2)(a) A person may be designated to produce marijuana under ORS 475B.420 by no more than four registry identification cardholders.

## House Bill 2198 & Senate Bill 1057

HB 2198 Section 11 is really a logic problem. If this, then that.

1

First, if this:

HB 2198 Section 11 (1)(b) “Unless an address is the marijuana grow site of a person designated to produce marijuana by a registry identification cardholder,”

2

Then this:

“[t]he address where a registry identification cardholder or the primary caregiver of a registry identification cardholder produces marijuana maybe used to produce not more than:

- (i) Six or fewer mature marijuana plants per registry identification cardholder, up to 12 mature marijuana plants; and,
- (ii) Twelve or fewer immature marijuana plants per registry identification cardholder, up to 24 immature marijuana plants.

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if that, then this:

(B) Except as provided in subparagraph (C) of this paragraph, an address that is subject to this paragraph may not be used to produce marijuana plants pursuant to ORS 475B.245.

No Recreational plants for the household.

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if that then this:

(C) Subject to subparagraph (D) of this paragraph, an address that is subject to this paragraph may be used to produce marijuana plants pursuant to ORS 475B.245 if a person other than a registry identification cardholder who is using the address to produce marijuana plants pursuant to ORS 475B.400 to 475B.525 resides at the address.

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And finally this:

(D) An address that is subject to this paragraph may not be used to produce more than 12 total mature marijuana plants.

# The OMMP Garden – Online Reporting (OHA - OLCC – METRC)

Exempt

OMMP growers with 12 plants or less, no more than 24 immature plants, no designated grower and not transferring to dispensaries or processors.

OHA

OMMP growers with 12 plants or less transferring to dispensaries or processors.  
Any grow site with 12 plants or less with a designated grower.

OLCC/METRC

OMMP dispensaries, processors, and growers with more than 12 plants.  
OMMP grow sites transferring into the adult use market.  
All OLCC licensees must report into METRC.

# OMMP Gardens – HB 2198 Immature Plant Limits

No limit under 24"



Over 24"  
Only two for every mature plant allowed at grow site

24"