

March 28, 2017

To: Joint Committee on Marijuana Regulation

Co-Chairs Burdick and Linger, members of the committee, my name is Sam Chapman and I'm a lobbyist representing Portland based head shop, Mellow Mood.

I'm testifying today to express my opposition to the passage of HB 2556. While perhaps admirable in its intention to reduce underage drug use, the bill would actually create new problems without solving any existing ones. In effect the bill would create new illegal markets for paraphernalia while putting Oregon's "head shops" out of business and further bolstering the growth prospects of licensed cannabis retailers. There is simply no reason to support it. Please join me in opposing this bill.

HB 2556 would create new illegal markets for paraphernalia where they did not exist before. Head shops are fairly common in Oregon. In addition to creating jobs and revenue for the state, they provide a range of essential goods and services including consumption devices, harm reduction tools, and information about how to use their products safely. HB 2556 would obliterate this industry by requiring a cannabis retailer license in order to sell paraphernalia. In Portland, where cannabis retailers are common and competition is fierce, it is possible that this would only modestly impact the availability of the goods and services currently provided by head shops. But cannabis retailers are expressly banned in large areas of the state. What would patients and consumers do then? They would have to travel to the nearest city with a licensed cannabis retailer, and hope that the retailer offers products other than cannabis--by no means a given, considering the relative profitability of cannabis itself. Or, if they are unable to do that, they would have to turn to the illegal market, where operators are not likely to care about regulatory compliance or their customers' ages.

As the members of this committee are already well aware, prohibition simply doesn't work.

In addition to being bad social policy, HB 2556 would be bad economic policy, too. If passed, the bill would hurt established small businesses in Oregon (head shops) who have decades of experience and deep ties to their communities. At the same time, the bill would benefit new corporations, often funded by out-of-state investors (licensed cannabis retailers) who are seeking to control as many sectors of the market as they can. Oregon's cannabis industry is already undergoing consolidation. HB 2556 would quicken the pace.

Are there any legitimate reasons to support this bill? According to a Statesman Journal article published February 14, 2016, Representative Hack "said in a statement she was inspired to introduce House Bill 2556 after one of her constituents said his underage son was smoking marijuana." That's admirable. But it's not clear how this bill would actually reduce teen cannabis use.

For these reasons, I strongly urge you to oppose House Bill 2556.

Sincerely,

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