

## **HB 2198 -7 STAFF MEASURE SUMMARY**

### **Joint Committee On Marijuana Regulation**

---

**Prepared By:** Adam Crawford, LPRO Analyst

**Meeting Dates:** 3/14, 4/25

---

#### **WHAT THE MEASURE DOES:**

Changes name of Oregon Liquor Control Commission to Oregon Liquor and Cannabis Commission. Changes composition of Oregon Liquor and Cannabis Commission by adding commissioners from cannabis retail industry. Specifies that Oregon Health Authority may not register marijuana grow sites, marijuana processing sites and medical marijuana dispensaries. Creates within authority, for purposes of administering Oregon Medical Marijuana Act, Medical Use of Cannabis Board. Becomes operative June 30, 2018. Repeals provisions regulating marijuana grow sites, marijuana processing sites and medical marijuana dispensaries on June 30, 2018. Updates and creates provisions providing for licensing of marijuana grow sites, marijuana processing sites and medical marijuana dispensaries by Oregon Liquor Control Commission. Makes other technical changes to laws regulating cannabis. Creates alternate registry system administered by State Department of Agriculture for growers that produce marijuana for registry identification cardholders. Directs Oregon Liquor and Cannabis Commission to coordinate with department for purpose of regulating marijuana producers. Takes effect on 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Medical and recreational marijuana regulatory systems
- Tracking of marijuana
- Costs associated with the regulation of marijuana

#### **EFFECT OF AMENDMENT:**

-7 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within the Oregon Health Authority. Specifies Commission membership, terms, staffing, and powers. Directs Commission to adopt necessary rules to administer the Oregon Medical Marijuana Program (OMMP) as well as create and implement long-term plans to ensure the viability of the OMMP. Requires Commission to report to the Legislative Assembly on or before September 15 of each even numbered year on specified topics relating to the OMMP and medical marijuana. Allows medical marijuana producer to sell up to 25 pounds a year to an Oregon Liquor Control Commission (OLCC) licensed wholesaler. Directs Commission and OLCC to enter into an agreement to track the propagation, production, processing, and transfer of medical marijuana, with the exception of medical marijuana produced at a grow site with less than 12 plants. Provides limitations for the tracking system. Sets operative dates for specified parts of the measure. Declares emergency, effective on passage.

#### **BACKGROUND:**

In 1998, Oregon voters approved Ballot Measure 67 which allowed medical use of marijuana in Oregon within specified limits. It also established a state-controlled permit system. In December 1998, the Oregon Legislative Assembly passed Measure 67 into law. The law, known as the Oregon Medical Marijuana Act (OMMA), provides legal protections for qualified patients; requires a physician-written statement of the patient's qualifying debilitating medical condition; allows for a caregiver to provide assistance; and mandates an Oregon Health Authority registration system.

In 2014, Oregon voters approved Ballot Measure 91 (Measure 91) to allow the recreational sale and use of marijuana. The measure established the recreational system would be licensed and regulated by the Oregon Liquor Control Commission (OLCC), with tax revenues from the sale of recreational marijuana funding specified services.

## HB 2198 -7 STAFF MEASURE SUMMARY

Marijuana produced within the recreational system must be tracked from seed to sale, and only OLCC licensees may transfer or accept marijuana produced from another OLCC licensee.

House Bill 2198 would combine the two systems into one under the OLCC. The measure creates a series of provisions for licensing and regulating OMMP producers, processors, and dispensaries. House Bill 2198 would also create a system for marijuana producers who produce only for registered OMMP patients within the State Department of Agriculture.