

**SB 1057 -1, -2, -3, -4, -6, -8, -9, -10, -11, -12, -14, -15, -16, -17, -18,
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MEASURE SUMMARY

Joint Committee On Marijuana Regulation

Prepared By: Adam Crawford, LPRO Analyst

Meeting Dates: 4/11, 4/18, 4/25, 5/2

WHAT THE MEASURE DOES:

Allows Oregon Liquor Control Commission (OLCC) to perform any function necessary to prevent the diversion of marijuana from a legal source under state law to an illegal source under state law. Allows OLCC marijuana licensee be designated by the OLCC as an exclusively medical marijuana licensee. Allows specified OLCC licensed marijuana producers an additional 10 percent of their existing canopy square footage to produce marijuana for medical use (bump-up). Requires marijuana producers who do utilize a bump-up to donate for free 75 percent of the marijuana produced, and allows the remaining 25 percent to be sold to OLCC licensed marijuana businesses. Prohibits an OLCC regulatory specialist from carrying a gun, conducting inspections of primary residences not licensed by OLCC, or ensuring compliance with Oregon Medical Marijuana Program (OMMP) registrants. Allows OLCC licensed marijuana processors to take, process, and return usable marijuana and marijuana items from OMMP cardholders. Allows OLCC to issue a letter of reprimand or proceed with an investigation of a former OLCC marijuana licensee. Allows an OLCC marijuana licensee to transport marijuana items to, and exhibit at, trade shows under certain conditions. Allows OLCC to require persons with a financial interest in a business with an OLCC marijuana license to submit specified information to the OLCC.

Moves marijuana labeling authority from the Oregon Health Authority (OHA) to the OLCC. Directs the OHA to create a database sharing OMMP registrant information with the OLCC, the Department of Revenue, the Water Resources Department, and the State Department of Agriculture. Specifies information in the database in not eligible for public disclosure. Specifies that a OMMP cardholder may jointly possess their 6 medical marijuana plants under OMMP along with their 4 marijuana plants allowed under Measure 91. Limits the allowable number of immature marijuana plants to 12 unless the address is a medical marijuana grow site.

Allows State Department of Agriculture to possess, test, and dispose of marijuana. Makes technical changes to marijuana statutes.

Takes effect on the 91st day after sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

- 1 Clarifies an OMMP cardholder or caregiver can possess an amount of medical cannabinoid products, cannabinoid concentrates, and cannabinoid extracts set forth by OHA in rule. Removes ability for of OLCC licensure applicant to withdraw their license application if certain conditions are met. Modifies labeling requirements.
- 2 Requires marijuana produced and transferred within the OMMP system be tracked by the OLCC tracking system.
- 3 Requires marijuana produced and transferred within the OMMP system be tracked by the OLCC tracking system. Creates the Oregon Cannabis Committee (Committee) within the OHA. Specifies membership, duties, and authorities of the Committee. Sunsets the Advisory Committee on Medical Marijuana with OHA.
- 4 Specifies when a marijuana retailer is allowed to be more than 500 feet from a school, but less than 1,000 feet from a school.

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-6 Invalidates a city or county permit authorizing the producing, processing, wholesaling, or retailing marijuana after one year if the permit holder fails to perform specified actions and another person applies for a permit within the specified distance of the original permit holder.

-8 Increases the number of commissioners on the Oregon Liquor Control Commission from five to seven. Specifies one of the additional commissioners must be from western Oregon, the other new commission from eastern Oregon. Limits the number of commissioners from one political party at four.

-9 Adds an identification card from a federally recognized Indian tribe to the list of allowable documents verifying age when purchasing marijuana.

-10 Allows a OLCC licensee to transport marijuana items to the Oregon State Fair and exhibit them. Declares an emergency, effective on passage.

-11 Prohibits a county from restricting the production or processing of marijuana occurring on exclusive farm use land by a OLCC licensed marijuana producer.

-12 Prohibits state funds from being used to prosecute or assisting in the prosecution of the manufacture, delivery, or possession of a marijuana item if the manufacture, delivery, or possession is allowable under state law. Declares an emergency, effective on passage.

-14 Replaces measure. Allows Oregon Liquor Control Commission (OLCC) to perform any function necessary to prevent the diversion of marijuana from a legal source under state law to an illegal source under state law. Allows OLCC marijuana licensee be designated by the OLCC as an exclusively medical licensee. Increases the number of commissioners on the Oregon Liquor Control Commission from five to seven. Specifies one of the additional commissioners must be from western Oregon, the other new commission from eastern Oregon. Limits the number of commissioners from one political party at four. Allows specified OLCC licensed marijuana producers an additional 10 percent of their existing canopy square footage to produce marijuana for medical use (bump-up). Requires marijuana producers who do utilize a bump-up to donate for free 75 percent of the marijuana produced, and allows the remaining 25 percent to be sold to OLCC licensed marijuana businesses. Prohibits an OLCC regulatory specialist from carrying a gun, conducting inspections of primary residences not licensed by OLCC, or ensuring compliance with Oregon Medical Marijuana Program (OMMP) registrants. Allows OLCC to issue a letter of reprimand or proceed with an investigation of a former OLCC marijuana licensee. Allows an OLCC marijuana licensee to transport marijuana items to, and exhibit at, trade shows or the 2017 Oregon State Fair under certain conditions. Allows OLCC to require persons with a financial interest in a business with an OLCC marijuana license to submit specified information to the OLCC. Adds an identification card from a federally recognized Indian tribe to the list of allowable documents verifying age when purchasing marijuana.

Moves marijuana labeling authority from the Oregon Health Authority (OHA) to the OLCC. Requires marijuana produced and transferred within the OMMP system be tracked by the OLCC tracking system. Directs the OHA to create a database sharing OMMP registrant information with the OLCC, the Department of Revenue, the Water Resources Department, and the State Department of Agriculture. Specifies information in the database is not eligible for public disclosure. Specifies that a OMMP cardholder may jointly possess their 6 medical marijuana plants under OMMP along with their 4 marijuana plants allowed under Measure 91. Limits the allowable number of immature marijuana plants to 12 unless the address is a medical marijuana grow site. Limits the allowable number of immature medical marijuana plants at registered medical marijuana grow site at twice the number of allowable mature marijuana plants.

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Declares emergency, effective on passage.

-15 Limits the allowable number of immature medical marijuana plants at registered medical marijuana grow site at three times the number of allowable mature marijuana plants.

-16 Requires at least three members of the Advisory Committee on Medical Marijuana (Committee) be either a registered producer, processor, or dispensary owner. Directs Committee to serve as coordinating body on the administration of rules with respect to OMMP cardholders and caregivers. Requires Committee to make recommendations and compile information on specified topics.

-17 Caps OMMP registry fees at \$60.

-18 Creates expedited OMMP registration process for person undergoing chemotherapy treatment, is in the late stages of cancer or dementia, or is designating a hospice organization as a caregiver.

-19 Creates a Task Force on the Consolidation of Regulatory Marijuana Programs (Task Force). Establishes Task Force membership and rules. Requires the Task Force to study the potential effects of consolidating the recreational and medical marijuana regulatory systems. Requires the Task Force to report to the interim legislative committee relating to business and labor no later than December 31, 2017.

Prohibits OHA from collecting a fee on a marijuana grow site until December 31, 2017. Prohibits OLCC tracking system from tracking marijuana or marijuana-derived products until June 31, 2018.

-20 Requires OLCC to certify at least one specified service provider for the purpose of processing and keeping records of transactions occurring between marijuana business licensees, consumers, and other authorized parties. Defines qualifications and for service provider.

-22 Replaces measure. Allows Oregon Liquor Control Commission (OLCC) to perform any function necessary to prevent the diversion of marijuana from OLCC licensees. Allows OLCC marijuana licensee be designated by the OLCC as an exclusively medical licensee. Increases the number of commissioners on the Oregon Liquor Control Commission from five to seven. Specifies one of the additional commissioners must be from western Oregon, the other new commission from eastern Oregon. Limits the number of commissioners from one political party at four. Allows specified OLCC licensed marijuana producers an additional 10 percent of their existing canopy square footage to produce marijuana for medical use (bump-up). Requires marijuana producers who do utilize a bump-up to donate for free 75 percent of the marijuana produced, and allows the remaining 25 percent to be sold to OLCC licensed marijuana businesses. Prohibits an OLCC regulatory specialist from carrying a gun, conducting inspections of primary residences not licensed by OLCC, or ensuring compliance with Oregon Medical Marijuana Program (OMMP) registrants. Allows OLCC to issue a letter of reprimand or proceed with an investigation of a former OLCC marijuana licensee. Allows an OLCC marijuana licensee to transport marijuana items to, and exhibit at, trade shows or the 2017 Oregon State Fair under certain conditions. Allows OLCC to require persons with a financial interest in a business with an OLCC marijuana license to submit specified information to the OLCC. Adds an identification card from a federally recognized Indian tribe to the list of allowable documents verifying age when purchasing marijuana.

Moves marijuana labeling authority from the Oregon Health Authority (OHA) to the OLCC. Requires marijuana produced and transferred within the OMMP system be tracked by the OLCC tracking system. Specifies funding for the tracking system to be paid from the Oregon Marijuana Account prior to any other distribution. Requires OHA to

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impose an additional fee on marijuana grow sites, processing sites, and dispensaries to pay costs incurred by the tracking system. Specifies timelines for tracking system phase in. Directs the OHA to create a database sharing OMMP registrant information with the OLCC, and the Department of Revenue. Specifies information in the database in not eligible for public disclosure. Specifies that a OMMP cardholder may jointly possess their 6 medical marijuana plants under OMMP along with their 4 marijuana plants allowed under Measure 91. Limits the allowable number of immature marijuana plants to 12 unless the address is a medical marijuana grow site. Limits the allowable number of immature medical marijuana plants at registered medical marijuana grow site at twice the number of allowable mature marijuana plants.

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-25 Modifies -23 amendments. Removes immature plant limits for medical marijuana growers.

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-26 Modifies -23 amendments. Requires probable cause before OLCC regulatory specialists can conduct inspections and investigations at primary residences ensuring tracking requirements are met.

-34 Modifies -23 amendments. Exempts immature marijuana plants at medical marijuana grow sites from tracking provisions.

-37 Modifies -23 amendments. Delays full tracking implementation from July 1, 2018 to January 1, 2019.

-38 Modifies -23 amendments. Specifies neither OHA nor OLCC is allowed to require medical marijuana grow site use a security system.

-40 Modifies -23 amendment. Allows specified medical marijuana producers to transfer up to 20 pounds of usable marijuana to either a recreational marijuana wholesaler or processor if certain provisions are met.

-41 Modifies -23 amendment. Limits fees imposed on medical marijuana producers, processors, and dispensary owners for tracking to an amount not greater than that required to register as a medical marijuana producer, processor, or dispensary owner. Requires OLCC to impose a fee on recreational licensees to cover the any tracking costs for medical registrants not otherwise paid by medical registrants. Requires OHA to transfer specified funds collected to OLCC for deposit in the Marijuana Control and Regulation Fund.

-42 Modifies -23 amendments. Allows 5 immature marijuana plants for every 1 mature marijuana plant at a medical marijuana grow site.

-43 Modifies -23 amendments. Allows OMMP patient cardholder or caregiver to jointly possess 12 mature marijuana plants, so long as they are not growing at a designated marijuana grow site. Allows 5 immature marijuana plants for every 1 mature marijuana plant at a medical marijuana grow site.

BACKGROUND:

Oregon voters passed Measure 91 in 2014. Measure 91 allowed the recreational use of marijuana for persons above the age of 21 in Oregon. In passing the measure, Oregon joined Alaska, Colorado, Washington, and Washington D.C. in allowing adult-use of marijuana. Since 2014, voters in California, Maine, Massachusetts, and Nevada have passed similar legislation. One of the major features of the recent shift in law was that while manufacture, delivery, or possession of marijuana is still illegal under federal law, the federally-issued Cole Memo set forward guidelines to federal prosecutors specifying when they should use their prosecutorial discretion to prosecute marijuana crimes. So long as states complied with the Cole Memo, federal prosecutors were encouraged to focus their efforts elsewhere and not intervene in state-sanctioned medical or recreational marijuana systems. With the change in the federal administration, that presumption is now in doubt.

Senate Bill 1057 makes a series of changes to the medical and recreational marijuana systems of Oregon. Most of these changes provide greater oversight authority to the Oregon Liquor Control Commission (OLCC) or the Oregon Health Authority (OHA) regarding the tracking, production, transport, and sale of marijuana.