

HB 2198 -7, -8, -9, -11, -12, -13, -14, -15 STAFF MEASURE

SUMMARY

Joint Committee On Marijuana Regulation

Prepared By: Adam Crawford, LPRO Analyst

Meeting Dates: 3/14, 4/25, 5/9

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.

-8 Replaces measure. Allows a medical marijuana grow site to transfer 10 pounds of usable marijuana twice a year to a recreational marijuana processor or wholesaler if certain conditions are met.

-9 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within the Oregon Health Authority. Specifies Commission membership, terms, staffing, and powers. Directs the Commission to determine a possible framework for governance of the Oregon Medical Marijuana Program. Requires the Commission to submit a report on the possible framework on or before December 15, 2017 to the interim committees of the Legislative Assembly related to health and judiciary. Provides duties of the Commission after the proposed framework report is submitted.

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Provides timeline for when medical marijuana grow sites, processing sites, and dispensaries have to comply with OLCC-led tracking systems (METRC) if Senate Bill 1057 becomes law. Allows a marijuana grow site to transfer up to 20 pounds a year to a recreational marijuana processor or wholesaler if the transfer is tracked by METRC, coming from a grow site with more than 12 plants, the usable marijuana was assigned to the person responsible for the grow site by the OMMP patient, the marijuana was tested, and the grow site was registered with OHA prior to the effective date of the act. Specifies powers of an OMMP caregiver.

Limits the number of immature medical marijuana plants allowed at three times the number of mature marijuana plants if the immature marijuana plants are 24 inches or more in height, or six times the number of mature marijuana plants if they are less than 24 inches in height. Specifies law enforcement can only confiscate plants beyond the allowable limits if a grow site is found to have an excess number of plants.

Prohibits either OHA or OLCC from requiring a marijuana grow site use a security system. Specifies when evidence of a violation of medical marijuana laws at a primary residence is admissible at civil or criminal proceedings.

Declares an emergency, effective on passage.

-11 Replaces measure. Allows marijuana retailers to be placed within 1,000 feet of a school if they are not located within 500 feet of a school and the OLCC determines there is a physical or geographic barrier preventing children from accessing the marijuana retailer. Allows marijuana dispensaries to be placed within 1,000 feet of a school if they are not located within 500 feet of a school and the OLCC determines there is a physical or geographic barrier preventing children from accessing the marijuana retailer. Declares an emergency, effective on passage.

-12 Replaces measure. Specifies fee imposed in Senate Bill 1057 on medical marijuana grow sites, processing sites, and dispensaries for tracking of marijuana may not be greater than the registration costs for those entities. Requires OLCC to impose fees on recreational licensees to cover any additional costs associated with tracking medical marijuana. Requires fee revenue collected must be deposited in the Marijuana Control and Regulation Fund. Repeals amendment if Senate Bill 1057 does not become law. Declares an emergency, effective on passage.

-13 Replaces measure. Allows a medical marijuana grow site to transfer 20 pounds of usable marijuana to a recreational marijuana processor or wholesaler if certain conditions are met. Declares an emergency, effective on passage.

-14 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within the Oregon Health Authority. Specifies Commission membership, terms, staffing, and powers. Directs the Commission to determine a possible framework for governance of the Oregon Medical Marijuana Program. Requires the Commission to submit a report on the possible framework on or before December 15, 2017 to the interim committees of the Legislative Assembly related to health and judiciary. Provides duties of the Commission after the proposed framework report is submitted.

Provides timeline for when medical marijuana grow sites, processing sites, and dispensaries have to comply with OLCC-led tracking systems (METRC) if Senate Bill 1057 becomes law. Allows a marijuana grow site to transfer up to 20 pounds a year to a recreational marijuana processor or wholesaler if the transfer is tracked by METRC, coming from a grow site with more than 12 plants, the usable marijuana was assigned to the person responsible for the grow site by the OMMP patient, the marijuana was tested, and the grow site was registered with OHA prior to the effective date of the act. Specifies powers of an OMMP caregiver. Allows a OMMP household to grow 12 plants at their address without registering as a grow site.

Limits the number of immature medical marijuana plants allowed at three times the number of mature marijuana plants if the immature marijuana plants are 24 inches or more in height, or six times the number of mature marijuana plants if they are less than 24 inches in height. Specifies law enforcement can only confiscate plants beyond the

allowable limits if a grow site is found to have an excess number of plants.

Prohibits either OHA or OLCC from requiring a marijuana grow site use a security system. Specifies when evidence of a violation of medical marijuana laws at a primary residence is admissible at civil or criminal proceedings.

Declares an emergency, effective on passage.

-15 Replaces measure. Allows OLCC to issue restricted licenses and require mandatory training for licensees or licensee representative if makes certain findings against the licensee or applicant. Declares an emergency, is 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. 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.