

**HB 2198 -17, -18, -19, -20, -21, -23, -26, -27, -28, -29, -30, -33,
-34, -35, -36 STAFF MEASURE SUMMARY**

Joint Committee On Marijuana Regulation

Prepared By: Adam Crawford, LPRO Analyst

Meeting Dates: 3/14, 4/25, 5/9, 5/16, 5/30

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:

-17 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.

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 Oregon Health Authority (OHA) prior to the effective date of the act. Allows the Oregon Liquor Control Commission (OLCC) to issue an order to temporarily reduce or suspend the amount of marijuana that can be transferred into the recreational market by OMMP growers if supply exceeds customer demand and if the market will not self-correct. Allows OLCC to issue restricted licenses and require mandatory training for licensees or licensee representative if makes certain findings against the licensee or applicant.

Sets limits for mature marijuana plants allowable at an address not registered as a marijuana grow site at six if there is one OMMP patient at the address, ten if there is one OMMP patient and at least one more person above the age of 21 at the address, and twelve if there are two OMMP patients at the address. Limits the number of immature marijuana plants at or more than 24 inches tall at two for every one mature marijuana plant. Specifies powers of an OMMP caregiver.

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.

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 emergency, effective on passage.

-18 Replaces measure. Allows a Micro Tier I and Micro Tier II recreational marijuana producers to process marijuana into cannabinoid concentrates through specified concentration methods. Declares an emergency, effective on passage.

-19 Replaces measure. Requires Oregon Liquor Control Commission and Oregon Health Authority to maintain a telephone hotline allowing a person designated by a city or county to determine if an address is a marijuana establishment licensed by the OLCC or registered with OHA.

-20 Replaces measure. Specifies what evidence is sufficient to establish a medical marijuana grow site address.

-21 Replaces measure. Allows marijuana retailer to retain customer information specified by OLCC administrative rule as necessary to make deliveries.

-23 Replaces measure. Specifies tax lot number, numbered assessor's map, latitude and longitude, township coordinates, or global positioning system coordinates as information is sufficient for OHA to verify a medical marijuana grow site address.

-26 Modifies the -17 amendments. Allows OLCC or OHA to require specified security systems on medical marijuana grow sites.

-27 Replaces measure. Requires OLCC to report to the interim committees of the Legislative Assembly related to judiciary by September 15, 2018 on the transfer of usable marijuana from medical marijuana grow sites into the recreational market, and make recommendation on whether to allow additional transfers.

-28 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, and the marijuana was tested.

-29 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, and the marijuana was tested.

Allows 16 mature marijuana plants to be grown at an address with two registered OMMP patients and one or more persons over the age of 21.

-30 Modifies the -17 amendments. Allows evidence of a violation of medical marijuana laws at a primary residence found by an OLCC inspection to be admissible at civil or criminal proceedings.

-33 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within OHA. Requires the Commission to submit a report by December 15, 2017 regarding the future of OMMP. 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.

Allows a marijuana grow site with more than 12 plants to transfer up to 20 pounds of marijuana a year to a recreational marijuana processor or wholesaler if conditions are met. Allows the OLCC to temporarily reduce or suspend the amount of marijuana that can be transferred. Sets limits for mature marijuana plants allowable at an address not registered as a marijuana grow site at six if there is one OMMP patient at the address, ten if there is one OMMP patient and at least one person over 21 at the address, and twelve if there are two OMMP patients at the address. Limits the number of immature marijuana plants at or more than 24 inches tall at two for every one mature marijuana plant. Specifies what information is sufficient register a medical marijuana grow site with OHA, including tax lot number, GPS coordinates, assessor's map, or latitude/longitude.

Allows a city or county that has enacted an ordinance prohibiting or allowing medical marijuana establishments to amend the ordinance without referring the amendment to the jurisdiction's electors to prohibit or allow OLCC's exclusively medical licensees.

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 transfer of marijuana between retailers substantially owned by the same persons.

Provides additional sanctioning authority for OLCC if the Commission makes specific findings against an applicant or licensee. Declares emergency.

-34 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within OHA. Requires the Commission to submit a report by December 15, 2017 regarding the future of OMMP. 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.

Allows a marijuana grow site with more than 12 plants to transfer up to 20 pounds of marijuana a year to a recreational marijuana processor or wholesaler if the grow site has been registered for at least one year. Prohibits either OHA or OLCC from requiring a marijuana grow site use a security system. Direct OHA to register a medical marijuana grow site if provided specified information, including tax lot number, GPS coordinates, assessor's map, or latitude/longitude coordinates.

Allows a city or county that has enacted an ordinance prohibiting or allowing medical marijuana establishments to amend the ordinance without referring the amendment to the jurisdiction's electors to prohibit or allow OLCC's exclusively medical licensees.

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 transfer of marijuana between retailers substantially owned by the same persons.

Provides additional sanctioning authority for OLCC if the Commission makes specific findings against an applicant or licensee. Declares emergency.

-35 Exempts OMMP growers applying for OLCC producers licensure on or before the effective date of the measure from immature plant limits. Declares emergency.

-36 Replaces measure. Establishes the Oregon Cannabis Commission (Commission) within OHA. Requires the Commission to submit a report by December 15, 2017 regarding the future of OMMP. 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.

Allows a marijuana grow site with more than 12 plants to transfer up to 20 pounds of marijuana a year to a recreational marijuana processor or wholesaler if the grow site has been registered for at least one year and provides OLCC with a notice of intent to transfer marijuana into the recreational system. Prohibits either OHA or OLCC from requiring a marijuana grow site use a security system. Direct OHA to register a medical marijuana grow site if provided specified information, including tax lot number, GPS coordinates, assessor's map, or latitude/longitude coordinates.

Allows a city or county that has enacted an ordinance prohibiting or allowing medical marijuana establishments to amend the ordinance without referring the amendment to the jurisdiction's electors to prohibit or allow OLCC's exclusively medical licensees.

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 transfer of marijuana between retailers substantially owned by the same persons.

Provides additional sanctioning authority for OLCC if the Commission makes specific findings against an applicant or licensee. Declares emergency.

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.