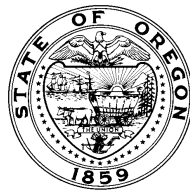


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Joint Committee on Ways and Means

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Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee

From: Linda Ames, Legislative Fiscal Office

Date: Wednesday, June 28, 2017

Subject: HB 2198 Relating to cannabis
Work Session Recommendations

House Bill 2198 establishes the nine-member Oregon Cannabis Commission (OCC) within the Oregon Health Authority (OHA). The bill specifies the membership and term of office for each member. OHA is directed to provide staff support for the Commission. The bill charges the Commission with determining the possible framework for the future governance of the Oregon Medical Marijuana Program. The Commission is required to report its findings and recommendations to the Legislature by December 15, 2017. In addition, the Oregon Cannabis Commission is required to provide advice to the Oregon Liquor Control Commission (OLCC) regarding medical marijuana.

The bill also modifies statutes regulating marijuana grow sites, including allowing marijuana grow sites to transfer up to 20 pounds of usable marijuana per year to a recreational marijuana processor or wholesaler if: (1) the transfer is tracked by METRC Cannabis Tracking System; (2) is coming from a grow site with more than 12 plants; (3) the usable marijuana was assigned to the person responsible for the grow site by the Oregon Medical Marijuana Program (OMMP) patient; (4) the marijuana was tested; and (5) the grow site was registered with OHA prior to the effective date of the act. The bill authorizes 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.

The measure previously had hearings in the Joint Committee on Marijuana Regulation on 3/14/2017, 4/25/2017, 5/9/2017, 6/16/2017, and 5/3/2017.

Fiscal Impact

OHA estimates the cost of supporting the Commission to be \$250,000 General Fund. In addition to this quantifiable fiscal impact of supporting the Oregon Cannabis Commission, the impact of this bill on the Oregon Medical Marijuana Program within OHA is indeterminate, depending on the number of medical growers that will choose to register

for the METRC Cannabis Tracking System in order to take advantage of the option to transfer up to 20 pounds of usable marijuana per year to a recreational marijuana processor or wholesaler; and whether these medical growers will elect to remain with OHA medical licensure versus the number that will opt to fully migrate to OLCC licensure, and the timing of this migration.

Recommended Changes

A37 amendment

The -A37 amendment is a conflict amendment that allows the governing body of a city or a county to modify opt-in or out-opt ordinances to account for the new exclusively medical license type defined in SB 1057.

MOTION: I move adoption of the -A37 amendment to HB 2198. (VOTE)

A39 amendment

The -A39 amendment: (1) repeals the Advisory Committee on Medical Marijuana; (2) reduces the frequency of meetings for the Cannabis Commission from at least monthly to at least quarterly; and (3) appropriates \$250,000 General Fund to the Oregon Health Authority to support the work of the Cannabis Commission.

MOTION: I move adoption of the -A39 amendment to HB 2198. (VOTE)

Final Subcommittee Action

It is recommended that HB 2198, as amended by the -A37 and -A39 amendments, be moved to the Ways and Means Full Committee.

MOTION: I move HB 2198, as amended, to the Full Committee with a do pass recommendation.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____