

SB 1057 A STAFF MEASURE SUMMARY**Carrier:** Rep. Lininger, Rep. Olson**Joint Committee On Marijuana Regulation****Action Date:** 05/02/17**Action:** Do Pass the A-Eng bill.**House Vote****Yeas:** 4 - Fahey, Helm, Lininger, Olson**Nays:** 1 - Wilson**Senate Vote****Yeas:** 3 - Beyer, Burdick, Ferrioli**Nays:** 2 - Kruse, Prozanski**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Adam Crawford, LPRO Analyst**WHAT THE MEASURE DOES:**

Allows Oregon Liquor Control Commission (OLCC) authority necessary to prevent the illegal transfer or 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 commissioner from eastern Oregon. Limits the number of commissioners from one political party to four. Allows specified OLCC licensed marijuana producers an additional 10 percent of their existing canopy square footage to produce marijuana for medical use. Requires marijuana producers who do utilize this additional canopy square footage 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.

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 Oregon Health Authority (OHA) to 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 OHA to create a database sharing OMMP registrant information with OLCC and the Department of Revenue. Specifies information in the database is not eligible for public disclosure. Moves marijuana labeling authority from the OHA to OLCC. Clarifies that an OMMP cardholder may jointly possess six medical marijuana plants under OMMP in addition to four marijuana plants allowed under Measure 91. Limits the allowable number of immature marijuana plants in possession of an OMMP cardholder to 12 unless their address is a registered medical marijuana grow site. Limits the allowed number of immature medical marijuana plants at registered medical marijuana grow site to twice the number of allowed mature marijuana plants.

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

Declares emergency, effective on passage.

SB 1057 A STAFF MEASURE SUMMARY

ISSUES DISCUSSED:

- Regulatory powers of Oregon Liquor Control Commission
- Tracking of marijuana in the medical system
- Costs of tracking system

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2014 Oregon voters passed Measure 91 allowing 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 the use of marijuana by adults. Since 2014, voters in California, Maine, Massachusetts, and Nevada have passed similar laws. One of the major features of the recent shift in law was that while the 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, the continued application of the Cole Memo is now in doubt.

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