

SB 1544 A STAFF MEASURE SUMMARY

Senate Committee On Rules

Action Date: 02/26/18

Action: Do pass with amendments and requesting referral to Ways and Means. (Printed A-Engrossed.)

Vote: 5-0-0-0

Yeas: 5 - Beyer, Boquist, Burdick, Roblan, Winters

Fiscal: Fiscal impact issued

Revenue: No revenue impact

Prepared By: Josh Nasbe, Counsel

WHAT THE MEASURE DOES:

Creates Illegal Marijuana Market Enforcement Grant Program to provide financial assistance to local law enforcement agencies. Redirects funds in Oregon Marijuana Account for purposes of program. Sunsets program in 2024. Increases, from four to eight, the number of registry identification cardholders for whom a person may produce medical marijuana. Directs Oregon Health Authority to establish maximum number of immature marijuana plants, under 24 inches in height, that may be produced at a registered medical grow site. Exempts small medical marijuana grow sites from obligation to participate in tracking system operated by Oregon Liquor Control Commission. Authorizes registered marijuana producer to provide immature plants to cardholder or person growing for cardholder. Exempts certain cannabinoid products produced for a cardholder from labeling and packaging requirements. Authorizes marijuana retailers and dispensaries to continue to locate less than 1,000 feet from a school, if facility was established in accordance with certain city or county ordinances. Regulates sale of hemp to consumers and prohibits importing or exporting certain hemp products. Modifies provisions relating to the Oregon Cannabis Commission, local government revenues, determining physical addresses and terminology.

ISSUES DISCUSSED:

- Overproduction, diversion, federal enforcement and the Cole memo
- Medical marijuana; plant limits
- Industrial hemp
- City and county marijuana revenue
- Proximity to schools

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Senate Bill 1544-A relates to marijuana and addresses law enforcement, the medical marijuana program and industrial hemp, while making other marijuana-related changes to the law.

Senate Bill 1544-A creates the Illegal Marijuana Market Enforcement Grant Program, modeled on a Colorado program, to assist local governments with the costs incurred in detecting and prosecuting unlawful marijuana cultivation and distribution operations. The program is funded by the Oregon Marijuana Account and administered by the Oregon Criminal Justice Commission (CJC). CJC is directed to evaluate the efficacy of services funded by the program and is required to report annually to the Legislative Assembly on the program. The program and funding mechanism sunset in January, 2024.

The Oregon Medical Marijuana Act establishes a maximum number of plants that may be possessed by a medical marijuana cardholder or a person authorized to grow marijuana on their behalf, and subjects many medical marijuana grow sites to a 'seed to sale' tracking system operated by the Oregon Liquor Control Commission. In

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addition, the law authorizes registered marijuana processors to receive marijuana from cardholders, process the marijuana into cannabinoid products and return those products to the cardholder.

Senate Bill 1544-A makes five changes to this area of law. First, the bill increases the number of cardholders for whom a designated grower may grow marijuana, from four to eight. The bill also directs the Oregon Health Authority to establish a maximum number of immature plants, under 24 inches in height, that may be possessed by a cardholder, and authorizes registered marijuana producers to provide cardholders with immature plants. The bill exempts cannabinoid products produced for a cardholder from otherwise applicable packaging and labeling requirements and exempts two-person medical grow sites from the tracking system.

Current law limits the ability of a marijuana retailer or dispensary to locate within 1,000 feet of a school, but provides an exception if the facility is at least 500 feet from a school and a physical barrier exists between the school and the facility. Senate Bill 1544-A would create an additional exception for facilities located near a school, if the facility was established prior to August 1, 2017, pursuant to certain city or county ordinances.

Senate Bill 1544-A also regulates industrial hemp by requiring a marijuana retailer's license to sell hemp products containing more than .3 percent tetrahydrocannabinol to a consumer, prohibiting the export or import of products containing more than .3 percent tetrahydrocannabinol, and by requiring marijuana retailers that sell hemp products to affix a label identifying whether the product is derived from hemp or marijuana.

Finally, Senate Bill 1544-A authorizes the disclosure of certain marijuana tax-related information, modifies the manner in which OHA determines the address of a medical marijuana grow site, clarifies the scope of commercial operations and extends the period of time within which the Oregon Cannabis Commission must report to the Legislative Assembly and request for legislation.