



February 26, 2019

Dear Senate Committee on Business and General Government,

Senators Riley, Girod, Dembrow, Hass, and Olsen

RE: SB218 Authorized OLCC to refuse to issue marijuana production licenses based on market demand and other relevant factors.

Public Hearing scheduled for 2/28 at 8am

<https://olis.leg.state.or.us/liz/2019R1/Measures/Overview/SB218>

I am in support of SB218 for the following reasons:

HB3400 gave OLCC the authority to annually balance and evaluate the demand and production of recreational marijuana under OAR 845-025-2040 on Production Size Limitations and gave OLCC the ability to amend marijuana production, yet OLCC appears to have no authority to say NO to issuing more marijuana production licenses.

(3) Canopy Measurements.

(b) On an annual basis, the Commission will evaluate market demand for marijuana items, the number of person applying for producer licenses or licensed as producers and whether the availability of marijuana items in this state is commensurate with the market demand.

Following this evaluation, the Commission may amend this rule as need

https://secure.sos.state.or.us/oard/viewSingleRule.action;JSESSIONID_OARD=C7wknQh2gteiKu8FicbbQ0dAudR5Fb-1477Glg5aJStSpytgt5PW!479495115?ruleVrsnRsn=238965

As we know two recent audits, one by the Secretary of State and one by OLCC in a legislative report of which both note that Oregon has a massive marijuana production oversupply.

<https://oregonsos.com/blog/2019/1/29/audit-of-oregons-framework-for-regulating-marijuana>

<https://www.oregon.gov/olcc/marijuana/Documents/Bulletins/2019%20Supply%20and%20Demand%20Legislative%20Report%20FINAL%20for%20Publication%28PDF%29.pdf>

Clackamas County has had over 545 marijuana land use applications applied for since January of 2016, with over 98% of those being for marijuana production.

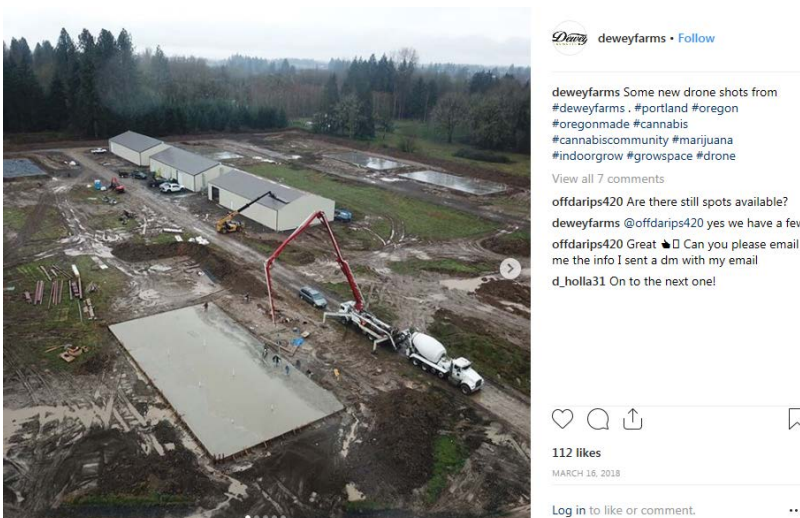
Large out-of-state and in state investors have been setting up EFU industrialized rent a marijuana grow building, in the middle of our EFU farm lands. Below are 4 examples.

- **267,264 sq. Ft. with 60 buildings** on 20 acres includes indoor growing, processing and hemp production. 60' x 100' cement slabs are being poured to erect steel buildings on prime farmland. They have already been burglarized and have ruined the quality of life and property values of surrounding property owners.



<https://katu.com/news/local/thieves-smash-walls-with-sledgehammers-steal-pot-plants-from-licensed-grow-facility>

- **300,000 sq. ft. with 56 buildings** on 40 acres for indoor production who already have code violations for setting up a weapons shooting range on the same property



- **358,000 sq. ft. with 89 buildings** on 26 acres that includes processing with 16 OLCC indoor and outdoor production in over 74 greenhouses



- **687,720 sq. ft. with 58 buildings** on 19 acres for indoor and outdoor production in over 15 buildings-33 greenhouses 10 8 x 40 cargo containers

PROJECT OVERVIEW



On February 6, 2019 Clackamas County Commissioners votes unanimously through ZDO271 to ban multi licensed marijuana productions sites in our EFU, AGF, and Timber zones, allowing only 1 OLCC or OHA marijuana production license on 1 tract of land.

OLCC has received over 2357 marijuana production applications with over 1, 115 active licenses along with the below in process:

https://www.oregon.gov/olcc/marijuana/Documents/mj_app_stats_by_county.pdf

	License Active	Approved Not Paid	Assigned	Ready For Assignment	Without Approved LUCS	Grand Total
Laboratory	21	0	9	0	1	31
Processor	210	0	122	121	125	578
Producer	1115	6	316	566	219	2222
Retailer	606	4	100	118	118	946
Wholesaler	147	0	62	71	69	349
Research	0	0	2	0	2	4
Grand Total	2099	10	611	876	534	4130

Urban Oregon legalized marijuana, but rural Oregon is paying the price with the over production and industrialization of our prime rural farmland.

We support SB218 and encourage the committee to move this bill forward for a robust discussion and vote to allow OLCC the authority to say NO to any more marijuana production licenses.

Respectfully submitted,

Shirley Morgan

cc:

- U.S. Attorney Bill Williams
- Senator Chuck Thomsen
- Clackamas County Chair Jim Bernard and Commissioners Humberston, Savas, Fischer, and Schrader