

HB 2098 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development

Prepared By: Melissa Leoni, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/13

WHAT THE MEASURE DOES:

Prescribes that fees collected on or after January 1, 2020 to renew a production, processor, wholesale, or retail marijuana license are nonrefundable if the applicant is authorized to operate either conditionally or unconditionally. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Replaces Measure. Prohibits Oregon Liquor Control Commission from issuing or renewing marijuana producer license until producer provides proof of contract with licensed marijuana processor or retailer to transfer at least 90 percent of marijuana to be produced during the licensure period. Requires Commission to suspend marijuana retailer license for failure to pay tax or file return with Department of Revenue twice in any four consecutive quarters. Permits Commission to revoke license if retailer has not paid the tax or filed the returns at the conclusion of suspension period. Declares emergency, effective on passage.

BACKGROUND:

In 2014 Oregon voters enacted Measure 91, allowing the recreational use of marijuana for persons 21 years or older in Oregon. The measure directed the Oregon Liquor Control Commission (OLCC) to administer and regulate the recreational system.

Under the OLCC licensing process, applicants submit a license application in the online licensing system and pay an application fee. OLCC receives the application and a license investigator begins a completeness review, followed by a compliance review. An OLCC inspector also visits the site to determine compliance with physical requirements. If an applicant meets all application and premise inspection requirements, and all fees are paid, the license is issued. Licenses must be renewed annually. As of January 15, 2019, the OLCC has 208 active processor licenses, 1,113 active producer licenses, 603 active retail licenses, and 143 active wholesale licenses.

House Bill 2098 establishes that the fees paid on or after January 1, 2020 to renew certain marijuana licenses are nonrefundable if the applicant is authorized to conditionally or unconditionally operate the recreational marijuana establishment.