

HB 2233 -2, -3 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:

Provides for the consumption and sale of marijuana items at temporary event or cannabis lounge subject to regulation by Oregon Liquor Control Commission. Establishes temporary event and cannabis lounge licenses and specifies requirements. Prohibits temporary event and cannabis lounge premises in areas zoned exclusively for residential use or within 1,000 feet of public, private, or parochial elementary or secondary school. Requires marijuana items sold at temporary events to be sold by licensed marijuana retailer. Requires enclosed portion of temporary event premises where marijuana items are smoked, aerosolized, or vaporized to have a ventilation system and meet any Commission-established public health and safety standards or best practices. Allows co-location of cannabis lounge and marijuana retailer as long as lounge and retailer occupy different areas of the premises. Allows consumers to bring marijuana items purchased by co-located retailer into lounge. Restricts consumption of cannabinoid edibles and use of topical cannabinoid products at cannabis lounge to designated enclosed areas and designated outdoor areas of premises. Restricts marijuana items to be smoked, aerosolized, or vaporized to designated outdoor areas of cannabis lounge. Requires cannabis lounge to obtain cannabis lounge sanitation certificate from Oregon Health Authority and be inspected once every six months. Allows city or county to adopt ordinance allowing establishment of premises for temporary events or cannabis lounges. Requires local government to submit local ordinance to Commission before Commission may initiate related licensing. Becomes operative January 1, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Establishes and prescribes membership for advisory committee to advise Oregon Liquor Control Commission, Oregon Health Authority, and Oregon Department of Agriculture on standards for testing the potency of marijuana and marijuana items.

-3 Allows consumption of cannabinoid edibles and use of topical cannabinoid products in designated enclosed areas and designated outdoor areas and restricts use of marijuana items intended to be smoked, aerosolized, or vaporized to designated outdoor areas of premises licensed for temporary event or cannabis lounge. Requires cannabis lounge that serves food products be subject to restaurant laws and rules instead of cannabis lounge sanitation certificate. Changes operative date to January 1, 2021.

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 and start giving licenses to marijuana producers (growers), processors, wholesalers and retailers beginning in January 2016.

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

HB 2233 -2, -3 STAFF MEASURE SUMMARY

license is issued. Licenses must be renewed annually. As of January 15, 2019, the OLCC had 208 active processor licenses, 1,113 active producer licenses, 603 active retail licenses, and 143 active wholesale licenses.

House Bill 2233 allows the consumption and sale of marijuana items at temporary events and cannabis lounges, subject to Oregon Liquor Control Commission regulation and local government authorization.