

HB 3211 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/13, 4/1

WHAT THE MEASURE DOES:

Directs Oregon Department of Agriculture to design and implement cannabis business certification program to address energy and water usage and other environmental and natural resource issues. Directs Oregon Liquor Control Commission to allocate \$300,000 from Marijuana Control and Regulation Fund to Department for program. Declares emergency, effective July 1, 2019.

FISCAL: Fiscal impact issued

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

- Voluntary certification program for growers
- Industry preparation for traded sector
- Energy use to grow cannabis
- Business choices for lighting and water use

EFFECT OF AMENDMENT:

-1 Limits cannabis business certification program standards to addressing energy and water use efficiency.

BACKGROUND:

The Oregon Liquor Control Commission (OLCC) rules for marijuana producer licensees require proof of legal access to water, an estimate of electricity and water usage with the initial application, and actual electricity and water usage at renewal. The Business Readiness Guidebook for Oregon Recreational Marijuana Operations, intended for establishing OLCC-licensed recreational marijuana businesses, provides state agency responsibilities and the available technical or informational resources related to pesticide use, plant health, air emissions, water rights, and energy use. OLCC marijuana licensing fees are deposited in the Marijuana Control and Regulation Fund, which is appropriated to OLCC to administer and enforce the recreational marijuana statutes. Fees may not exceed OLCC costs to administer the statutes.

The Oregon Department of Agriculture (ODA) administers many programs that affect agriculture producers and processors, including cannabis, and regulates the growing and processing of industrial hemp in Oregon.

House Bill 3211 directs ODA to design and implement a cannabis business certification program to promote market-based approaches that create incentives for cannabis business operations and that addresses the energy and water usage and other environmental and natural resource issues of these businesses. The measure directs OLCC to allocate \$300,000 from the Marijuana Control and Regulation Fund to ODA for the program.