

Greetings Honorable Elected Official,

We would like to respectfully submit this testimony for the public record regarding your considerations of SB218 B, and request that certain concessions be granted to mitigate potential adverse impacts that passage of this bill could have upon small businesses owned by longtime Oregon residents.

We are thankful that the legislature is taking steps to reduce the excess of cannabis in the market. However, we are concerned about the economic detriments to people in our similar situation. People that have had to pool their funds together to start up new businesses. People that have invested thousands of dollars in attorney and application fees while trying to navigate through onerous county land use processes. People that were consequently pushed to the end of the line but were still able to submit their producer applications prior to the June 15, 2018 cut-off date.

When the state legislature, during a short session, removed the two year residency requirement that was an original part of Measure 91, it created a ripe environment for the glut of cannabis and cannabis licensees that we are experiencing today. It also created an unfair playing field that made it nearly impossible for local business to compete with well-funded out-of-state money. Perhaps reinstating the two year residency requirement as qualifying criteria for all applicants, especially producer applicants in the cue, would help narrow down the list.

Another consideration that we would like to put forth is an exception for existing licensees that would like to vertically integrate products between different licensed facilities. It is a common practice that has mostly been afforded to those with the capital to submit multiple license applications simultaneously. Currently, we are a licensed retailer trying to get our medical garden converted to recreational with the intent of expanding our product line to include edibles, extracts, topicals, etc.

Jackson County has been less than welcoming to the cannabis industry. To date, we have spent nearly 10k in licensing and attorney's fees and have successfully secured legal non conforming land use permission. However, that process began in July '18 and permission was granted January '19. We are in the process of submitting another Type II land use application to allow for commercial use, and we anticipate that it will take the county another 180 days to process application. Due to SB218 B, we are now wondering if our time and money have been wasted and whether or not incur more expenses trying to get county permission to allow for commercial use.

We understand that Oregon's cannabis surplus needs to be mitigated. At least until a future date when we will be able to conduct interstate commerce. That being said, we would also like to be afforded the same opportunities as our out-of-state competition, and be able to get our well oiled machine ready for said interstate commerce.

Thank you for your time, consideration, and service to our State. Again, we respectfully request that some exemption criteria be allowed for some producer applicants in the cue to allow for their applications to be processed.

Respectfully Submitted,

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