

**HB 4156 STAFF MEASURE SUMMARY**

**House Committee On Economic Development**

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**Prepared By:** Melissa Leoni, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/10

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**WHAT THE MEASURE DOES:**

Directs Oregon Department of Agriculture (ODA) to design and implement a cannabis business certification program to promote market-based approaches that create incentives for cannabis business operations to use low-carbon cultivation techniques that use energy and water efficiently. Allows ODA to contract with a third-party organization with expertise in the measurement of and best practices associated with energy and water usage in cannabis businesses. Directs Oregon Liquor Control Commission to allocate \$300,000 from the Marijuana Control and Regulation Fund to Department for program. Takes effect on July 1, 2020.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**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. 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 agricultural producers and processors, including cannabis, and regulates the growing and processing of hemp in Oregon.

House Bill 4156 was House Bill 3211 in the 2019 session and was passed out of the House Committee on Economic Development and referred to Joint Ways and Means where it remained at the close of session. House Bill 4156 directs ODA to design and implement a cannabis business certification program to promote market-based approaches that create incentives for cannabis business operations to use low-carbon cultivation techniques that use energy and water efficiently. The measure directs OLCC to allocate \$300,000 from the Marijuana Control and Regulation Fund to ODA for the program.