

HB 4034 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/3, 2/12

WHAT THE MEASURE DOES:

Directs Oregon Liquor Control Commission (OLCC) in consultation with the Oregon Health Authority (OHA) to establish by rule a medical marijuana grow site registration process. Defines medical marijuana grow site as a location where marijuana is produced for registry identification cardholders, but not including marijuana grow sites registered by the OHA. Specifies criteria for OLCC registration and for the transfer of marijuana; sets grow site production limits; establishes civil penalties for violations; and establishes OLCC registration deadlines. Allows OLCC to adopt by reference applicable OHA rules. Limits a person designated to produce marijuana by a registry identification cardholder under an OHA grow site registration to grow for only two cardholders and limits grow sites with multiple growers to produce marijuana plants for no more than four cardholders. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Appropriate agency responsibilities for Oregon Medical Marijuana Program (OMMP)
- Number of growers and OMMP registrations
- Criteria for changes to the OMMP
- Ability of current registry cardholders to afford products
- Marijuana system goals

EFFECT OF AMENDMENT:

-1 Clarifies grow site plant limits and allows person to grow for up to two registry identification cardholders under the Oregon Medical Marijuana Program. Makes other conforming changes to statute.

BACKGROUND:

Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. Qualified patients (registry identification cardholders) may grow plants for themselves, designate a grower and grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments. In 2014, Oregon voters enacted Ballot 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, including developing and implementing a seed-to-sale tracking system known as the Cannabis Tracking System (CTS).

In 2018, the Legislative Assembly made changes to the Oregon Medical Marijuana Program (OMMP), including exempting two-person medical grow sites from the CTS. Growers who grow for three or more patients now track in CTS and are subject to inspection by OLCC.

The current OMMP participation numbers, as of January 2020, are 24,801 patients, 9,705 caregivers, 10,549 growers, 8,812 grow sites, 3 dispensaries, and no processing sites. Of the 8,812 registered grow sites, a total of 8,235 have one or two registered patients. There are 576 grow sites registered under the OMMP who grow for three or more patients and report into the CTS.

OMMP registrations for growers and cardholders have decreased significantly since the implementation of the legal recreational system. The OMMP is supported by registration fees and resources available for agency

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compliance and enforcement activities have also declined. House Bill 4034 would move the registration for growers who grow for three or more patients and currently report into CTS to a new OLCC medical marijuana grow site registration. Under the measure, the Oregon Health Authority will continue to register grow sites producing marijuana for one or two patients.

PRELIMINARY