

HB 4156 STAFF MEASURE SUMMARY
House Committee On Economic Development

Action Date: 02/10/20

Action: Do pass and be referred to Ways and Means by prior reference

Vote: 8-0-3-0

Yeas: 8 - Barreto, Bonham, Fahey, Helm, Lively, Marsh, McLain, Wilson

Exc: 3 - McKeown, Wallan, Witt

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/10

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 ODA for program. Takes effect July 1, 2020.

ISSUES DISCUSSED:

- Voluntary standards and regulatory requirements
- Consumer demand for certain cannabis products
- Impacts to small businesses
- Incentives for cannabis businesses

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 laws. 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 3211 (2019) would have directed ODA to design and implement a cannabis business certification program to promote the sustainable cultivation of cannabis, and allocated \$300,000 from the Marijuana Control and Regulation Fund to ODA for that program. The measure passed out of the House Committee on Economic Development and was in the Joint Committee on Ways and Means at the close of session. House Bill 4156 reintroduces that measure.