

CANNABIS REGULATION

2021 LEGISLATIVE BILLS



2021 Legislative Bills

Adult Use Marijuana

SB 96: Regulating the testing and labeling of hemp derived vapor items

SB 408: OLCC enforcement reform and other changes to license privileges

HB 2519: Out of jurisdiction delivery (currently licensees can only deliver in the jurisdiction they are licensed)

HB 3000:

- ▶ Regulating cannabis intoxicants
- ▶ Addressing illicit cannabis production
- ▶ Implementing the 2018 Farm Bill for hemp production
- ▶ Establishing a Task Force

Rulemaking: OLCC is engaged in the rulemaking process and plan to have all administrative rules required from 2021 legislation in place by the effective date of a majority of the bills, 1/1/2022.

Background and Purpose For: House Bill 3000

BACKGROUND

- ▶ Delta-8-THC ($\Delta 8$ -THC, sometimes just called “Delta 8” or “D8”) is an intoxicating cannabinoid, chemically similar to the more common Delta-9-THC ($\Delta 9$ -THC). Delta-8-THC can be created from CBD by chemical processing.
- ▶ High-THC hemp edibles can legally be sold to consumers in Oregon, including minors, as long as they are below 0.3% Delta-9-THC with very little regulatory oversight.
- ▶ The issue is not unique to Oregon due to lack of federal clarity on legality of Delta-8 and other THC isomers. This has led many states to pass legislation that would close regulatory loopholes to protect consumer health and safety.
- ▶ The 2018 Federal Farm Bill legalizing the production hemp did not contemplate intoxicating hemp products entering the general marketplace. This has lead 18 states to regulate or ban the delta-8 THC.
- ▶ Under the Farm Bill, ODA needs to have a state hemp plan approved by USDA to have authority for criminal records checks, and allowing license denials based on an applicant’s criminal record.

1. Regulating cannabis intoxicants

- Defines “adult use cannabinoid,” “adult use cannabis item,” and “artificially-derived cannabinoid.”
- Immediately prohibits sale of adult use cannabis items to minors.
- Gives OLCC authority to regulate artificially-derived cannabinoids.
- Gives ODA authority to consider artificially-derived cannabinoids to be an adulterant.
- Allows OLCC to set potency and concentration limits for THC and other adult use cannabinoids for marijuana items and hemp items, in consultation with ODA and OHA.
- Includes artificially-derived cannabinoids in OLCC’s labeling rules.
- Allows OHA to require testing for other adult use cannabinoids.
- Directs ODA to establish tracking requirements for hemp commodities and products intended for human consumption, including associating test results to the batch that was tested.
- Allows ODA to expand the scope of “hemp handler” activities and establish other license types.

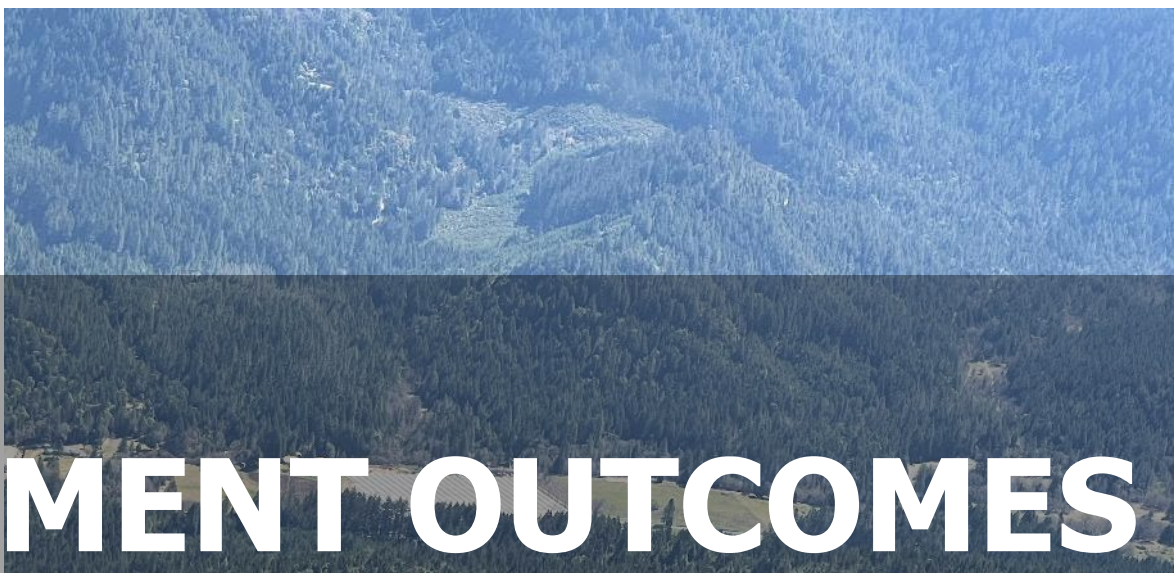
2. ADDRESSING ILLICIT CANNABIS PRODUCTION

- ▶ Doubles funding for the Illegal Marijuana Market Enforcement Grant Program Fund.
- ▶ Creates a Class A misdemeanor crime of unlawful production of marijuana for growing cannabis in excess of the amount allowed by state law at a location that is not licensed or registered by ODA, OHA, or OLCC and allows destruction of unlawfully produced cannabis as contraband.
- ▶ Directs OLCC to establish a methodology for presumptively distinguishing between hemp and marijuana. If ODA finds a hemp licensee is producing marijuana, they may order it be destroyed.
- ▶ Allows ODA to enter into interagency agreement with OLCC for OLCC staff to inspect hemp crops.
- ▶ Allows law enforcement to accompany ODA to licensed hemp operations for the purpose of providing protection to agency staff, pursuant to rules promulgated by ODA.
- ▶ Governor can to order the National Guard to assist ODA enforcing hemp laws.

HB 3000: new rules - Immediate implementation of emergency rules

1. Under the new law a business that wants to sell a consumable hemp item to a minor must **determine the milligrams of total THC in the product prior to sale**, not just the percentage of THC it contains. A hemp item is required to have **less than 0.5 milligrams (weight) of Total THC** to be sold to a minor.
2. Directs OLCC to establish a methodology for presumptively distinguishing between hemp and marijuana. If ODA finds a hemp licensee is producing marijuana, they may order it be destroyed.





HB 3000 ENFORCEMENT OUTCOMES



CANNABIS in Oregon: The Regulators

Adult Use - Medical - Hemp

Oregon Liquor and Cannabis Commission (OLCC): Adult use marijuana businesses and worker permits

Oregon Health Authority (OHA): medical marijuana activities/businesses, testing standards and requirements

Oregon Department of Agriculture (ODA): commercial kitchens, scale certification, certain food handling activities, pesticides and industrial hemp

HB 3000 immediate outcomes: Interagency coordination

- ▶ Developed and IAA and SOP's with ODA for enforcement work.
- ▶ Working with ODA, BOLI, OSHA, OWRD, Code enforcement and counties to gather information about complaints received for registered grows.
- ▶ Coordinating agencies and law enforcement to determine types of grows.
- ▶ Developed IAA with law enforcement to assure protection on site visits.
- ▶ Purchased field testing units to allow regulatory specialists to test if a plant is marijuana or hemp during inspections of registered hemp grows.
- ▶ Adjusted staffing statewide to allow for more personnel in the Southern Oregon region from June - August 2021.



HB 3000: Field operations

Enforcement Outcomes

- ▶ OLCC and ODA visited 316 registered hemp grow sites in Jackson and Josephine County.
- ▶ Samples were collected in the fields and tested to determine if the plant was marijuana or hemp.
- ▶ Emergency rules set the limit of THC that would qualify as marijuana at 5% THC, which is a much larger amount of THC than is allowed by federal law .3%THC.
- ▶ As of Thursday September 16, 2021, 114 (54%) sites tested positive for the presence of marijuana.

	July 28	Aug 12	Sept 16
Positive Tests	13	69	114
Negative Tests	18	78	98
No test results*	34	137	104
Denied Entry	13	47	16
No Contact	8	16	9
Not Growing (some locations show evidence of plants recently being moved/harvested)	13	43	59
Awaiting Test Results	0	31	20
Locations Visited	65	284	316

HB 3000: next steps establishing a task force

- ▶ Establishing the bipartisan and bicameral Task Force including representation from cities, counties, law enforcement, hemp growers, hemp handlers, marijuana licensees, OSU's Global Hemp Innovation Center, ODA, OHA, and OLCC.
 - ▶ Changes to support the regulation of intoxicating cannabis-derived products.
 - ▶ The consolidation of administrative functions related to the regulation of cannabis.
 - ▶ Methods to prevent sales of intoxicating cannabinoids to minors.
 - ▶ Regulation to address genetic engineering of cannabis.
 - ▶ Testing requirements and methods of enforcement of testing requirements for cannabinoids, to protect the public health and safety.
 - ▶ Policy changes related to interstate commerce and transportation of cannabis
 - ▶ Changes to state regulation of cannabis as a result of federal law.

Resources needed: ground operations and enforcement

Lack of adequate resources have created unintended implementation obstacles for field inspectors conducting inspections on registered industrial hemp under ODA. OLCC, ODA, and law enforcement work on the ground brought to the light the following critical issues:

- ▶ Plants testing at a very high rate of marijuana - THC
- ▶ Human Trafficking and federal immigration issues
- ▶ OSHA rules on employee living conditions
- ▶ Illegal water use, depletion and drought concerns from local residents
- ▶ Local code violation and administration need for more safety resources
- ▶ Need for additional officers during administrative investigation
- ▶ Integrated statewide approach for sustained funding for a public safety team
- ▶ Expanding regulation and compliance beyond Southern Oregon counties

HB 3000 Related Articles: human trafficking, water theft and other atrocities

- ▶ [Illegal Oregon marijuana farms take West's water in 'blatant theft', Andrew Selsky Associated Press](#)
- ▶ [Report: Southern Oregon Hemp Testing Reveals Large Amounts Of Illicit Marijuana](#)
- ▶ [Southern Oregon investigators suspect human trafficking, forced labor at cannabis farm](#)
- ▶ [Man's Death Precipitated Raid On Massive Josephine County Marijuana Grow](#)
- ▶ [Task Force Raids Black-Market Marijuana Grows Back-to-Back; Finds \\$643k, 20k plants, 15k lbs. Processed Illegal Marijuana](#)
- ▶ [Klamath County Sheriff's Deputies Bust Another 'Hemp' Grow, Destroying 11,000 Plants](#)
- ▶ [Cops: 14 arrested, 1,400 pounds of pot seized at illegal Oregon marijuana grow operations](#)
- ▶ [Illegal pot fuels 'narco-slavery' in Rogue Valley](#)

OLCC'S MISSION

Support businesses, public safety,
and community livability
through education and the enforcement
of liquor and marijuana laws.

