

HB 3112 STAFF MEASURE SUMMARY

House Committee On Judiciary

Action Date: 04/13/21

Action: Without recommendation as to passage, be referred to Rules, and then to Ways and Means by prior reference.

Vote: 7-0-3-0

Yeas: 7 - Bynum, Dexter, Helm, Kropf, Lewis, Power, Wilde

Exc: 3 - Morgan, Noble, Wallan

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

Prepared By: Amie Fender-Sosa, Counsel

Meeting Dates: 3/11, 3/23, 4/13

WHAT THE MEASURE DOES:

Establishes the Cannabis Equity Board (Board) within the Governor's office to provide equity oversight of Oregon's cannabis industry. Establishes membership, appointed by the Governor and subject to confirmation by the Senate, and duties of the Board. Requires Board, in conjunction with equity liaisons of the Oregon Health Authority (OHA) and the Oregon Liquor Control Commission (OLCC), to annually review and report to the Legislative Assembly on key performance indicators of equity, including the qualification criteria to ensure that holders of licenses issued under this Act represent communities most negatively impacted by cannabis prohibition initiatives and that the Oregon cannabis industry continues to become more racially inclusive. Provides authority to Board, with permission from the Governor, to investigate: (1) failures to report to the Board; (2) misuse of funds distributed by the Board; and (3) complaints regarding the issuance of equity licenses. Establishes the Cannabis Equity Fund (Fund) separate from the General Fund, to be funded by moneys from the Oregon Marijuana Account, which receives marijuana tax revenues. Directs Board to allocate moneys from Fund to: (1) community programs and partners who support landownership, homeownership, and income building through jobs and entrepreneurship for individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx; (2) court costs incurred for orders setting aside qualifying marijuana convictions; (3) programs that support cannabis businesses owned by individuals who are American Indian, Alaska Native, Black, Hispanic or Latinx, which must be culturally competent and include technical assistance; and (4) equity liaison positions. Directs the OLCC to issue a reduced-fee equity license to an applicant who meets certain criteria and has been convicted of a marijuana-related crime or is a member of a minority group that has experienced disproportionate arrest rates for marijuana-related crimes. Directs OLCC to provide application process support. Creates requirements for issuing cannabis on-premise consumption licenses. Expands license types. Establishes process for automatic expungement of qualifying marijuana offenses, including arrests, citations, or convictions. Directs OHA to establish and maintain a public education program regarding marijuana. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Growth of marijuana sales in 2020
- Redistribution of revenues from sales
- Start-up costs for a dispensary
- Barriers to access to capital
- Failed War on Drugs and criminal drug policies that disproportionately affected minorities
- Creating opportunities for job creation, entrepreneurship, and wealth building

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EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 1998, Oregon voters passed Ballot Measure 67, which authorized the use of marijuana for medical purposes. Oregon voters then passed Ballot Measure 91 in 2014, which allowed for the creation of a recreational marijuana market. Subsequent legislation allowed individuals to grow, sell, and consume marijuana subject to certain conditions without having to show a medical need. Additionally, starting in 2009, Oregon has allowed for the possession and production of hemp. In 2018, Congress passed the Hemp Farming Act, which allows for the transportation of hemp across state lines subject to certain requirements. Cannabis social equity programs work to remove barriers that have kept persons and communities most impacted by cannabis prohibition out of the legal recreational market. Other states that have recently legalized recreational cannabis, including California, Illinois, Massachusetts, and Michigan, have included social equity provisions as part of their regulatory framework.

House Bill 3112 establishes the Cannabis Equity Board within the Governor's office to provide equity oversight of Oregon's cannabis industry.