

HB 2931 -1 STAFF MEASURE SUMMARY

House Committee On Judiciary

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Meeting Dates: 3/15, 3/23

WHAT THE MEASURE DOES:

Directs the Oregon Liquor and Cannabis Commission to study cannabis and report to the interim Legislative Assembly committees on Judiciary no later than September 15, 2024. Repeals the measure on January 2, 2025.

REVENUE: Minimal revenue impact

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

- Oregon Department of Agriculture currently runs labs for plants and food items
- Costs would be funded by Oregon Liquor and Cannabis Commission licensing fees
- Proposal relates to 2019 Secretary of State audit recommendation and a 2020 executive branch task force
- Neutral third-party oversight
- Market price effect on program funding

EFFECT OF AMENDMENT:

-1 Directs the Oregon Department of Agriculture (ODA), in consultation with the Oregon Health Authority (OHA) and the Oregon Liquor and Cannabis Commission (OLCC), to establish a cannabis reference laboratory. Permits the OHA, OLCC, and ODA to independently require testing to determine compliance with cannabis laws and that such testing may be for cause and need not be random, and exempts such testing from prohibition on requiring an item to undergo more than one test. Allows law enforcement agencies to request assistance with testing. Permits the ODA to charge fees for providing laboratory assistance to other state or local agencies. Conforms cannabis laws to reference existing testing provisions, including: definition of "premises"; duties, functions and powers of the OLCC; licensure and compliance; worker permits, if applicable; employee whistleblowing protections; OLCC telephone hotline for regulators to confirm licensed locations; and exemption of address and security plans from public disclosure. Prohibits a person from holding both a laboratory license and a license to produce, process or sell cannabis. Subjects laboratory licenses to the same conditions as licenses to produce, process or sell cannabis. Provides operative date of Jan. 1, 2024; applies to licenses issued or renewed on or after Jan. 1, 2024. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

ORS 475C.544 authorizes the OLCC, ODA, and OHA to adopt rules establishing testing standards and identifying appropriate tests for marijuana items, industrial hemp-derived vapor items, and cannabinoid products, concentrations or extracts. Licensed producers, processors and wholesalers must test their products through licensed and accredited laboratories before sale or transfer of products. The OHA and OLCC may conduct randomized compliance testing of marijuana items and industrial hemp-derived vapor items. Minimum compliance testing rules are found in OAR 333-007-0300 to OAR 333-007-0500. Depending on the product, testing must identify levels of pesticides, solvents, heavy metals, mycotoxins, microbiological contaminants, moisture levels, and potency. Law enforcement must also be able to identify cannabis plants and items as part of enforcement and prosecution of cannabis laws.

The Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production was created by House Bill 3000 (2021), and expanded by Senate Bill 1564 (2022), to consider twelve subjects for legislation, including testing

This summary has not been adopted or officially endorsed by action of the committee.

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requirements and methods of enforcement. The Task Force made several recommendations, including proposals contained in the amendment to this measure.

House Bill 2931 is a placeholder measure. The -1 amendment directs the Oregon Department of Agriculture to establish a cannabis reference laboratory, permits the Oregon Liquor and Cannabis Commission to test an item it believes is not in compliance, and conforms cannabis laws to include references to testing provisions.