



Oregon

Tina Kotek, Governor

Liquor & Cannabis Commission

9079 SE McLoughlin Blvd.
Portland, Oregon 97222-7355

503-872-5000

800-452-6522

www.oregon.gov/olcc

May 2, 2025

House Committee on Economic Development, Small Business, and Trade
900 Court Street NE
Salem, Oregon 97301

Dear Chair Nguyen, Vice Chair Diehl, and Committee Members,

On behalf of the Oregon Liquor and Cannabis Commission, we are writing to express the OLCC's strong opposition to Senate Bill 557, which would add a cannabis licensee to the Commission.

Our success as the primary regulator of Oregon's adult-use cannabis market depends on making decisions that are objective, free of conflicts of interest and that protect both market integrity and public health and safety.

SB 557 strikes directly at the foundations of our success by blurring the line between regulator and those businesses requiring oversight. If this bill were to become law, we would no longer have commissioners without a vested interest in our decisions. We would run the risk that a particular and narrow view of the industry in conflict with other industry segments would dominate commission deliberations. The result would be less effective regulation and compromise our objectivity.

We are also concerned about the precedent this bill would set in including a particular type of licensee on the commission. In both the alcohol and the cannabis industries, the OLCC oversees a large set of different types of licensees. From a practical standpoint, the commission is not large enough to include every type of licensee.

Furthermore, we oppose SB 557 because the bill would decrease our ability to address current challenges faced by the cannabis market. These challenges include:

- **Increased Demand for Enforcement:** Our agency has seen a steady increase in calls and referrals from law enforcement related to marijuana activity. Just last month, local and state drug teams executed seven warrants against licensed cannabis businesses. As these investigations proceed, we will need to take action against these licensees. In addition, illegal operations are on the rise, putting pressure on regulators like the OLCC and legal operators.
- **Significant Tax Non-Compliance:** Already, the OLCC has canceled close to a dozen licenses for various tax violations. Close to six dozen other licensees face back-tax issues with the Department of Revenue.

- **Unpredictable Federal Environment:** There has been a federal investigation of an OLCC cannabis licensee. In addition, there is no guidance from the current federal administration regarding state regulated cannabis programs.
- **General Market Volatility:** The state's cannabis market remains subject to volatility which increases the pressure on businesses to skirt oversight.

Together these challenges put a premium on the Commission's ability to deliver impartial oversight, something that SB 557 directly undermines by placing an OLCC cannabis licensee on the governing body that oversees cannabis licensees.

Finally, we oppose the proposed legislation because it is unnecessary. At the OLCC, we pride ourselves on our robust and transparent relationships with our industry partners, including CIAO and other representatives of the cannabis industry. As a public commission, it is part of our standard practice to solicit and consider input from the full range of our stakeholders as we make our policy decisions and exercise industry and market oversight. We can ensure you that as we address the current state of Oregon's cannabis market, we will provide due regard for the perspectives of cannabis licensees.

Thank you for your attention to these important issues. We look forward to our work with you to deliver what our fellow Oregonians deserve: a well-regulated cannabis market with fair prices and safe products.

Sincerely,

Dennis Doherty

Dennis Doherty (May 2, 2025 16:20 PDT)

Dennis Doherty
Chair
Oregon Liquor and Cannabis Commission

Craig Prins
Executive Director
Oregon Liquor and Cannabis Commission

Signature: 
Craig Prins (May 2, 2025 16:23 PDT)

Email: Craig.Prins@olcc.oregon.gov

