

Wednesday, February 4, 2026

**Written Testimony of Rob Bovett**  
before the  
**House Judiciary Committee**  
In support of  
**House Bill 4139**

Dear Chair Nguyen, Vice-Chairs Isadore and Skarlatos, and  
Representatives Bunch, Diehl, Dobson, Lively, Osborne, Rieke Smith, Sosa, Watanabe, and Yunker,

For the record, I'm Rob Bovett. I have been involved in drug law and policy at local, state, national, and international levels for a few decades, and currently teach Drug Law and Policy and Cannabis Law and Policy at Lewis & Clark Law School in Portland. My career has focused heavily on creating and implementing diversionary programs in our criminal justice system for people suffering from addiction or behavioral health issues.

For the past decade I have done my best to fulfill a commitment I made to members of the joint marijuana committee to keep working on our cannabis systems and offer legislative fixes, as needed. I have done this by way of engaging various stakeholders, working with key legislators, and offering a cannabis omnibus bill each legislative session designed to contain bi-partisan, bi-cameral, and consensus-driven improvements to Oregon's cannabis laws.

House Bill 4139 is the 2026 cannabis omnibus bill. It has 12 elements. I presented those elements to the House and Senate Judiciary Committees on January 13, 2026, during legislative days. However, it now appears that, instead of proceeding with most of those elements this session, an interim work group will be formed to review those elements, along with a comprehensive review of our cannabis programs, since it has been just over a decade since Oregon implemented our retail marijuana program following the passage of Ballot Measure 91 in November of 2014.

Instead of going through those 12 elements with the committee in this written testimony, or in testimony before the committee today, I will instead provide a links to my written testimony before the House and Senate Judiciary Committees last month.

That said, there are three elements of the bill that I would like to address in this written testimony, which I would urge the committee to consider moving forward:

1. Prohibiting the sale of intoxicating hemp-infused drinks at regular retail. This was element number 2 of the bill as described in my written testimony in January, as linked above. This is dependent upon the key stakeholders reaching agreement on legislative language.
2. Clarifying ORS 475C.777(6)(d) attending provider authority to recommend medical marijuana "in accordance with evidence-based practice and professional judgement." This was element 9 of the bill as described in my written testimony in January, and linked above, and is reflected in Section 16 of House Bill 4139. *See also* Section 30 of A-Engrossed 2025 SB 176.

3. **The most critical element of the bill which needs immediate attention:** Increasing the \$6M biennial draw down from net state marijuana retail taxes that fund the Illegal Marijuana Market Enforcement Grant Program (IMMEGP) to \$24M per biennium in order to fully fund the IMMEGP at Current Service Level (CSL), including services for victims of human trafficking. This was element 11 of the bill as described in my written testimony linked above, and is reflected in **Section 15 of House Bill 4139**.

The IMMEGP was established in 2018 to address the problem of illegal grows that threaten public health and safety and compromise the functioning of the legal cannabis systems. See 2018 Senate Bill 1544 (2018 Oregon Laws, Chapter 103), §§ 13 to 17. The IMMEGP is funded by a distribution off-the-top of state cannabis taxes in the amount of \$6M per biennium. However, during COVID, the problem metastasized in a dramatic manner, with a significant influx of illegal grows by multi-national Drug Trafficking Organizations (DTOs) not only in the core area in which they had previously operated, namely Southwest Oregon, but spreading up the Willamette Valley and across the Cascades into Central Oregon. Some of these DTO grows operate under cover of a state license; others don't. But tragic key features of these grows include large amounts of **labor trafficking, environmental damage, water theft, and violence**.

As a result, the legislature responded by expanding the IMMEGP to include victim services through community-based organizations, and expanding funding for both investigative and law enforcement services, as well as victim support services. See 2021 Senate Bill 893 (2021 Oregon Laws, SS2, Chapter 3), § 1 (adding CBOs to the IMMEGP), 2021 Senate Bill 5561 (2021 Oregon Laws, SS2, Chapter 4), §§ 24 to 26 (\$20M additional State General Fund supplement), 2022 House Bill 4074 (2022 Oregon Laws, Chapter 117), §§ 9 to 12 (\$6M additional State General Fund supplement), 2023 Senate Bill 5506 (2023 Oregon Laws, Chapter 605), §§ 15 to 16 (\$5M additional State General Fund supplement), 2025 House Bill 3069 (2025 Oregon Laws, Chapter 557), § 26 (updating IMMEGP statutory language), and 2025 House Bill 5006 (2025 Oregon Laws, Chapter 628), §§ 130-131 (\$5M State General Fund supplement).

However, as the committee is fully aware, the State General Fund does not currently appear to be able to continue the IMMEGP at its Current Service Level (CSL), which is roughly \$22M per biennium, which will revert the IMMEGP back to its baseline funding, which already proved wholly inadequate to support the necessary investigations, law enforcement, and victim services. Therefore, this proposal is to increase the distribution off-the-top of state cannabis taxes to fund the IMMEGP at CSL. The logic remains the same as it did a decade ago: **Cannabis taxes should be first used to ensure the state cannabis programs function. Allowing DTO grows to overrun significant swaths of Oregon, leaving behind a trail of environmental damage, water theft, violence, and victims of labor trafficking should not be an acceptable outcome.**

I have also attached to this testimony answers to questions posed to me during the committee hearings in January. As was the case then, I am more than happy to answer any questions you might have.

Sincerely,

Rob Bovett  
Adjunct Professor of Law  
Drug Law and Policy and Cannabis Law and Policy  
Lewis & Clark Law School  
Drug Law & Policy Substack

NOTE: All information and comments above are my own. They do not reflect any official position of Lewis & Clark or any client.

Friday, January 16, 2026

**Supplemental Information**  
for the  
**Senate and House Judiciary Committees**  
regarding  
**2026 Cannabis Omnibus Legislation (LC 6)**

Dear Chair Prozanski, Vice-Chair Thatcher, and Senators Broadman, Gelser Blouin, Manning, and McLane,  
  
and

Chair Kropf, Vice-Chairs Chotzen and Wallan, and Representatives Andersen, Chaichi, Lewis, Mannix, and Tran,

During the informational hearings on Tuesday, January 13, 2026, committee members asked for some additional information about the Illegal Marijuana Market Enforcement Grant Program (IMMEGP), in terms of allocation of services provided, and how increasing the baseline funding taken from cannabis taxes to Current Service Level (CSL) might impact other distributions of cannabis taxes. The purpose of this letter is to provide committee members with that additional information.

**1. Services Provided**

Conveniently, the Oregon Criminal Justice Commission (CJC) regularly issues a report on the program, as they do each year. Here is their report from January 1 of this year. As you can see from the chart on page 7, program grants over the past two biennia have totaled roughly \$41 million, of which roughly \$6 million has been for services for victims of labor trafficking.

**2. Impact on Other Distributions**

Two statutes are primarily involved in determining how state cannabis tax dollars are distributed, namely ORS 475C.726 and 475C.728. The Oregon Department of Revenue also has a handy explanatory statement about how that works, and its history, as well as a nice chart showing actual distributions.

As explained in my testimony – and in my written testimony – the current distribution of state cannabis taxes to the IMMEGP is \$6 million per biennium, well short of the Current Service Level (CSL) for the program, which is \$22 million per biennium, the difference having been made up by numerous allocations from the state general fund, which no longer seems tenable on a going-forward basis.

Therefore, item 11 of the proposed 2026 cannabis omnibus bill proposes to increase the allocation off the top of state cannabis taxes from \$6 million to \$24 million per biennium, to ensure the critical public safety and victim support services provided by the program continue at CSL. See Section 15 of LC 6. The question thus arises: How does that impact other distributions from state cannabis taxes.

Short answer: There would be no impact on any distribution from state cannabis tax revenues, except for one.

Here is the longer answer:

**a. No Impact**

2020 Ballot Measure 110 took the bulk of net state cannabis taxes to fund the Behavioral Health Resource Networks (BHRNs) created by Measure 110. Measure 110 did that by restricting all of the former distributees to a total of \$90 million per biennium, plus inflation. ORS 475C.726(3)(b)(A). As a result, expanding the amount taken off the top of net state cannabis taxes to fully fund the IMMEGP at CSL, as LC 6 proposes to do, will have **no impact at all on all on any of the following distributions:**

- Cities and counties, currently about \$21.5 million per biennium. ORS 475C.726(3)(c).
- State school fund, currently about \$43 million per biennium. ORS 475C.726(3)(d)(A).
- Prevention and treatment (part 1), currently about \$21.5 million per biennium. ORS 475C.726(3)(d)(B).
- Oregon State Police, which is currently about \$16 million per biennium. ORS 475C.726(3)(d)(C).
- Prevention and treatment (part 2), currently about \$5.4 million per biennium. ORS 475C.726(3)(d)(D).

**b. Impact**

The impact would be confined to the distribution to OHA/OAC for granting out to Measure 110 BHRN providers.<sup>1</sup> The current distribution for that purpose is about \$180 million per biennium. Without offset, this proposal would reduce that by \$18 million to \$162 million.

**c. Offset**

However, there will be an offset of that reduction by the imposition of the 17 percent sales tax currently applicable to marijuana products to impairing hemp products, as correctly pointed out by Senator Broadman. See Section 10 of LC 6. That said, I don't really have a good guess as to how much the offset might be, although we will be able to deduce that after some time by examining data from the cannabis tracking system run by the Oregon Liquor and Cannabis Commission, since impairing hemp products transferred into the OLCC system for sale at retail will likewise be tracked. There is also another possible offset, namely that the current oversaturation of product in the OLCC market abates and product prices increase, leading to much higher levels of state cannabis tax revenues. But that is also speculative as to when that might occur.

Thank you again for the opportunity to testify last Tuesday about the proposed 2026 cannabis omnibus bill, and the opportunity to provide you with this supplemental information.

Sincerely,

Rob Bovett

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<sup>1</sup> 2020 Ballot Measure 110 created the Oversight and Accountability Council (OAC), with staff support from the Oregon Health Authority (OHA). Measure 110 gave the OAC power to allocate those funds. In 2024, the legislature passed House Bill 4002, which reformed Measure 110 in significant ways, but left that part of Measure 110 intact. However, in 2025, the legislature passed Senate Bill 610, converting the OAC to an advisory committee to OHA, due to continuing and ongoing poor decisions of the OAC in allocating hundreds of millions of dollars in unaccountable and ineffective ways. See, e.g., written testimony; see also Oregon Secretary of State Audit 2025-29 ("Oregon Health Authority: Measure 110 Lacks Stability, Coordination, and Clear Results") (December, 2025); 'Enough is enough': Oregon's Secretary of State demands accountability for the state's failed addiction response, *Oregonian* (December 19, 2025).