

Les Helgeson

April 19, 2017

TO: Joint Committee on Marijuana Regulation

RE: SB 1057

I would like to offer the following alternatives to the increasingly complex changes contained in SB 1057 as well as HB 2198.

It is important that the Committee deal with these issues now in lieu of taking a "wait and see" approach to consolidation and other technical aspects being presented. This is especially true given the Committee will likely disband after this session leaving a hodgepodge of committees to deal with key issues they have little experience with.

The primary concern with requiring "METRC for all" is additional cost as Mr. Taylor described during the 4/18/17 hearing so eloquently. Given the significant cannabis tax revenues available to the state, subsidizing the cost to certain players is a reasonable goal to consider.

But we should consider exempting all non-commercial medical growers, patients and processors from such an otherwise time consuming burden. In other words, if no surplus product is being sold to dispensaries there should be no tracking requirement beyond what is being done now. This avoids wasting the million dollars or so that have already been invested in the state's reporting system. We should allow time for this subset of the system to work.

Additionally, all commercial production should be consolidated under OLCC and METRC whether medical or "recreational". The duplicity and shared responsibilities (including testing, labeling, packaging, etc.) are a source of inefficiency and government waste at its worst.

I am reasonably certain the administrative savings from consolidation could easily pay for METRC subsidies at a minimum. Thus we have two potential avenues for addressing the valid cost concerns of medical program participants.

I would additionally propose that commercial medical producers otherwise be subject to essentially the same statutes and rules currently governing the OMMP program and be permitted to sell to OLCC outlets for sale as medical product only. This proposal avoids the need for expensive security/surveillance systems that otherwise render recreational licensing out of reach for most OMMP growers.

History tells us that these proposals should work since OMMP growers coexisted with OLCC applicants and successfully supplied the market together until January 1, 2017. We should also consider that as of today the number of registered OMMP dispensaries is 71 vs. nearly 500 just a few months ago. Meanwhile, thousands of OMMP growers have been left out in the cold.

In summary:

1. Maintain the patient and non-commercial OMMP grower registration and reporting as is. This includes growers who grow for other patients and provide all product without charge save for actual expenses.
2. Consolidate all commercial growing and processing responsibilities under OLCC and METRC subject to subsidies for those who are financially disadvantaged (see ORS 475B.070(1)(d)). Otherwise, maintain much of the existing OMMP statutes and regulations but transfer administration (including testing, labeling, etc.) to OLCC, while allowing reasonable site inspections related to METRC.
3. Allow OLCC registered OMMP growers to sell product to retail outlets for medical purposes only if they comply with METRC. Avoid or subsidize expensive surveillance systems for entities described in ORS 475B.070.

There are of course may additional technical details such as plant limits, overall size of non-commercial OMMP grow sites not subject to METRC, local ordinances, etc. to address but for now my goal is to present a conceptual framework that results in a win-win for everyone while complying with the Cole Memo.

Thank you.

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