

HB 2098 -1 Comments
Les Helgeson
March 11, 2018

Chair Lively, Members of the Committee:

I have grave concerns about the amendment offered to restrict renewals to those who have at least 90% of production contracted prior to renewal. Indeed, contracts are not typically used in the industry today. There are far too many variables including testing requirements and seasonal market demand to make contracting a viable option.

The amendment favors large corporate "vertically integrated" chains that would be exempt whether or not they could actually sell the product(s) at retail. This creates an extremely unfair competitive advantage over small independent businesses that are the heart and soul of the industry. Indeed, no one would survive other than the largest corporate players who are most responsible for the level of over-production we've seen.

Alternatively, I am in full support of limiting NEW licenses based on market conditions.

I am offering the accompanying amendment as an alternative to the -1 Amendment to HB 2098 for your consideration. My proposal lines up perfectly with strong public opinion expressed during OLCC's "listening tour" following passage of M91.

Sincerely,

Les Helgeson
Green Hills LLC

Proposed Amendment to HB 2098

Les Helgeson

(4)(a) The commission may not issue a license to or renew a license of a **Tier II cannabis** producer under ORS 475B.070 unless the cannabis producer provides proof to the commission that the **cannabis** producer has contracted with a **cannabis** processor **or wholesaler** that holds a license issued under ORS 475B.090 or a **cannabis** retailer that holds a license issued under ORS 475B.105 to transfer to the **cannabis** processor, retailer **or wholesaler** at least 90 percent of the marijuana that the **cannabis** producer will produce during the licensure period. **In addition, the cannabis retailer, wholesaler or processor must provide proof to the Commission that at least 90% of product inventoried the previous calendar year was sold and inventoried under the CTS system.**

(b) Paragraph (a) of this subsection applies **only to a cannabis** producer that owns or is owned by a **cannabis** processor that holds a license issued under ORS 475B.090 or a **cannabis** retailer **or wholesaler** that holds a license issued under ORS 475B.105.

SECTION 4.(1) The amendments to ORS 475B.045 by section 4 of this 2019 Act become operative on January 1, 2020.“(2) The Oregon Liquor Control Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission by the amendments to ORS 475B.045 by section 3 of this 2019 Act.