

HB 2098 A STAFF MEASURE SUMMARY
House Committee On Economic Development

Carrier: Rep. Helm

Action Date: 04/08/19

Action: Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)

Vote: 11-0-0-0

Yeas: 11 - Barreto, Bonham, Drazan, Fahey, Helm, Lively, Marsh, McKeown, McLain, Wallan, Witt

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

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Meeting Dates: 3/13, 4/3, 4/8

WHAT THE MEASURE DOES:

Establishes and prescribes membership for advisory committee to advise Oregon Liquor Control Commission, Oregon Health Authority, and Oregon Department of Agriculture on standards for testing the potency of marijuana and marijuana items. Gives Commission authority to establish pilot programs of three years or less to expand access to medical marijuana for registry identification cardholders and designated primary caregivers. Allows marijuana producer licensee to produce and transfer kief, the resinous trichomes of marijuana that accumulate or fall off when marijuana flower is sifted through a mesh screen or sieve. Adds laboratory license to certain licensing and disciplinary authorities of Commission. Allows Commission to revoke marijuana retailer license for failure to pay retail tax or file a return twice in any four consecutive quarters if Department of Revenue has issued licensee a distraint warrant for the nonpayment of tax or issued a notice of determination and assessment for the failure to file a return. Requires Department to notify Commission of distraint warrant or notice of determination and assessment and allows that notice to be prima facie evidence of licensee's failure to pay the tax or file a return. Increases civil penalty for violation of certain recreational marijuana statutes or Commission rules to \$10,000. Makes other technical changes to cannabis regulation statutes. Becomes operative January 1, 2020. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Oversupply of cannabis
- Sunset date for producer license limits
- Lab testing and results and consumer confidence
- Retail establishment payment of taxes and OLCC authorities

EFFECT OF AMENDMENT:

Replaces measure.

BACKGROUND:

Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. The law provides legal protections for qualified patients (registry identification cardholders), allows a caregiver to provide assistance to a patient, and mandates an Oregon Health Authority (OHA) registration system. Cardholders may grow plants for themselves, designate a grower and grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments.

In 2014 Oregon voters enacted Ballot Measure 91, allowing the recreational use of marijuana for persons 21 years or older in Oregon. The measure directed the Oregon Liquor Control Commission (OLCC) to administer and regulate the recreational system. Measure 91 included a tax on marijuana at the grower level, which was replaced

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by the Legislative Assembly in 2015 with a 17-percent tax at the point of sale. The retail tax is collected by the Oregon Department of Revenue (DOR).

Significant legislation to implement these ballot measures has occurred over the past five years. House Bill 2098-A makes a number of technical changes to the recreational marijuana statutes, including adding laboratory licensees to certain statutes, correcting citations, and raising the maximum fine for violations of statute or rule to \$10,000. The measure allows the OLCC to revoke a marijuana retailer license for failure to pay the retail tax or file a DOR return twice in any four consecutive quarters under certain circumstances. The measure makes changes to registry identification cardholder access through the recreational system, including giving the OLCC authority to establish limited-duration pilot programs to expand access to medical marijuana. Finally, the measure establishes an advisory committee to advise the OLCC, OHA, and Oregon Department of Agriculture on standards for testing the potency of marijuana and marijuana items.