



February 10, 2020

Chair Lively, Vice-Chair Fahey, Vice Chair Wilson and Committee members:

At the public hearing last week on HB 4034, I promised to forward examples of Medical Marijuana violations discovered by OLCC inspectors. This is not a complete list nor is it representative of the system as a whole; however, it gives you an idea of serious violations that take place. Currently, OLCC inspectors inspect OMMP grows that are tracked in the Cannabis Tracking System (CTS), inspecting for both CTS violations as well as violations of OMMP rules. Non-intentional violations are handled through education and follow-up. That said, there have been multiple instances where the findings are more egregious. In these cases the OLCC investigator writes up a report and sends it to OMMP. As discussed in the hearing, OMMP does not have adequate staff or an administrative violation unit to process these reports and instead needs to send them through DOJ, a slower and more expensive process.

HB 4034 has two primary focuses: getting “bad actors” out of the medical grow system and increasing access for medical card holders.

- OLCC has an administrative hearings unit which can address egregious violations in a timely manner
- Medical growers in OLCC system can continue to share products with their cardholders as well as other cardholders in need of product
- Tracking product to medical card holders will continue as it is under the current system

In addition, I would like to address concerns raised in the hearing:

**“Regulation encourages diversion”:**

- OLCC has a hotline for reporting diversion and encourages anyone with evidence of diversion from the recreational or medical systems to report to OLCC, OMMP, or law enforcement so that appropriate action against law breakers can be taken.
- The OLCC’s 2019 Supply & Demand Report, which was reviewed by people including Josh Lehner of Office of Economic Analysis and Beau Kilmer of RAND Institute, estimated that the recreational market was the source of 55% of all in-state marijuana consumption in the state after only two full years of retail sales (with the other 45% being medical, home grow, and the illicit market).

**“Tags used for tracking are too expensive”:**

- OLCC will continue to work with stakeholders and determine whether or not adjustments should be made
- RFID tags cost \$0.45 for plants and \$0.25 for packages
- The average annual costs in 2019 of Metrc RFID tags for medical grow sites is \$35
- The average annual cost of Metrc RFID tags per recreational license in 2019 was \$575



**“OLCC made medical growers associate a plant to a patient (medical cardholder)”:**

- Plants have always been required to be designated to a specific medical cardholder per OMMP rules (medical card holders own the marijuana and everything that comes from the plant).
- The plant (and the pursuant harvested material) belongs to the medical cardholder. A grower or grow site possessing plants or material that belongs to someone whose medical card registration has lapsed violates long-standing laws and OMMP rules.
- HB 4034 would actually make the medical system easier to manage for these larger grow sites – plants would now be managed directly by the grower and any medical cardholder could participate in a “co-op” model.

**“CTS doesn’t track when grow sites make concentrates for patients”:**

- OMMP growers/grow sites are not allowed by law or OMMP rule to make marijuana concentrates.
- The medical cardholders/caregivers (who are actually making the RSO and gifting to others) are not tracked in Metrc, and therefore their processing (making the concentrate) is not reported to OLCC or OMMP.

**“The OLCC limited patient access by lowering daily sales limits”:**

- The previous rule would have allowed an individual to purchase nearly 550 lbs of marijuana (24 oz each day of the year)
- A decision was made to reduce the amount allowed due to suspected abuse, verified by CTS tracking and cameras
- The rule now allows for medical cardholders to purchase 32 oz each month (24 lbs a year).

**“The proposed HB 4034 will limit patient access”:**

- The purpose of HB 4034 is to provide accountability for growers and increase access for medical card holders. The language proposed in HB 4034 will allow medical growers to share product with any OMMP medical card holder. This should increase access as growers can share with multiple OMMP patients/caregivers instead of the few they currently grow for. This gives growers an avenue for utilization of excess product and cardholders additional opportunities to obtain products.

**“The proposed HB 4034 requires OMMP growers to start using the OLCC CTS system”:**

- There is no change from current practice. OMMP growers and grow sites with 3 or more patients currently utilizes the CTS for tracking purposes.

**“The proposed HB 4034 ends OMMP grow site registrations”:**

- OMMP will continue registering growers and grow sites with one or two patients

Sincerely,



OLCC, Executive Director