

## **HB 4088 -2 STAFF MEASURE SUMMARY**

### **House Committee On Economic Development**

---

**Prepared By:** Melissa Leoni, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/3, 2/12

---

#### **WHAT THE MEASURE DOES:**

Requires the Oregon Liquor Control Commission (OLCC) to establish the Cannabis Social Equity Program to provide discounted license and license renewal fees, technical assistance grants, grants and loans, and assistance in setting aside convictions related to marijuana for program participants. Establishes criteria for participation in the Cannabis Social Equity Program and provides a license or license renewal fee discount of 15 percent for applicants that meet at least one criteria and 25 percent for applicants that meet two or three criteria. Requires OLCC to adopt program rules; appropriate funding for program; and establishes operative date of January 1, 2021. Takes effect on the 91st day following adjournment sine die.

#### **ISSUES DISCUSSED:**

- Business assistance and viability of business
- Racial and gender equity
- Addressing impacts from the war on drugs
- Funding source for grants and loans
- Assisting those with prior convictions enter the industry

#### **EFFECT OF AMENDMENT:**

-2 Replaces measure. Creates the Task Force to Promote Social Equity in the Cannabis Industry consisting of 11 members. Establishes purpose of task force to identify barriers to starting and growing businesses in the legal cannabis industry for people of color, low-income people, and people with previous cannabis-related convictions; to recommend additional community investments in areas disproportionately impacted by marijuana criminalization; and to recommend solutions, including legislation. Specifies membership and requires report to Legislative Assembly by November 1, 2020. Declares emergency, effective on passage.

#### **BACKGROUND:**

Presenters at the November 2019 meeting of the House Interim Committee on Economic Development shared information about cannabis social equity, which are increasingly programs that work to remove barriers that have kept persons and communities most impacted by cannabis prohibition out of the legal recreational market. Increasingly states are including social equity provisions as part of recreational marijuana legalization, including the states of California, Illinois, Massachusetts, and Michigan.

In 2018, the City of Portland created a Social Equity Program to help small cannabis business and those directly impacted by cannabis prohibition. Under the program, qualifying businesses receive a fee reduction for the City of Portland's Marijuana Regulatory License, with the percent reduction based on the number qualifying factors met by the business.

House Bill 4088 requires the Oregon Liquor Control Commission to establish a Cannabis Social Equity Program to provide discounted license and license renewal fees, technical assistance grants, grants and loans, and assistance in setting aside convictions related to marijuana for program participants.