

**HB 3013 A STAFF MEASURE SUMMARY**  
**House Committee On General Government**

**Carrier:** Rep. Wilde

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**Action Date:** 04/13/21  
**Action:** Do pass with amendments. (Printed A-Eng.)  
**Vote:** 5-0-0-0  
**Yeas:** 5 - Leif, Lively, Valderrama, Wilde, Zika  
**Fiscal:** Fiscal impact issued  
**Revenue:** Has minimal revenue impact  
**Prepared By:** Caine Francis, LPRO Analyst  
**Meeting Dates:** 3/25, 4/1, 4/6, 4/8, 4/13

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**WHAT THE MEASURE DOES:**

Directs the Oregon Liquor Control Commission (OLCC) to establish by rule a process to register medical marijuana processing sites and medical marijuana dispensaries. Sets requirements for transfer and receipt of medical cannabinoid products, including tracking. Establishes requirements for proximity of dispensaries to schools. Authorizes the OLCC to adopt rules and impose civil penalties. Allows medical marijuana processing sites and medical marijuana dispensaries to apply for OLCC registration beginning October 1, 2021. Prohibits the Oregon Health Authority from issuing or renewing marijuana processing or marijuana dispensary registrations on or after October 1, 2021. Takes effect on 91<sup>st</sup> day following adjournment sine die. Directs OLCC to adopt rules authorizing licensed marijuana producer to receive marijuana seeds from any source in this state. Requires registered grower of industrial hemp report to the Oregon Department of Agriculture (ODA) if grower does not intend to plant an industrial hemp crop, or any loss of an industrial hemp crop. Requires registered grower directed by ODA to destroy or remediate an industrial hemp crop, to provide documentation of destruction or remediation to the department. Directs the ODA to prioritize inspection and enter corrective plan with any person who plants an industrial hemp crop prior to applying for grower registration. Authorizes ODA to adopt rules, impose civil penalties on registered grower whose crop contains average tetrahydrocannabinol of at least 10 percent, and enter into agreement with the Oregon Liquor Control Commission to inspect registered crops. Makes provisions operative January 1, 2022. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Provisions of measure
- Medical marijuana regulation
- Industrial hemp grow site registration and inspection

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. Under the Oregon Medical Marijuana Program, qualified patients (“registry identification 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. According to the Oregon Health Authority (OHA), as of January 2021 there exists one registered medical marijuana dispensary and no medical marijuana processing sites.

Current law sets requirements for the proximity of a licensed marijuana retailer to a school. A licensed marijuana retailer may not be located within 1,000 feet of a school unless the Oregon Liquor Control Commission (OLCC) determines that there is a physical or geographic barrier capable of preventing children from traversing to the

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licensed premises. If a school is later established within 1,000 feet of a licensed marijuana retailer, the retailer located at that premises may remain at that location unless the OLCC revokes the license for other regulatory violations.

Hemp is considered an agricultural crop in the state, and the Oregon Department of Agriculture is responsible for administering the Oregon Hemp Program. All growers and handlers must be registered with the program and follow rules for testing and recordkeeping. ORS 571.260 to 571.348 establish regulations for industrial hemp, including requirements by which an industrial hemp processor, retailer, or wholesaler may purchase, receive, transfer, sell or transport industrial hemp, or an industrial hemp commodity or product that contains cannabinoids and is intended for human consumption. ORS 571.341 prohibits the sale of industrial hemp products containing more than 0.3 percent tetrahydrocannabinol to a consumer other than a retailer.

HB 3013 A directs the OLCC to establish by rule a process to register medical marijuana processing sites and medical marijuana dispensaries and sets requirements for the transfer and receipt of medical cannabinoid products. The measure establishes requirements for proximity of marijuana dispensaries to schools, authorizes the OLCC to adopt rules and impose civil penalties, and directs OLCC to adopt rules authorizing a licensed marijuana producer to receive marijuana seeds from any source in this state. The measure allows medical marijuana processing sites and medical marijuana dispensaries to apply for OLCC registration beginning October 1, 2021, and prohibits the OHA from issuing or renewing marijuana processing or marijuana dispensary registrations on or after October 1, 2021. The measure requires a registered grower of industrial hemp report to the Oregon Department of Agriculture (ODA) if the grower does not intend to plant an industrial hemp crop, or any loss of an industrial hemp crop. The measure also requires a registered grower directed by ODA to destroy or remediate an industrial hemp crop, to provide documentation of the destruction or remediation to the department, and directs the ODA to prioritize inspection and enter into a corrective plan with any person who plants an industrial hemp crop prior to applying for grower registration. Finally, the measure authorizes the ODA to adopt rules, impose civil penalties on a registered grower whose crop contains an average tetrahydrocannabinol of at least 10 percent, and enter into agreement with the OLCC to inspect registered crops.