

HB 4016 -1, -2, -3, -6 STAFF MEASURE SUMMARY
House Committee On Economic Recovery and Prosperity

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/2, 2/7, 2/9

WHAT THE MEASURE DOES:

Prohibits the Oregon Liquor and Cannabis Commission (OLCC) and the Oregon Department of Agriculture (ODA) from issuing new marijuana and hemp production licenses for applications received after January 1, 2022. Requires annual report on prohibitions to Legislative Assembly. Sunsets prohibitions on March 31, 2024. Authorizes OLCC to reissue marijuana licenses that have expired, been relinquished, or been otherwise suspended. Allows district attorney to seek lien against building or property that owner has knowingly used or allowed to be used for illegal hemp growing or handling. Requires marijuana industry workers to report to OLCC and law enforcement if the person has a reasonable belief that sex trafficking, human trafficking, or the prohibited employment of a minor is occurring on the licensed premises. Creates human trafficking coordinator position within OLCC. Authorizes OLCC to allow a marijuana retailer mistakenly licensed to operate within 1,000 feet of a school to relocate without reapplying for a new license. Makes conforming statutory changes. Sets operative dates. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Need for marijuana license moratoriums
- Current state of marijuana industry
- Need for additional resources to combat illegal marijuana grows
- Potential funding impacts to Ballot Measure 110 programs
- Amendment provisions

EFFECT OF AMENDMENT:

- 1 Prohibits OLCC from issuing new marijuana production, processor, wholesaler, and retailer licenses for applications received after January 1, 2022. Requires yearly report on prohibitions to the Legislative Assembly.
- 2 Removes prohibition on ODA issuing new hemp production licenses for applications received after January 1, 2022.
- 3 Makes modifications to the Illegal Marijuana Grant Enforcement Program (Program) administered by the Oregon Criminal Justice Commission (CJC). Allows CJC to provide grants directly to community-based organizations. Increases quarterly distribution from Oregon Marijuana Account to CJC to \$4,000,000 starting on July 1, 2023. Provides that \$3,250,000 will be for grants to law enforcement and that \$750,000 will be for grants to community-based organizations. Requires annual report to Legislative Assembly on Program. Removes Program sunset.
- 6 Removes industrial hemp lien provisions in sections 7 and 8 of measure.

BACKGROUND:

The production, processing, and sale of marijuana and hemp is legal under Oregon law. The Oregon Liquor and Cannabis Commission (OLCC) has primary responsibility for regulating marijuana while the Oregon Department of Agriculture (ODA) regulates hemp. To produce marijuana or hemp, the grower must be licensed by the regulating agency. There is currently no restriction on how many production licenses can be issued though a moratorium on the issuance of new marijuana production licenses was in place between 2019 and January 2, 2022 (See SB 218,

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2019). Processors, wholesalers, and retailers are also subject to licensing requirements. Marijuana and hemp must be tested at several stages, both for contamination, and, in the case of hemp, to ensure the concentration of THC is not above the .3 percent limit imposed by state and federal law.

House Bill 4016 prohibits OLCC and ODA from issuing new marijuana and hemp production licenses and makes other changes to the laws regulating cannabis in Oregon.