

HB 4074 -1, -5, -7, -9 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, 2/14

WHAT THE MEASURE DOES:

Requires marijuana industry workers to report to the Oregon Liquor and Cannabis Commission (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. Requires person working for an OLCC licensed laboratory, or participating in marijuana sampling or testing, to have marijuana worker permit. Requires rebuttal testing done to prove that cannabis plant has acceptable concentration of THC be done by OLCC staff in OLCC facility. Appropriates an additional \$2 million from general fund to Illegal Marijuana Market Enforcement Grant Program for 2021-23 biennium. Makes conforming statutory changes. Sets operative dates. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Current state of marijuana industry
- Need for additional resources for humanitarian relief related to illegal marijuana grows
- Potential amendments

EFFECT OF AMENDMENT:

-1 Makes modifications to the Illegal Marijuana Market Enforcement Grant Program (Program) administered by the Oregon Criminal Justice Commission (CJC). 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.

-5 Allows, subject to a warrant, a building inspector, representative of the Oregon Department of Consumer and Business Services, the Oregon State Fire Marshall, a representative of the Oregon State Fire Marshall, or a law enforcement officer to enter a property where there is a suspected violation of state law related to marijuana or industrial hemp. Allows listed individuals to request county district attorney to petition circuit court for declaration that building or structure on property is an imminent threat and danger to the public health and safety and to allow the building or structure to be removed or demolished.

-7 Removes sunset on Illegal Marijuana Market Enforcement Grant Program (Program) administered by the Oregon Criminal Justice Commission. Requires annual report to Legislative Assembly on Program.

-9 Removes \$2 million allocation to the Illegal Marijuana Market Enforcement Grant Program. Appropriates an unspecified amount of money to an unspecified entity for financial assistance to community-based organizations that are responding to the humanitarian crises associated with unlawful marijuana cultivation and distribution operations.

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

This summary has not been adopted or officially endorsed by action of the committee.

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Agriculture (ODA) regulates hemp. To produce marijuana or hemp, the grower must be licensed by the regulating agency. Processors, wholesalers, and retailers are also subject to licensing. 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 4074 makes changes to the statutes regulating cannabis in Oregon