

HB 2931 A STAFF MEASURE SUMMARY**Carrier:** Rep. Morgan, Rep. Marsh**Joint Committee On Ways and Means****Action Date:** 05/12/23**Action:** Do Pass the A-Eng bill.**House Vote****Yeas:** 11 - Breese-Iverson, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Reschke, Sanchez, Smith G, Valderrama**Nays:** 1 - Cate**Senate Vote****Yeas:** 8 - Anderson, Dembrow, Frederick, Gelser Blouin, Girod, Hansell, Sollman, Steiner**Exc:** 3 - Campos, Findley, Knopp**Fiscal:** Fiscal impact issued**Revenue:** Revenue impact issued**Prepared By:** Michelle Deister, Budget Analyst**Meeting Dates:** 5/8, 5/12**WHAT THE MEASURE DOES:**

Directs the Oregon Department of Agriculture (ODA), in consultation with the Oregon Health Authority (OHA) and the Oregon Liquor and Cannabis Commission (OLCC), to establish a cannabis reference laboratory. Permits the OHA, OLCC, and ODA to independently require targeted testing to determine compliance with cannabis laws and exempts such testing from prohibition on more than one test per item. Allows law enforcement agencies to request assistance with testing. Permits ODA to charge fees for providing laboratory assistance to other state or local agencies. Conforms cannabis laws to reference existing testing provisions including: definition of "premises;" duties, functions and powers of the OLCC; licensure and compliance; worker permits, if applicable; employee whistleblowing protections; OLCC telephone hotline for regulators to confirm licensed locations; and exemption of address and security plans from public disclosure. Prohibits a person from holding both a laboratory license and a license to produce, process or sell cannabis. Subjects laboratory licenses to the same conditions as licenses to produce, process or sell cannabis. Provides operative date of January 1, 2024 and applies to licenses issued or renewed on or after that date. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

Expenditure limitation will be included in the Department of Agriculture's budget.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 475C.544 authorizes Oregon Liquor and Cannabis Commission (OLCC), Oregon Department of Agriculture (ODA), and Oregon Health Authority to adopt rules establishing testing standards and identifying appropriate tests for marijuana items, industrial hemp-derived vapor items, and cannabinoid products, concentrations, or extracts. Licensed producers, processors, and wholesalers must test their products through licensed and accredited laboratories before sale or transfer of products. OHA and OLCC may conduct randomized compliance testing of marijuana items and industrial hemp-derived vapor items. Minimum compliance testing rules are found in OAR 333-007-0300 to OAR 333-007-0500. Depending on the product, testing must identify levels of pesticides, solvents, heavy metals, mycotoxins, microbiological contaminants, moisture levels, and potency or concentration

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levels. Law enforcement must also be able to identify cannabis plants and items as part of enforcement and prosecution of cannabis laws.

A 2019 Secretary of State audit noted that Oregon's regulatory framework lacked a means of verifying testing results for cannabis. The Oregon Department of Agriculture currently runs lab for food and plant items.

The Task Force on Cannabis-Derived Intoxicants and Illegal Cannabis Production was created by House Bill 3000 (2021), and expanded by Senate Bill 1564 (2022), to consider twelve subjects for legislation, including testing requirements and methods of enforcement. The Task Force made several recommendations, including proposals contained in this measure.

House Bill 2931 A directs the Oregon Department of Agriculture to establish a cannabis reference laboratory, permits targeted compliance testing of products and law enforcement requests for testing, prohibits a laboratory license holder from holding a license to produce, process, or sell cannabis, and conforms cannabis laws to include references to testing provisions.