

HOUSE BILL 2931 STATE CANNABIS REFERENCE LAB

House Committee on Judiciary

March 15, 2023



STATE CANNABIS REFERENCE LAB

ADULT USE – MEDICAL – HEMP



Oregon Liquor and Cannabis Commission (OLCC): Adult use marijuana businesses and worker permits. Authority to set THC concentration limits for marijuana and hemp products.

Oregon Health Authority (OHA): Medical marijuana activities/businesses. Testing standards and requirements.

Oregon Department of Agriculture (ODA): Industrial hemp, commercial kitchens, scale certification, certain food handling activities, and pesticides.

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WHY IS IT NEEDED?



- **Consumer health and safety** issue because mandatory testing (by statute), should be reliable and consumers should be confident in trusting the information on product labels
- The agencies often receive complaints from marijuana and hemp licensees directly related to the testing of consumer products prior to retail sale, including: allegations of spiking potency levels on test samples, falsifying test results, or “pay to play” testing
- In order to reasonably regulate the licensed labs, the ODA, OHA, and OLCC need a mechanism to **verify test results**
- A reference lab located within the ODA Laboratory Services will provide a **neutral third-party** for method development, **quality assurance** review of other labs, and **unbiased compliance testing**

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WHAT COULD THE LAB DO?

- **Investigate** complaints from licensees about faulty lab testing
- Conduct market basket testing – **random testing** of products at retail (Oregon Secretary of State 2019 audit recommendation)
- Conduct compliance testing to assist:
 - OLCC investigations
 - Public health investigations
 - ODA hemp investigations
 - Law enforcement requests
- **Conduct compliance audits** to make sure licensed labs are testing and reporting appropriately by comparing lab results listed in the Cannabis Tracking System (CTS) to products being sold to consumers



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WHY ODA?



- **ODA has an established regulatory testing lab** specializing in testing plants and food items, while also providing valuable research about testing methodologies to other state agencies
- OLCC and ODA both regulate various forms of the cannabis plant including hemp, marijuana, and the processing of plant material into foods and other finished products
- To best leverage state resources, all cannabis and cannabis products could be tested **under the same regulatory body, under the same rules and using the same methodologies**

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OTHER RECOMMENDATIONS AND SUPPORT



- A state reference laboratory was recommended by:
 - January 2019 Secretary of State Audit:
 - Oregon's Framework for Regulating Marijuana Should Be Strengthened to Better Mitigate Diversion Risk and Improve Laboratory Testing
 - 2019 Oregon Cannabis Commission legislative report
 - 2020 Governor Brown's Vaping Taskforce
- All recommend that a state-run reference lab is needed to ensure that product in the market is **accurately tested** as required and that the labeling reflects those test results for consumer safety, buyer awareness, and regulatory compliance

STREAMLINING STATUTE LICENSED LABS



- Laboratories are licensed by the OLCC (ORS 475C.560), however labs are currently not under the definition of “licensee” in ORS 475C.009
- This creates a large number of regulatory problems and leaves the Commission’s regulatory authority unclear in addressing those issues. When the OLCC receives complaints regarding compliance issues at laboratory licenses our authority to address those complaints is frequently unclear or too limited
- Sections 4–26 would change to ORS 475C to streamline statute and regulate licensed labs in the same way as producers, processors, wholesalers, and retailers

MISSION STATEMENTS

- OLCC's mission is to support businesses, public safety, and community livability through education and the enforcement of liquor and marijuana laws
- ODA's mission is to ensure healthy natural resources, environment, and economy for Oregonians now and in the future through inspection and certification, regulation, and promotion of agriculture and food

