

SB 162 -1, -2 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/17, 2/24

WHAT THE MEASURE DOES:

The measure is a cannabis omnibus that authorizes destruction of hoop houses used in unlawful production of marijuana when executing a search warrant, expands agencies' access to a map of licensed marijuana and industrial hemp operations, removes proximity prohibitions for marijuana retailers near prekindergarten or kindergarten programs, permits inspection of industrial hemp biomass, and appropriates General Fund monies for the Illegal Marijuana Market Enforcement Program.

Detailed Summary

- Authorizes law enforcement to destroy hoop houses when executing a search warrant for unlawful production of marijuana, upon probable cause that the hoop house is being used in the unlawful production.
- Directs that the Oregon Liquor and Cannabis Commission's map of licensed marijuana and industrial hemp operations be made available to the Oregon Water Resources Department and the Oregon Department of Environmental Quality.
- Removes prohibitions on marijuana retailer siting within 1,000 feet (or 500 feet with a physical barrier) of a public prekindergarten or kindergarten program provided by a school district or education service district.
- Allows the Oregon Department of Agriculture to inspect industrial hemp biomass at licensed industrial hemp operations, for determining whether average tetrahydrocannabinol concentration exceeds specified limits.
- Appropriates \$11.1 million from the General Fund for deposit in the Illegal Marijuana Market Enforcement Program Fund for the 2025-2027 biennium.
- Declares emergency, effective on passage.

FISCAL: Has minimal fiscal impact

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

- Health and safety issues for officers responding to illegal grows
- Map of licensees assists agencies and law enforcement determine who responds to issues
- Multi-year licensing is allowed for liquor sales
- Funding portion moved to HB 5005 budget bill for the Criminal Justice Commission
- Request for data on any history of issues with retail proximity to pre-kindergarten and kindergarten programs
- Lack of ability to accurately map pre-kindergarten and kindergarten programs

EFFECT OF AMENDMENT:

-1 The amendment removes appropriation of General Fund monies to the Illegal Marijuana Market Enforcement Program Fund, and it permits OLCC to renew licenses for terms up to five years for marijuana producers, processors, wholesalers, retailers and laboratories.

-2 The amendment incorporates -1 amendment and adds a conforming change to ORS 475C.097.

BACKGROUND:

Ballot Measure 91 (2014) legalized marijuana production, sale and possession in Oregon, and assigned the Oregon Liquor and Control Commission (OLCC) and the Oregon Department of Agriculture (ODA) related regulatory

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powers and duties. Ballot Measure 91 also established a tax on marijuana sales and an Oregon Marijuana Account as the repository, and it directed a portion of distributions to assist law enforcement, including 15 percent to the Oregon State Police, and 10 percent each to cities and counties under specified formulas. Ballot Measure 110 (2020) reduced marijuana tax revenue distributions to law enforcement by at least half, by requiring that all of the tax revenue over \$11.25 million be allocated to a Drug Treatment and Recovery Services Fund. The Oregon Department of Revenue publishes a quarterly report, [Oregon Marijuana Tax: Distribution Information](#), last updated December 23, 2024. In 2018, Senate Bill 1544 established an Illegal Marijuana Market Enforcement Grant Program Fund (IMMEGP) to award grants to local law enforcement for addressing unlawful marijuana operations. The Legislature funds the program with \$6 million on a biennial basis, and provides supplemental funds at times. The Criminal Justice Commission (CJC) administers the grants and reports annually on the status and effectiveness of the program. CJC's reports, including its Jan. 1, 2025 [report](#), are available on the Legislature's website.

The unlawful (unlicensed) marijuana production market has outpaced law enforcement's capacity to curtail the activity. Various enacted legislation has targeted the myriad public safety, human rights, water, and environmental issues associated with unlawful operations. Examples include House Bill 3000 (2021), House Bill 4074 (2022), Senate Bill 1564 (2022), Senate Bill 326 (2023) and House Bill 4121 (2024). Unlicensed producers additionally compete with lawful, licensed producers in a market that is oversupplied relative to demand, per biennial OLCC reports on its website. The February 1, 2025 [report](#) estimated that demand within the state was 57 percent of the supply in 2024.

HB 3000 (2021), sect. 41, provided that unlicensed industrial hemp or marijuana production is a crime -- when exceeding quantities allowed for personal or medical use -- and that law enforcement could destroy the crop as contraband. The sunset provision on that law was later removed, making it permanent. Hoop houses are temporary greenhouse structure, usually consisting of a metal frame covered by plastic sheeting, and they are frequently used in marijuana cultivation. Senate Bill 326 (2023) defined hoop houses as waste when used in the unlawful production of manufacture of marijuana, required landowners to clean up such waste, and allowed local governments to enforce the law through nuisance abatement proceedings. However, the health and safety of responding law enforcement may at times require immediate dismantling of the structure. Additionally, the nuisance enforcement mechanism is limited by local personnel and storage resources, and hoop houses may degrade and disperse into the environment while proceedings are pending.

House Bill 4121 (2024) directed the OLCC to create and maintain a map of licensed marijuana and industrial hemp operation sites, in cooperation with the ODA, and make it available to law enforcement so that it can more readily identify unlicensed sites. Senate Bill 162 (2025) directs the OLCC to also make the map available to the Oregon Water Resources Department and Department of Environmental Quality.