

SB 176 -3 STAFF MEASURE SUMMARY

Senate Committee On Judiciary

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Sub-Referral To: Joint Committee On Ways and Means

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WHAT THE MEASURE DOES:

The measure removes Oregon Health Authority's regulatory oversight of medical marijuana cardholders' ("cardholder") personal production of marijuana, requires electronic registration cards, creates an exclusive medical marijuana producer designation from the Oregon Liquor and Cannabis Commission, defines marijuana grow sites and acts permitted, and prohibits health and employment discrimination based on cardholder status.

Detailed Summary

- Directs the OHA and OLCC to consolidate data collection regarding medical marijuana use and adult use cannabis items and make the data publicly available.
- Renames the Oregon Medical Marijuana Act the Oregon Medical Cannabis Act.
- Requires retailers that sell cannabinoid items to offer a selection of medical grade products.

OLCC designation for persons responsible for medical marijuana grow sites.

- Directs the OLCC to create a "designation" for a person responsible for a marijuana grow site that produces marijuana for three or more cardholders as an exclusively medical producer, where the designation involves a similar application process, requirements, and rights and responsibilities as other cannabis production licenses.
- Prohibits the OLCC from requiring designees to use security systems at the marijuana grow site and caps the fee OLCC may charge for a designation at \$500.

OHA registration and regulation.

- Requires the OHA to issue electronic medical registration cards and permits the issuance of permanent registration cards for which renewal is not required.
- Caps registration card application and renewal fees at \$20 for persons who can prove qualification for federal Social Security Disability benefits.
- Clarifies that OHA's tracking system is for persons designated to produce marijuana for two or less cardholders.
- Removes cardholders who produce marijuana from OHA grow site oversight and reporting requirements, removes restrictions on how much cardholders can grow, and removes tracking requirements for transfers to a cardholder from a person responsible for a marijuana grow site.

Medical marijuana grow sites.

- Defines marijuana grow site to include locations where medical marijuana is grown on behalf of a cardholder but excludes OMMP-registered marijuana grow sites that produce marijuana for two or less cardholders.
- Requires the OHA to issue electronic form of proof of registration for medical marijuana grow site, processors, and dispensaries.
- Increases the amount from 20 pounds to 45 pounds that a marijuana grow site may transfer to marijuana processor or wholesaler.
- Allows a person responsible for a marijuana grow site to make transfers to a processor on behalf of a cardholder, and for the processor to transfer the product to the cardholder.
- Permits a person responsible for a marijuana grow site to continue to produce marijuana at a grow site located within the boundaries of a city or county that prohibits the establishments of marijuana producers,

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unless the registration or designation is revoked.

Discrimination based on cardholder status.

- Prohibits discrimination by a health care provider or health care facility based on a person being a medical marijuana cardholder.
- Prohibits an employer from making an employment decision based solely on the basis that the person is a medical marijuana cardholder, or is a cardholder who tested positive for cannabinoids. Allows employers to make an employment decision on reasonable suspicion of impairment due to intoxication while at work, if not solely based on testing positive for cannabinoids.

Operative dates and effective date.

- Makes substantive changes in statute operative January 1, 2026, but permits OHA and OLCC to take action upon the effective date to enable the measure's changes.
- Effective on the 91st day following adjournment sine die.

FISCAL: Fiscal impact issued.

REVENUE: Revenue impact issued.

ISSUES DISCUSSED:

- Provisions of measure
- Whether technology exists that can test marijuana impairment of workers
- Federal requirements for drug testing certain workers

EFFECT OF AMENDMENT:

-3 The amendment adds terms for grow site administrator, designated grower and patient grower, requires marijuana retail worker training, directs retailers to provide 20 percent of product sold to have specified minimum or maximum potencies, updates the Medical Cannabis Act, removes the employment discrimination prohibition from the measure, and directs additional distributions from the Oregon Medical Marijuana account for OLCC and OHA administration costs.

Detailed Summary

Data collection.

- Adds The Department of Agriculture and cannabis reference laboratory to the entities that must consolidate data collection regarding the use of medical marijuana and adult use cannabis items and make the data available on an OLCC website.
- Removes two specific data categories from the measure: (1) health outcomes and (2) the development and maintenance of marijuana plant profiles.

Terms.

- Defines 'cannabis' to mean the plant Cannabis in the family Cannabaceae.
- Creates term 'grow site administrator' to mean a person designated to produce cannabis for three or more patients, for which the OLCC would issue a "designation."
- Defines 'designated grower' as a person who produces cannabis for a cardholder.
- Defines 'patient grower' as a cardholder who produces their own cannabis.
- Replaces the term 'person responsible for a marijuana grow site' with the terms 'grow site administrator', 'designated grower', or 'patient grower' as applicable throughout the measure.
- Adds conforming amendments throughout ORS Chapter 475C.

Marijuana worker training.

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- Requires permitted marijuana workers to complete a responsible retailer certification program approved by the OLCC, specifies minimum information that the program must include, and authorizes the OLCC to make rules to carry out the requirement.

Retail potency options.

- Requires that marijuana retailers that sell cannabinoid products, concentrates, or extracts provide low potency usable marijuana options and high potency cannabinoid extracts, concentrates and cannabinoid products, including:
 - Twenty percent of usable marijuana offered for sale must have a potency of not more than 16 percent cannabidiol;
 - Twenty percent of cannabinoid concentrates and extracts offered for sale must have a potency of at least 25 percent cannabidiol;
 - Twenty percent of cannabinoid products offered for sale, including edibles, beverages and tinctures, must have a potency of at least 33 percent cannabidiol.
- Removes amendments to ORS 475C.149 in Section 9 of the measure.

Grow site administrators.

- Removes requirement that grow site administrators request a land use compatibility statement before receiving a designation from OLCC.
- Specifies individual statutes that a designation is exempt from, including laws regarding consumer delivery; transportation of marijuana items; processor requirements; general liability insurance; merit-based criteria for licensure; business financial disclosures; and marijuana worker permits.
- Prohibits OLCC from suspending a grow site administrator designation for violations of the Adult and Medical Use of Cannabis Act or rules promulgated thereunder.
- Deletes existing provisions regarding a person responsible for a medical marijuana grow site to transition from OHA registration to OLCC licensure.

Medical marijuana processing.

- Permits a processor to transfer all cannabinoid products, concentrates, and extracts to a cardholder or designated primary caregiver, so long as amounts do not exceed transfer and limits for homegrown plants in ORS 475C.305.
- Removes requirement that the processor may only receive medical marijuana for processing that meets the requirements and concentration standards for consumer products.

Oregon Medical Cannabis Act.

- Revises medical condition definition catch-all for medical cannabis as a condition determined by an attending provider rather than by OHA rule.
- Exempts cardholders diagnosed with a permanent debilitating medical condition from providing updated written medical documentation when applying for renewal.
- Requires OHA to issue an electronic registry identification card with a QR code and allows for the registrant to download and print the card.
- Removes requirement for OHA to issue permanent electronic registration cards.
- Removes OHA's authority to issue or renew registration for a marijuana grow site.
- Directs OHA to adopt rules to facilitate data collection relating to demographics of cardholders, their designated primary caregivers and designated growers.
- Sets possession limits for cardholders and their designated primary caregiver by number of plants instead of weight of usable marijuana.

Funds.

- Increases quarterly distributions from the Oregon Marijuana Account to the Marijuana Control and Regulation Fund for OLCC's costs of responsibilities regarding grow site administrator provisions, from \$1.25 million to

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\$1.5 million, to include amounts for OHA below.

- Allocates quarterly distributions from the Oregon Marijuana account to OHA for the costs of its responsibilities relating to marijuana processing sites and medical marijuana dispensaries.

Discrimination based on cardholder status.

- Removes employment discrimination prohibitions from the measure.

Repeal of laws.

- Removes repeal of ORS 475C.871 and section 8, chapter 103, Oregon Laws 2018.
- Adds repeal of ORS 475C.794 and ORS 475C.798.

Reports and operative dates.

- Requires OHA and OLCC to study the impacts of the measure on the adult use cannabis industry and the Oregon Medical Cannabis Act, and report to the Interim Committees on Judiciary by September 1, 2027.
- Sets operative date of January 1, 2027, for provisions requiring OHA to issue electronic registry identification cards.

BACKGROUND:

In 1998, Oregon voters approved Ballot Measure 67, which allowed cannabis possession for medical use for individuals with a qualifying illness and a doctor's recommendation to apply for medical marijuana registration card and allowed cultivation for medical use. The Oregon Health Authority (OHA) oversees and regulates Oregon Medical Marijuana Program (OMMP), the medical marijuana registration card system and the tracking system for grow sites where two or fewer OMMP patients are registered. The Oregon Liquor and Control Commission (OLCC) regulates the production, processing, transfer and sale of recreational cannabis and marijuana grow sites where three or more OMMP patients are registered.

House Bill 2198 (2017) established the Oregon Cannabis Commission (OCC) and assigned tasks later amended by Senate Bill 1544 (2018). The OCC's tasks include providing advice to OHA on OMMP administration; providing advice to the OLCC to the extent its regulation involves medical registration cardholders and caregivers; developing a long-term strategic plan for ensuring therapeutic cannabis options and affordability; and studying federal laws and regulations regarding marijuana. For example, it produced a November 2023 [report](#) with recommendations to the OLCC and OHA regarding OMMP patient access to therapeutic levels of marijuana at affordable costs. Senate Bill 179 addresses some of those points, but is brought by Compassionate Oregon, a mutual benefit nonprofit organization.