SB 558 A STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

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Meeting Dates: 5/5

WHAT THE MEASURE DOES:

The measure allows marijuana producers, processors, wholesalers, and retailers to exchange samples with other licensees and marijuana workers. It takes effect on the 91st day following adjournment sine die.

FISCAL: Has minimal fiscal impact.

• REVENUE: Has minimal revenue impact.

SENATE FLOOR VOTE: Ayes, 19; Nays, 9

Detailed Summary:

Allows a marijuana producer, processor, wholesaler, or retailer to exchange samples of marijuana items with other licensees or marijuana workers at trade shows or similar Oregon Liquor and Cannabis Commission (OLCC) registered temporary events. Removes the requirement that marijuana items sold wholesale or transferred as samples these events need to be returned to a licensed premise after the conclusion of the event.

Allows a marijuana producer, processor, wholesaler, or retailer to exchange marijuana items with other licensees and to provide them to marijuana workers. Specifies that a marijuana producer may provide samples of seeds and immature marijuana plants to marijuana workers. Requires that samples not exceed the legal limit. Allows licensees to provide samples to any other licensees to provide to their workers. Sets minimum amounts for these samples:

- One gram of usable marijuana per harvest lot per strain per month.
- One gram of cannabinoid concentrates per production batch.
- One gram of extracts per production batch.
- One unit of packaged products per batch.

Allows a wholesaler to provide samples of at least these amounts to any other licensee per originating licensee. Allows samples to be exchanged in proportion to the number of workers who will receive them, not to exceed the legal limit. Allows marijuana producers to exchange usable marijuana, removing the requirement that they must have common ownership.

Allows the OLCC to adopt rules to track samples and to establish a registration system for temporary events. Prevents the rules on tracking samples from being more restrictive than the requirements for tracking samples provided to consumers.

Becomes operative January 1, 2026.

Takes effect on the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

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No amendment.

BACKGROUND:

Oregon Liquor and Cannabis Commission (OLCC) regulates access to alcohol and cannabis products in the state through education, regulation, and distilled spirits distribution. In 2014, <u>Oregon Measure 91</u> legalized recreational marijuana for people ages 21 and older in 2014. The measure also put OLCC in charge of regulating the recreational marijuana industry.

House Bill 1057 (2017) allowed licensees to transport marijuana items and exhibit them at trade shows and promotional events. Per OLCC rules, a recreational marijuana licensee must be the designated event organizer and is responsible for ensuring all marijuana laws and rules are followed by participants. Participating licensees are required to create a Cannabis Tracking System (CTS) manifest for the purpose of transporting product to the event. However, they are not able to exchange products at the event. Licensees must create a circular round-trip manifest, essentially manifesting to themselves. Senate Bill 558 allows licensees to exchange samples of marijuana items with other licensees at these types of events. It also allows for the exchange of samples outside of events.