

SB 162 A STAFF MEASURE SUMMARY

Carrier: Sen. Prozanski

Senate Committee On Judiciary

Action Date: 03/12/25

Action: Do pass with amendments and requesting subsequent referral to Ways and Means be rescinded. (Printed A-Eng.)

Vote: 5-1-0-0

Yeas: 5 - Broadman, Gelser Blouin, Manning Jr, McLane, Prozanski

Nays: 1 - Thatcher

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Prepared By: Tisha Pascone, LPRO Analyst

Meeting Dates: 2/17, 2/24, 3/12

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, and permits inspection of industrial hemp biomass.

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 (OLCC) 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 (THC) concentration exceeds specified limits.
- Permits the OLCC to renew licenses for terms up to five years for marijuana producers, processors, wholesalers, retailers and laboratories.
- Declares emergency, effective on passage.

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:

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

BACKGROUND:

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The unlawful (unlicensed) marijuana production market continues to pose myriad public safety, human rights, water, and environmental issues. Various enacted legislation has targeted the 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 structures usually consisting of a metal frame covered by plastic sheeting and are frequently used in marijuana cultivation. Senate Bill 326 (2023) defined hoop houses as waste when used in the unlawful production or 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 for identification of 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.