PRESS RELEASE: June 26, 2015   CONTACT: Representative Cliff Bentz
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Oregon House Passes Marijuana Legislation

SALEM—The Oregon House of Representatives passed HB 3400 (medical marijuana & recreational marijuana) on June 24th, and HB 2041 (tax on recreational marijuana) on June 25th.

Rep. Cliff Bentz (R-Ontario) said: "Oregon's decision to legalize marijuana will take effect July 1st, creating significant challenges for, and major changes to, our communities. Oregon legislators spent much of the 2015 Legislative Session making the provisions of Measure 91 fit, as best they could, into a state with widely divergent views on allowing recreational use of what is still a federally illegal drug.   Included in this legislation is the opportunity for communities who opposed Measure 91 to ban dispensaries and retail outlets. The Legislature also refined the tax on marijuana sales to reduce the occurrence of black market marijuana trafficking. Here is a list of some of the provisions of the bills that will become law if they pass, as is anticipated, through the Senate next week."

HB 3400A - Changes to the Oregon Medical Marijuana Program

- Caps new marijuana growers at 48 plants outside of residential areas in city limits and 12 plants if the grow site is in a residential area in city limits. *Currently: There is no limit on the size of a medical marijuana grow site, regardless of whether it is within city limits or not. The largest in Oregon is currently registered at roughly 600 plants serving entirely California residents.*
- Caps current marijuana growers at 96 plants outside of residential areas in city limits and 24 plants if the grow site is in a residential area in city limits. *Currently: See above, but according to OHA the majority of current grow sites are growing 24 plants or fewer.*
- Requires OMMP cardholders (medical marijuana patients) to be Oregon residents. Currently: You don't have to be an Oregon resident to have an OMMP card.
- Requires medical marijuana growers, processors and owners of dispensaries to be registered with OHA, Oregon residents for at least 2 years and be at least 21 years old. *Currently: Dispensaries owners don't have age or residency restrictions, but do have to register with OHA.*
- Allows Oregon Health Authority (OHA) to only inspect grow sites of persons growing for others, not those growing for themselves. *Currently: OHA rarely uses any inspection authority.*
- Requires OHA to set up a tracking system for marijuana grown and transferred within the medical marijuana system. *Currently: There is no requirement for OHA to be notified when a grower harvests their crop or transfers product to a medical marijuana dispensary.*
- Requires all medical marijuana items sold to be tested, packaged and labeled. All packaging and labeling must be unattractive to minors. *Currently: There are inconsistent standards of packaging and labeling. Also, while marijuana sold in a dispensary must be tested, the testing lab practices*

and reporting system is very inconsistent, causing many growers to 'lab shop' for a lab that shows higher THC content or no pesticides.

- Defines what reasonable regulations a city or county may implement in the land use process. *Currently: There is uncertainty about what exactly are 'reasonable regulations'.*
- Requires OHA to notify law enforcement if they suspend or revoke a grower, processor or dispensary owner's registration. *Currently: OHA does not need to notify law enforcement if a disciplinary action is taken.*
- City and county governing boards can opt-out of medical marijuana processing sites and medical marijuana dispensaries as long as no less than 55% of the voters in that jurisdiction voted against Measure 91. *Currently: The state moratorium on siting medical dispensaries sunset May 1, 2015. The moratorium was silent on processing sites.*

HB 3400A - Changes to Recreational Marijuana (Measure 91)

- Requires Oregon Liquor Control Commission (OLCC) to make a rule about the maximum size of recreational marijuana grows. *Currently: Measure 91 put no minimum or maximum limit on the size of recreational marijuana grows.*
- Allows all households to grow four mature marijuana plants. *Currently: This is the same as Measure 91.*
- Requires all recreational marijuana growers, wholesalers, processors and retailers to be licensed by OLCC, Oregon residents for at least 2 years and be at least 21 years old. *Currently: Measure 91 required only OLCC licensure, but no age or residency requirements for the licensee. However, Measure 91 does require all licensee employees be over 21 years of age.*
- Requires OLCC to develop a seed-to-sale tracking system, tracking all marijuana grown or transferred within the recreational marijuana market, up to the point of sale. *Currently: OLCC has broad authorities in Measure 91, but this requires they develop a specific tracking mechanism for transfer, transport and sale of marijuana.*
- Allows OLCC to license and inspect registered medical marijuana growers who wish to sell excess marijuana into the recreational retail market. *Currently: Medical growers can only sell to medical dispensaries, and Measure 91 only allowed OLCC licensees to sell to recreational retailers.*
- Allows local governments to tax recreational marijuana sales up to 3 percent, but any tax needs to be approved by a vote of the people. *Currently: Measure 91 only allowed the state to tax, and specifically prohibited local governments from doing the same.*
- Requires all recreational marijuana items sold to be tested, packaged and labeled. All packaging and labeling must be unattractive to minors. *Currently: Measure 91 has broad testing, packaging and labeling language, but the language in HB 3400 is more specific regarding all three topics.*
- *Reduces penalties for marijuana crimes to more closely match similar alcohol crimes. Currently: Measure 91 did not modify existing classifications of marijuana crimes.*
- Allows cities and counties to adopt land use or public health and safety ordinances when regulating all recreational marijuana sites. *Currently: Measure 91 states that local governments can create time, place and manner restrictions.*
- City and county governing boards can opt out of recreational grow sites, processing sites, recreational wholesalers and recreational retailers so long as no less than 55% of the voters in that jurisdiction voted against Measure 91. Voters in every jurisdiction may still opt out by a vote of the people. *Currently: Measure 91 had a local opt out process, but after the passage of the Measure, all local governments were opted in.*

HB 2041A - Changes to the Taxation of Marijuana from the Grower to the Retail Level

- Originally, Measure 91 specified a tax on the grower of marijuana, with different tax rates for flowers, leaves, and immature marijuana plants.

- Replaces grower taxes with one tax rate of 17 percent at the point of sale. Also, the measure directs the Department of Revenue to administer, collect and enforce the provisions. As a result of changing the point of taxation the price to consumers is likely to be lower benefiting from lower markup of the harvest tax and less product price impact. This impact is expected to move more marijuana buyers out of the black market and into the legal, regulated market.
- Does not change the disbursement or estimated total amount of the revenue raised by the tax: • 40% - Common School Fund • 20% - Mental Health Alcoholism and Drug Services • 15% - State Police • 10% - Cities • 10% - Counties • 5% - Drug and Alcohol Abuse Prevention
- Allow medical marijuana dispensaries to tax sales of marijuana to non-medical marijuana cardholders at a 25% rate, so long as Senate Bill 460 passes.

The chart below shows how each Oregon County voted on Ballot Measure 91. Those counties with no less than 55% of voters casting ballots against Ballot Measure 91 (shown in yellow) will be allowed to opt-out by vote.

MEASURE 91 VOTE BY COUNTY				
COUNTY	% FOR	% AGAINST	# FOR	# AGAINST
Baker	40.5%	59.5%	2931	4305
Benton	60.4%	39.6%	22714	14913
Clackamas	51.9%	48.1%	80200	74368
Clatsop	56.5%	43.5%	7583	5833
Columbia	53.4%	46.6%	10781	9423
Coos	53.5%	46.5%	12866	11192
Crook	41.1%	58.9%	3732	5347
Curry	57.0%	43.0%	5565	4202
Deschutes	51.5%	48.5%	35267	33216
Douglas	45.5%	54.5%	18856	22600
Gilliam	40.9%	59.1%	370	535
Grant	35.1%	64.9%	1167	2154
Harney	34.2%	65.8%	1033	1985
Hood River	57.3%	42.7%	4815	3586
Jackson	53.2%	46.8%	42950	37803
Jefferson	43.6%	56.4%	3026	3921
Josephine	49.9%	50.1%	16917	17011
Klamath	43.7%	56.3%	10024	12932
Lake	38.1%	61.9%	1229	1995
Lane	60.5%	39.5%	87439	57047
Lincoln	61.9%	38.1%	12224	7537
Linn	47.0%	53.0%	20548	23147
Malheur	31.2%	68.8%	2368	5230
Marion	48.3%	51.7%	49610	53159
Morrow	33.9%	66.1%	1086	2121
Multnomah	71.2%	28.8%	204732	82861
Polk	47.8%	52.2%	14676	16055
Sherman	38.4%	61.6%	346	555
Tillamook	55.4%	44.6%	5973	4814
Umatilla	37.1%	62.9%	7115	12051
Union	40.9%	59.1%	4229	6108
Wallowa	38.8%	61.2%	1416	2236
Wasco	48.8%	51.2%	4497	4725
Washington	55.2%	44.8%	105432	85467
Wheeler	36.6%	63.4%	260	450

Yamhill	49.6%	50.4%	18081	18339

"Rep. Andy Olson (R-Albany), Rep. Carl Wilson (R-Grants Pass), and Senator Ted Ferrioli (R-John Day) worked extraordinarily hard on these bills. Their efforts have certainly been to Oregon's benefit," Rep. Bentz added.

More information on what is and is not legal with regards to recreational marijuana can be found at the Oregon Liquor Control Commission's website at:
http://www.oregon.gov/olcc/marijuana/Pages/default.aspx.

Additional information regarding HB 3400 and HB 2041 can be found on the Oregon Legislative Information System (OLIS) at:
https://olis.leg.state.or.us/liz/2015R1/Measures/Overview/HB3400
https://olis.leg.state.or.us/liz/2015R1/Measures/Overview/HB2041

Both HB 3400 and HB 2041 will now move on to the Oregon Senate for review and approval.

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