

## 2020 SUMMARY OF LEGISLATION

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# Alcohol and Cannabis

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## TASK FORCES AND REPORTING REQUIREMENTS

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There were no task forces or reporting requirements created by bills in this policy area.

Picture: Hop cones in a field along Windsor Island Road west of Brooks – [Gary Halvorson, Oregon State Archives](#)

[House Bill 4006](#)**Not Enacted****Financial Assistance in the Alcohol Industry****Chief Sponsors:** Rep. Barker**Committees:** House Economic Development, Senate General Government and Emergency Preparedness

**Background and Current Law:** Oregon's three-tier alcohol regulation system consists of manufacturers, wholesalers, and retailers. "Tied house" regulations require the separation of manufacturers and distributors from retailers and prohibit manufacturers and wholesalers from having any financial or ownership interest in a retail establishment (ORS 471.392 to 471.402). Manufacturers or wholesalers are also prohibited from giving money, discounts, or items of value, to a retailer, except for certain exceptions.

**Bill Summary:** House Bill 4006 would have amended one of the "tied house" exceptions to allow a manufacturer or wholesaler to lease or furnish equipment for a period of 14 days, rather than 10 days, to a retail licensee for special events with a reasonable time extension for setup or removal from the special event site.

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[House Bill 4117](#)**Not Enacted****Alcohol Delivery****Chief Sponsors:** Rep. Doherty**Committees:** House Economic Development

**Background and Current Law:** The Oregon Liquor Control Commission (OLCC) sells distilled spirits through retail liquor store agents and licenses and regulates businesses that sell and serve alcohol. Statutory authority allows OLCC off-premises sales license holders to deliver wine, cider, or malt beverages to Oregon residents after obtaining a direct shipper permit. OLCC administrative rules allow the shipment of distilled spirits purchased in person at a retail liquor store.

**Bill Summary:** House Bill 4117 would have allowed certain eligible businesses and OLCC retail sales agents to deliver alcoholic beverages to a final consumer using a delivery person; set the requirements for delivery persons and the conditions for alcohol delivery; and allowed electronic platforms or technology to facilitate consumer ordering, payment, and delivery of alcoholic beverages.

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[Senate Bill 1561-A](#)**Not Enacted****Cannabis and Hemp Regulatory Changes****Chief Sponsors:** Sen. Prozanski; Rep. Helm**Committees:** Senate Judiciary, Joint Ways and Means

**Background and Current Law:** In 1998, Oregon voters passed Ballot Measure 67, which authorized the use of marijuana for medical purposes. Oregon voters then passed Ballot Measure 91 in 2014, which allowed for the creation of a recreational marijuana market. Subsequent legislation allowed individuals to grow, sell, and consume marijuana subject to certain conditions without having to show a medical need. Additionally, starting in 2009, Oregon has allowed for the possession and production of hemp. In 2018, Congress passed the Hemp Farming Act, which allows for the transportation of hemp across state lines subject to certain requirements.

**Bill Summary:** Senate Bill 1561-A would have authorized the Oregon Department of Agriculture to implement a State Hemp Program; modified criminal statutes related to marijuana; required collaboration between the Oregon Cannabis Commission and other state agencies; and directed the Oregon Liquor Control Commission to develop educational programs for licensees and assess the costs of tracking licensees.

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[House Bill 4034](#)**Not Enacted****Medical Marijuana Grower Registration****At the request of:** House Interim Committee on Economic Development for Representative John Lively**Committees:** House Economic Development

**Background and Current Law:** In 1998, Oregon voters approved the production and use of medical marijuana in Oregon within specified limits. Qualified patients may grow plants for themselves or designate a grower and grow site on their behalf. In 2014, through Ballot Measure 91, Oregon voters directed the Oregon Liquor Control Commission (OLCC) to administer and regulate a recreational system, including developing and implementing a seed-to-sale tracking system known as the Cannabis Tracking System (CTS). Beginning in 2018, medical growers for three or more patients now track in CTS and are subject to inspection by OLCC.

**Bill Summary:** House Bill 4034 would have moved the registration for medical cannabis growers, who grow for three or more patients and currently report into CTS, to a new OLCC medical marijuana grow site registration and would have continued the Oregon Health Authority registration for grow sites producing marijuana for only one or two patients.

[House Bill 4035-A](#)**Not Enacted****Marijuana Administration Plan and Compliance Education Program**

**At the request of:** House Interim Committee on Economic Development for Representative John Lively

**Committees:** House Economic Development, Senate General Government and Emergency Preparedness

**Background and Current Law:** In 1998, Oregon voters approved the production and use of medical marijuana within specified limits. In 2014, Oregon voters approved the recreational use of marijuana for persons 21 years or older in Oregon. The Oregon Health Authority (OHA) administers the Oregon Medical Marijuana Program while the Oregon Liquor Control Commission (OLCC) administers and regulates licensing for recreational marijuana producers, processors, wholesalers, and retailers. The Oregon Department of Agriculture (ODA) and the Oregon Department of Revenue (DOR) also have marijuana-related responsibilities.

**Bill Summary:** House Bill 4035-A would have required the OLCC, OHA, ODA, DOR, and the Governor's Office, in consultation with the Oregon Cannabis Commission and OLCC licensees and regulated entities, to jointly develop a plan to address certain issues related to regulatory authority over marijuana by December 31, 2020. The measure also would have required the OLCC to adopt rules in consultation with stakeholders to develop a compliance education program for OLCC licensees and regulated entities.

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[House Bill 4088-A](#)**Not Enacted****Cannabis Social Equity**

**Chief Sponsors:** Rep. Fahey

**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** Cannabis social equity programs work to remove barriers that have kept persons and communities most impacted by cannabis prohibition out of the legal recreational market. Other states that have recently legalized recreational cannabis, including California, Illinois, Massachusetts, and Michigan, have included social equity provisions as part of their regulatory framework.

**Bill Summary:** House Bill 4088-A would have created the Task Force to Promote Social Equity in the Cannabis Industry to: (1) identify barriers to entry for people of color, low-income people, and people with previous cannabis-related convictions; (2) recommend investments in areas disproportionately impacted by marijuana criminalization; and (3) make recommendations to the Legislative Assembly by November 1, 2020.

[House Bill 4156](#)**Not Enacted****Cannabis Business Certification Program****Chief Sponsors:** Rep. Helm; Sen. Prozanski**Committees:** House Economic Development, Joint Ways and Means

**Background and Current Law:** The Oregon Liquor Control Commission rules for marijuana producer licensees require proof of legal access to water, an estimate of electricity and water usage with the initial application, and actual electricity and water usage at license renewal. The Oregon Department of Agriculture administers many programs that affect agricultural producers and processors, including cannabis, and regulates the growing and processing of industrial hemp in Oregon.

**Bill Summary:** House Bill 4156 would have directed the Oregon Department of Agriculture to design and implement a cannabis business certification program to promote market-based approaches that create incentives for cannabis business operations to use energy and water efficiently.

[Senate Bill 1556-B](#)**Not Enacted****OLCC Authorization to Use Commercial Data to Generate Revenue****Chief Sponsors:** Sen. Johnson**Committees:** Senate General Government and Emergency Preparedness, Joint Ways and Means

**Background and Current Law:** Alcohol and recreational marijuana are strictly regulated industries that generate significant revenue. The Oregon Liquor Control Commission (OLCC) is responsible for enforcing Oregon's Bottle Bill, as well as regulating alcoholic beverage sales and recreational marijuana, from production through processing, transport, and sale. The OLCC also regulates medical products sold through retail marijuana stores to medical marijuana cardholders. Regulated persons and entities are subject to intensive data collection, reporting, and investigation.

**Bill Summary:** Senate Bill 1556-B would have allowed the OLCC to utilize commercial information it collects and to generate revenue by selling or licensing the use of, or access to, that information. The measure would also have authorized the OLCC to negotiate certain distilled liquor prices directly with Indian tribes and commercial airlines in certain circumstances.