

Implementing recreational marijuana in Oregon

February, 2015



The Basics

- Measure approved by voters in November, 2014.
- Gives OLCC authority to tax, license and regulate.
- Four license types:
 - Producer (grower)
 - Processor
 - Wholesaler
 - Retail
- Licensees may hold multiple types of licenses

The Basics

- Excise tax is paid by the grower
- Net Revenue Distribution
 - 40% to Common School Fund
 - 20% to Mental Health Alcoholism and Drug Services
 - 15% to State Police
 - 10% to Cities For Law Enforcement
 - 10% to Counties for Law Enforcement
 - 5% to Oregon Health Authority For Alcohol and Drug Abuse Prevention

The Basics

- The act does not affect the Oregon Medical Marijuana Program.
- The act allows home grow of up to 4 plants and 8 oz. per residence beginning July 1, 2015.
- The act prohibits consumption in public.
- The act does not allow local governments to tax marijuana.
- Localities may “opt out” through a general election.

Federal Considerations

- Marijuana remains illegal under federal law.
- On August 29, 2013, the US Department of Justice issued guidance to states that have legalized recreational marijuana



Federal guidance:

1. Preventing the distribution of marijuana to minors;
2. Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels;
3. Preventing the diversion of marijuana from where it is legal under state law to other states;
4. Preventing state-authorized activity from being used as a cover for illegal activity;
5. Preventing violence and the use of firearms in the cultivation and distribution of marijuana;
6. Preventing drugged driving and other adverse public health consequences associated with marijuana use;
7. Preventing the growing of marijuana on public lands;
8. Preventing marijuana use on public property.

“Seed-to-Sale” Tracking System

- Colorado and Washington require robust inventory tracking software in order to ensure that taxes are collected and inventory does not migrate from the legal market.
- Designed to allow for more effective audits and satisfy federal guidelines.
- Every plant is tracked via code from seedling to final sale to consumer.
- Vendors have developed this software.

License Types

- Producer: The only license able to cultivate marijuana. Responsible for payment of tax at first point of sale.
- Processor: Packages and labels marijuana items. Also manufactures edible marijuana products and marijuana extracts.
- Wholesale: Buys and sells at wholesale.
- Retail: Sells marijuana items at retail to adults over 21.



Advertising, Packaging and Testing

- The act gives OLCC authority to regulate or prohibit advertising.
- OLCC can regulate packages and labels to ensure public safety and prevent appeal to minors.
- OLCC can adopt standards and testing requirements.

Impaired Driving

- The act does not identify a specific limit for marijuana intoxication.
- The act requires OLCC to examine research and present a report to the Legislature.
- OLCC will partner with DOJ Criminal Investigation Division and Oregon State Police to facilitate research on this issue.

Timeline for Implementation

- January-March 2015: Community meetings
- February- June, 2015: Legislature in session
- **July 1, 2015:** Personal possession and home production become legal
- March-October, 2015: Rule making
- November, 2015: Adopt rules
- **January 4, 2016:** Begin accepting applications for licenses
- Late 2016: Retail sales begin

Public engagement: OLCC

- Places to make your voice heard
 - Listening tour
 - marijuana.oregon.gov
 - Rule making hearings
 - Commission hearings
- OLCC can only make rules to implement the law as written
 - Testing, labeling, some siting requirements, application and licensing

OLCC engagement so far

- marijuana.oregon.gov – more than 150,000+ hits since November 5
- E-mail listserve has over 10,000 subscribers
- Community meeting planning survey had over 16,000 responses in just one week
- Listening sessions in Baker City, Pendleton, Salem, Eugene, Ashland, Klamath Falls, Bend, Newport, Beaverton, Clackamas.
- More information at marijuana.oregon.gov

Role of Commissioners

- Guide policy
- Facilitate public engagement
- Support communication
- Adopt final rules



marijuana.oregon.gov