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 listserv 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