

# Implementing recreational marijuana in Oregon

May, 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
  - \$35 per oz. for flowers
  - \$10 per oz. for leaves
  - \$5 for immature plants
- 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.

# OLCC 2015-17 Budget Request

- \$18.5 million revenue
- \$10.5 million costs

# “Seed-to-Sale” Tracking System

- Oregon will have an inventory tracking software 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.
- A vendor that will develop this software has been hired.



# 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.



# 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

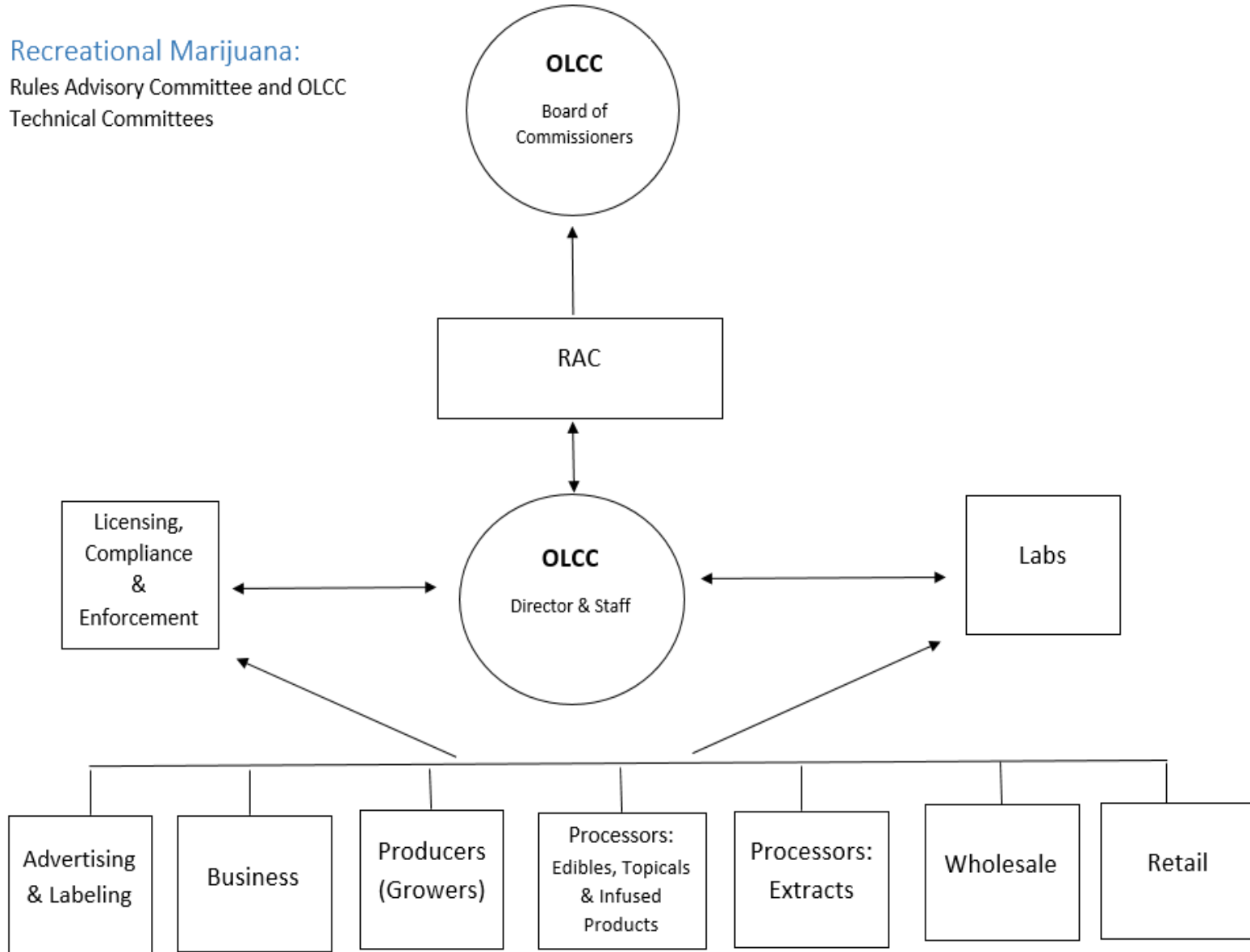
# OLCC Engagement So Far

- [Marijuana.oregon.gov](http://Marijuana.oregon.gov) – more than 350,000 hits since November 5
- E-mail listserve has nearly 14,000 subscribers
- Community meeting planning survey had over 16,000 responses in just one week
- Listening sessions in 11 communities – Baker City, Pendleton, Salem, Eugene, Ashland, Klamath Falls, Bend, Beaverton, Clackamas, Newport and Portland
- More information at [marijuana.oregon.gov](http://marijuana.oregon.gov)

# Marijuana Rules Advisory Committee

- Appointed in May
- Members with expertise in the range of issues related to Measure 91, including
  - Law enforcement
  - Local Government
  - Industry – Grower, processor, testing, kitchen, retail
- Diversity and regional representation
- Business knowledge
- Subcommittees of subject matter experts on key issues

Recreational Marijuana:  
Rules Advisory Committee and OLCC  
Technical Committees



# Role of Commissioners

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



[marijuana.oregon.gov](https://marijuana.oregon.gov)