



Thursday, February 28th, 2019

Chair Riley, Vice Chair Girod, members of the Committee,

I am Sam Chapman, and I am the Legislative Director for the New Revenue Coalition and am here to speak to the mechanics, goals, and need for Senate Bill 639.

Why do we need cannabis consumption?

- **Cannabis is legal, however, the only people who have legal places to consume are those who own their homes.** The vast majority of adults are renters, and their leases forbid the use of cannabis on site, and many lease agreements even have language disallowing possession completely. So, Oregonians who possess or dare to use a product legal in this state, do so at risk of either violating their lease agreement, which is grounds for eviction, or violating the law.
- **Oregon cannabis sales contributed \$82m+ in tax revenue last year.** Allowing for people to legally consume the product will only increase the money that goes directly to Oregon schools, law enforcement, addiction services, health programs and infrastructure. We also support funds going directly to education and youth prevention efforts, and it was the legislature who directed the funds elsewhere.
- **Consumption is happening now, in parks, on sidewalks, around children, at bus stops and inside alcohol establishments and concert venues.** It is time to regulate and provide additional education for consumers, and spaces to consume that are not in violation of the law or OLCC licenses.
- **We need to give Oregonians and visitors more opportunities to boost our economy and help our schools and our children.** 15% of visitors to Colorado last year participated in cannabis sales, and it is reasonable to assume Oregon has similar numbers. Anecdotally, we often hear of visitors coming to our state, who are interested to try cannabis in a legal setting. When they ask where they may be allowed to consume, largely they are met with information about how to avoid getting in trouble.

Senate Bill 639 Summary:

- **This bill contains a local “opt-in” provision**, meaning that current law does not change unless a city or county affirmatively chooses to allow these proposed license types to be issued within their respective jurisdictions.
- **License and Regulate Cannabis Consumption Venues**
 - Allows retailers to add consumption spaces to their businesses;
 - Allows stand-alone cafes where consumers can consume their own cannabis;
 - Allows for consumption to occur on licensed cannabis farms, similar to winery tours today;
 - Create additional opportunities for more business development and more tourism dollars to flow to our state.
- **Temporary Event Licenses**
 - Allows for regulated cannabis consumption spaces at public events, just like alcohol.
- **Create Opportunity for Farm Tourism**
 - Allows for tourism and a new revenue stream for licensed farmers by clarifying existing gray areas in the law and bringing the cannabis industry closer to the winery model.
- **Allow Deliveries To Hotels**
 - Allows licensed retail businesses to deliver to adults staying in hotels and temporary residences.

As Legislative Director of the New Revenue Coalition, I have a few closing notes for the committee:

- To start, the New Revenue Coalition would like to acknowledge and address some concerns from our opposition, and share with the Committee, that we continue to hear them, and we desire to work in concert.
- We believe that our goals align more than they do not. We do not want children to be exposed to cannabis consumption, or second-hand cannabis smoke. We believe that the bill as-written helps to mitigate that concern.
- We know that every day in Oregon, individuals are using cannabis on the sidewalk, in cars, in parks, and other public or non-legal spaces. While creating legal consumption spaces may not completely prevent this practice, individuals that choose to use in those public places cannot use the excuse that they have no other option.
- Additionally, we are happy to allow the rulemaking language to be stringent, to create discrete places, away from where children gather, and require appropriate filtration systems.
- We believe that this limited, opt-in waiver, is much more aligned with the concerns of the medical and public health industries than the status quo.

- Despite those who have pre-emptively walked away, we remain at the table and are still ready to work together with public health in mind. Oregon can still boast substantial and comprehensive indoor clean air policies, while providing spaces for legal consumption of a legal substance, especially for medical patients who rely on this legal product.

Thank you, Chair Riley, Vice Chair Girod, members of the committee, I appreciate your time, and I welcome any questions.

States that allow for consumption with existing establishments:

California - Temporary event (up to 4 days) licenses which allow for onsite sales and local consumption area permits/licenses pursuant to local approval

- Cathedral City (6) - Cannabis consumption permitted within a licensed dispensary
- Oakland (3)- A secondary onsite consumption permit is required for cannabis to be consumed on the premises of a dispensary
- Palm Springs (1) - Cannabis Lounge Facility license
- San Francisco (11) - There are three types of permits available for the Consumption of Cannabis Products on the Premises of commercial businesses
- West Hollywood (16) - Different requirements for establishments that permit smoking and vaping from those that just permit edible consumption

Colorado - Consumption establishments are Licensed at the local level

- Colorado Springs (2) - Marijuana Consumption Club (brick and mortar establishment)
- Denver (5) - Cannabis Consumption Business Permit (brick and mortar establishment) and Cannabis Consumption Special Event Permit
- Nederland - Private social club
- Pueblo County - Private social club
- Silverthorne - Cannabis Clubs

States that allow for consumption that are in the process of rule making and or issuing their first licenses:

- Alaska
- Nevada
- Massachusetts