



Summary of Oregon's Measure 91

The Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act: A Summary of Measure 91

On Tuesday, November 4, 2014, Oregon voters ended their state's prohibition of marijuana by choosing instead to legalize adult use and possession of marijuana and regulate and tax the sales of limited amounts of marijuana to individuals 21 and older. The ["Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act" and the subsequent implementing legislation](#) are very thorough, and individuals interested in the specifics of the new law should read it in its entirety. Below is a 10,000-foot overview of what the law does.

What does this new law do? The Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act removed penalties for adults 21 and older who possess, use, and grow a limited amount of marijuana. It also directs the Oregon Liquor Commission to establish a system of strictly regulated and registered marijuana producers, wholesalers, processors, and retailers.

What are the limits on how much an individual can possess, give away, and cultivate?

As of July 1, 2015, adults 21 and older may possess, gift, and cultivate the following amounts:

- Outside of the home, adults may possess up to an ounce of marijuana.
- Adults may gift up to an ounce of marijuana, 16 ounces of marijuana products in solid form, or 72 ounces of marijuana products in liquid form to other individuals 21 and older. They cannot be compensated for these transactions.
- At home, adults may:
 - possess up to eight ounces of marijuana and
 - grow no more than four total marijuana plants.

What are the limits on how much an individual can purchase?

Beginning October 1, 2015, individuals 21 and older will be allowed to purchase a quarter ounce of marijuana from participating medical marijuana dispensaries.

Once the retail shops created by Measure 91 are open, adults 21 and older will also be allowed to purchase up to an ounce of marijuana, 16 ounces of marijuana products in solid form, or 72 ounces of marijuana products in liquid form.

What kinds of businesses are created under this law? The Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act sets up four new marijuana businesses that will be regulated by the Oregon Liquor Control Commission. "Marijuana producers" will cultivate marijuana for wholesale. "Marijuana processors" will produce marijuana extracts and products. "Marijuana wholesalers" are businesses that purchase marijuana and marijuana products to sell to marijuana retailers and other non-consumers. Lastly, "marijuana retailers" are allowed to sell marijuana and marijuana items to individuals 21 and older.

What is the timeline? The results were certified on December 4, 2014, at which time the Oregon Liquor Control Commission was able to begin the rulemaking called for by passage of Measure 91. Possession and home cultivation by adults 21 and older became legal on July 1, 2015. Limited sales of marijuana will be made available to adults 21 and older at certain medical marijuana dispensaries beginning October 1, 2015. The OLCC will begin accepting applications for marijuana businesses on January 1, 2016.

Who oversees the marijuana industry? The Oregon Liquor Control Commission has primary oversight and regulatory authority over activities licensed by the Control, Regulation, and Taxation of Marijuana and Industrial Hemp Act. The liquor commission consults with the State Department of Agriculture and the Oregon Health Authority as necessary when drafting rules and regulations.

What kinds of controls and regulations does the industry have to adhere to? The law requires the liquor commission to enact regulations on the marijuana industry. While Oregon's rules are not yet drafted, they will include regulations governing security, testing, labeling, and restricting advertising, similar to the rules in both Colorado and Washington.

How will marijuana sales be taxed? The new law creates a 17% excise tax on the sale of marijuana and marijuana infused products for adult use. Local governments may impose an additional local sales tax not to exceed 3%.

Do municipalities have any role? Municipalities may enact reasonable time, place, and manner zoning ordinances. A locality in which more than 45% of the electorate supported Measure 91 may prohibit marijuana businesses if the locality's voters elect to do so via a ballot question asked during a statewide general election. A locality in which 55% or more of the voters opposed Measure 91 may prohibit marijuana businesses via ordinance if the ordinance is enacted by December 27, 2015.

Where will the tax revenue go? After retaining funds sufficient to carry out its oversight obligations, the liquor commission is required to distribute the revenue from excise taxes in the following ways:

- Forty percent (40%) will go to the Common School Fund (Common School Fund dollars are distributed to all 197 of the state's K-12 school districts. Utilizing their share of the 2014 fund, the Eugene, Bend, and Medford school districts were able to fund 19, 16, and 13.5 full-time teaching positions, respectively).
- Twenty percent (20%) will go to the Mental Health Alcoholism and Drug Services Account.
- Fifteen percent (15%) will go to the State Police Account.
- Twenty percent (20%) will go to local law enforcement agencies. This 20% will be distributed proportionately by population (before July 1, 2017) and then proportionally by licensees held in each municipality.
- Five percent (5%) will be transferred to the Oregon Health Authority for alcohol and drug abuse prevention, early intervention, and treatment services.