



March 6, 2024

Senator Craig Hickman
Representative Laura Supica
Joint Standing Committee on Veterans and Legal Affairs

Re: Metrc Testimony Neither for Nor Against LD 40, An Act to Amend the Cannabis Laws

Chair Hickman, Chair Supica, and Members of the VLA committee,

Thank you for the opportunity to provide comments on LD 40 on behalf of Metrc. Metrc is the current Tracking System vendor working with the State to provide tracking of adult use cannabis plants and products through the supply chain until retail sale.

The primary purpose of any state regulatory program is to protect the public. Tracking systems like Metrc have become the backbone of regulatory programs because they provide a centralized view into the entire supply chain and help flag compliance issues. This helps ensure public safety and transparency in the marketplace and is an essential tool for maximizing efficiency for regulators. For industry, it is a robust inventory system that provides meaningful business data and the use of Metrc has also been an essential tool in securing industry access to banking services.

The last revision to the Tracking System occurred in 2022 with the passage of LD 1817(HP 1350). The bill changed the existing model of tagging each plant to allow for plants to be tracked by group, as defined by the Office of Cannabis Policy (OCP)). To date, no other state allows group tracking and therefore, in order to implement the change, Metrc worked closely with OCP to develop the technology to do so. An amendment to Metrc's state contract was required and the state incurred a cost for technology development. "Flexible Standardized Batch Tracking (FSBT)" was implemented in September 2023.

LD 40 seeks to amend the tracking system requirements again. On page 20, Sec B-9, LD 40 would allow licensees, instead of OCP, to determine the quantity of plants in a group. This appears to allow licensees to "track" plants in any way they choose instead of having a state centralized system with defined group sizes.

Further, on page 20, Sec. B-10 indicates that licensees can submit data through any means they choose, manually or through a commonly used system within the cannabis industry.

This language in LD 40 appears to eliminate the centralized tracking system and thereby terminate Metrc as the vendor.

On March 4th, at the public hearing for LD 40, the bill presenter implied that eliminating Metrc and the centralized tracking system was not intended. If that is the case, we would propose not including the changes in Sec B-10 or B-11. However, we would recommend amending sec. 105(1), in B-10, by striking all of the language and replacing with the following:

1. ~~Data submission requirements. Integration with other systems.~~ ~~The tracking system must allow licensees to submit tracking data for adult use cannabis or adult use cannabis products to the department through manual data entry or through the use of~~

~~tracking system software commonly used within the cannabis industry as determined by the department. Each cannabis licensee shall use the Tracking System established by the Office, either directly or by integrating its own enterprise software system with the Tracking System. The Tracking System must allow for interface with the third party inventory systems.~~

This language is consistent with what is already occurring and represents what we have been told by sponsors was the intention of change in this section.

We understand the concerns of the Adult Use program licensees. No technology system is perfect, and any system is going to require training and experience to master. Metrc has always prioritized being a good partner to the state regulator and we've continued to expand our support for the licensed community over the past year. We understand there is still work to be done to build trust in the industry and we intend to make every effort to do so. We have tripled our customer service staff to the state and licensees in the last 6 months and believe we are headed in the right direction and look forward to continuing this partnership.

Thank you for your attention to Metrc's concerns.

Jean Robinson
Director of Government Affairs