

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

Bill Number:	SB 964
Revenue Area:	Marijuana Revenue
Economist:	Mazen Malik
Date:	05-18-2015

*Only Impacts on Original or Engrossed
Versions are Considered Official*

The revenue impact of this measure is indeterminate for the following reasons:

SB 964 directs the Oregon Health Authority to adopt rules that establish standards for testing, labelling and packaging marijuana products. SB 964 also requires that the Oregon Health Authority license laboratories to test products sold in the recreational marijuana system. Retail sales of marijuana cannot commence without sufficient licensed testing facilities or rules for packaging and labelling. The impact of the licensure of laboratories by the Oregon Health Authority could work positively to facilitate the commercial rollout and make it less cumbersome and less complicated, which allows for tax revenue to develop a stable predictable pattern. The Oregon Liquor Control Commission is directed, by statute, to begin accepting license applications for the retail marijuana system on January 4, 2016. However, no licensed producer will be able to sell their product without sufficient testing facilities in place. If the unfolding of the testing and control (seed to sale) regimes drags in a slow moving process, then SB 964 presents risk to revenue from measure-91 from reliably making its way to the state coffers. SB 964 allows local government bodies to prohibit the establishment medical marijuana dispensaries. This prohibition will have no impact on the business practices or costs to operate commercial retail marijuana system providing it does not influence a similar prohibition.