



# Oregon

Kate Brown, Governor

## Liquor Control Commission

9079 SE McLoughlin Blvd.

Portland, Oregon 97222-7355

503-872-5000

800-452-6522

[www.oregon.gov/olcc](http://www.oregon.gov/olcc)

January 12, 2018

Letter of Intent from Oregon Liquor Control Commission

Re: Marijuana fee approval and ratification

Dear Co-chairs Courtney and Nathanson:

The 2015 Legislature passed House Bill 3400, which governs the regulation of recreational and medical marijuana. The bill directs the Oregon Liquor Control Commission (OLCC) to establish fees for recreational marijuana licenses in rule. The 2017 Legislature added two new responsibilities for the recreational and medical marijuana programs that require additional fees. SB 1057 created the ability for recreational producers to add additional canopy for medical marijuana patients under rules established by OLCC. This registration will require an annual fee of \$100 to complete the requirements of the certification. SB 1015 will allow growers of hemp to deliver product into the OLCC recreational marijuana system and allows OLCC to charge a fee for registration of hemp producers to cover additional costs of the new program. OLCC established a fee of \$500 for hemp growers. Both fees were established in rule and passed by the Commission on December 18, 2017.

The Commission's Legislatively Approved Budget under HB 5019 for marijuana regulation is \$14.5 million to cover administration costs for the marijuana program during the 2017-19 biennium. Fees were established in rule based on anticipated program costs and the number of licenses expected during the 2017-19 biennium. Fee revenue is anticipated to generate \$19.1 million of in funds during the 2017-19 biennium to cover the costs of program administration and provide for a three month ending balance at the end of the biennium. License fees are required to cover all marijuana programs costs. The new fees for additional medical canopy and hemp registration are expected to generate \$26,000 in the current biennium and \$52,000 in the next biennium. Fees are evaluated biennially to insure that they cover the costs of administering the recreational marijuana program and do not exceed the costs of covering program expenses.

These two new fees were submitted to the Department of Administrative Services and ratified on January 8, 2018. The Oregon Liquor Control Commission is requesting legislative approval for the two new fees adopted by the Commission and ratified by DAS.

Sincerely,

Steve Marks

Executive Director

Attachment

141-2018

Fee Approval Form

REQUEST FOR FEE INCREASE/ESTABLISHMENT/DECREASE

<b>PART 1</b> (State agencies: Complete when requesting authority to increase or establish fees administratively, or when notifying DAS of a fee decrease.)		<b>Date received:</b>
<b>Agency Name:</b> Oregon Liquor Commission	<b>Agency Number:</b> 84500	
<b>Division/Program:</b> Marijuana Regulation	<b>Contact:</b> Steve Marks, 503-872-5062 (Name and phone number.)	
<b>Brief Description of Fee Change:</b> The Oregon Liquor Control Commission under HB 3400 passed in 2015 is required to set fees to regulate recreational marijuana. In 2017, legislation was adopted requiring regulation and new fees associated with hemp and expanded canopies for medical marijuana (SB 1057 and Sb 1015)	9079 SE McLoughlin Blvd (Address)  Portland, OR 97222-735 (City, State, Zip)	
<b>Check one:</b> <input type="checkbox"/> Fee Increase <input checked="" type="checkbox"/> Fee Establishment <input type="checkbox"/> Fee Decrease	<b>Statutory Authority for fee:</b> Chapter 614, Oregon Laws 2015	
Please check all statements that apply and provide the anticipated date(s) below:		
<input type="checkbox"/> Date proposed rule(s), or rule(s) change, to be filed with the Secretary of State: _____		
<input checked="" type="checkbox"/> Anticipated rule adoption date: December 18, 2017		
<input checked="" type="checkbox"/> Date fee schedule becomes effective: December 28, 2017		
<input type="checkbox"/> Date of proposed E-Board Action: _____		
<b>REQUIRED - Attach Form 107BF22 and cover letter, with information on each fee affected. (See instructions on back.)</b>		
<b>Approved:</b> <input checked="" type="checkbox"/>	<b>Denied:</b> <input type="checkbox"/>	<b>Date:</b> 1/8/18
<b>Reviewed by:</b> _____	<b>By:</b> <i>[Signature]</i> Director, Department of Administrative Services	
<b>PART 2</b> (State agencies: Complete following rule adoption or fee effective date.)		
<b>Administrative Rule Reference:</b> 845-025-1060 (2)E & 845-025-1060 (4)		
<b>Date rule adopted or fee effective:</b> 12 / 28 / 2017 *		
<b>Actual fee amount(s) adopted:</b> \$500 for Hemp Certificate & \$100 for Medical Canopy		
<b>Authorized agency signature:</b> <i>[Signature]</i>		<b>Date:</b> 12 / 22 / 2017