

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2671 - 1

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Directs State Department of Agriculture to issue research license to qualified applicant.

Government Unit(s) Affected:

Oregon Department of Agriculture (ODA), Oregon Liquor Control Commission (OLCC)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

	2021-23 Biennium	2023-25 Biennium
Other Funds	100,000	0
Total Funds	\$100,000	\$0
Positions	0	0
FTE	0.00	0.00

Analysis:

HB 2671 - 1 directs the Oregon Department of Agriculture (ODA) to adopt rules to require a registered hemp grower to report to the Department that the grower does not intend to plant a hemp crop at the location for which a registration is issued, or if there has been loss of any or all of a crop. If a hemp crop is found to contain a THC concentration which exceed allowable limits, a grower must destroy or remediate the crop and provide ODA documentation of their actions; ODA may impose civil penalties for crops that contain an average THC concentration of at least 10 percent. The measure also outlines what actions ODA must take if a person plants a hemp crop or violates existing hemp regulations before applying to ODA for a grower registration. This measure is operative January 1, 2022, and ODA and the Oregon Liquor Control Commission (OLCC) may take any action before the operative date to enact this measure. The measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

ODA anticipates costs of around \$100,000 Other Funds related to rulemaking for this measure. ODA notes that this measure will require multiple complex rules and will require substantial outreach to the hemp industry.

ODA also notes an indeterminate impact related to other aspects of this measure, including monitoring of non-compliant growers, and legal fees if civil penalties are assessed. ODA may need to request additional expenditure limitation or position authority once this measure is enacted.

There is no fiscal impact for OLCC.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.