

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3000 - A9

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:

Defines "adult use cannabis item," "artificially derived cannabinoid," and "tetrahydrocannabinol" for statutes related to marijuana and industrial hemp.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Legislative Assembly, Oregon Department of Agriculture (ODA), Oregon Liquor Control Commission (OLCC)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

Agency - Fund Type	2021-23 Biennium	2023-25 Biennium
OLCC - Other Funds		
Personal Services	699,324	936,698
Services and Supplies	396,064	342,920
Total Funds	\$1,095,388	\$1,279,618
Positions	5	5
FTE	4.08	5.00

Agency - Fund Type	2021-23 Biennium	2023-25 Biennium
OHA - General Fund		
Personal Services	605,544	405,696
Services and Supplies	125,373	83,582
Total Funds	\$730,917	\$489,278
Positions	3	2
FTE	3.00	2.00

Analysis:

House Bill 3000 defines terms associated with cannabinoid products and artificially derived cannabinoids and authorizes the Oregon Liquor Control Commission (OLCC) to regulate the processing, transport, sale, and purchase of artificially derived cannabinoids. This measure is effective on passage.

The measure also directs OLCC to consult with the Oregon Health Authority to adopt rules establishing a maximum concentration for artificially derived cannabinoids allowed in a cannabinoid product and the maximum concentration of tetrahydrocannabinol or artificially derived cannabinoid permitted in an industrial hemp product. The measure allows the Oregon Department of Agriculture to charge licensed growers and handlers of these products certain fees.

To further consider state policies and regulation, testing and enforcement, and other administrative functions associated with these products, the measure establishes the Task Force on Cannabis-Derived Intoxicants. The Task Force is directed to report to the Legislative Assembly on their initial findings no later than December 31, 2021, and a report on their final findings by December 31, 2022.

Oregon Liquor Control Commission

The Oregon Liquor Control Commission (OLCC) anticipates a fiscal impact to implement this measure, associated with developing new rules as well as associated labeling and testing requirements. OLCC does not have a way to estimate how many hemp-based products will be found to contain cannabis-derived intoxicants but believes that as many as 175 businesses will need to be licensed as marijuana processors under this measure. This work will require 2 Marijuana Regulatory Specialists (2.00 FTE) and 2 Licensing Specialists (2.00 FTE); additionally, OLCC believes they will need the support of one Administrative Specialist (1.00 FTE). OLCC anticipates receiving approximately \$1.4 million in licensing revenue from this measure.

Oregon Health Authority

The Oregon Health Authority (OHA) anticipates a fiscal impact from this measure due to new work testing cannabinoid products and implementing methods and procedures. OHA believes this will require three new Compliance Specialist 3 positions (3.00 FTE), two of which will be permanent full-time and one of which is limited duration. These roles would develop and optimize the measurement of new cannabinoids, provide technical assistance to laboratories and coordinate interagency work. The total estimated cost for OHA in 2021-23 is anticipated to be around \$730,917.

Legislative Assembly

The bill specifies that non-legislative members of the Task Force serve as volunteers and are not entitled to compensation and reimbursement. However, four members of the Task Force will be legislative members who are entitled to per diem and travel reimbursement. The estimated per diem and travel reimbursement cost for the four legislative members to attend five meetings of the Task Force is \$4,600. This amount includes the Federal Insurance Contribution Act (FICA) tax and assumes per diem remains at \$151 and the average mileage of 90 miles at the current rate of \$0.56 per mile. Although the 2021-23 Legislative Assembly budget contains funds allocated for interim committee and task force, if the work required by this Task Force, or if the cumulative enactment of other legislation with interim committees and task forces exceeds expenditure levels beyond those assumed in the 2021-23 budget, additional General Fund resources may be required. The Task Force would not incur additional costs to the Legislative Assembly budget if the meetings are held at the Capitol building during Legislative Session, Task Force or Legislative Days.

Oregon Department of Agriculture

The Oregon Department of Agriculture anticipates a minimal fiscal impact as a result of the development rules required by the measure.