

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3000 - B

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*

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 Date: June 2, 2021

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 analysis.

Summary of Expenditure Impact:

Agency - Fund Type	2021-23 Biennium	2023-25 Biennium
OLCC - Other Funds		
Personal Services	107,398	151,789
Services and Supplies	231,609	351,869
Total Funds	\$339,007	\$503,658
Positions	1	1
FTE	0.75	1.00

Agency - Fund Type	2021-23 Biennium	2023-25 Biennium
OHA - General Fund		
Personal Services	605,544	403,696
Services and Supplies	125,373	83,582
Total Funds	\$730,917	\$487,278
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 (OHA) and Oregon Department of Agriculture (ODA) 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 ODA 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 15 member 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

OLCC anticipates a fiscal impact to implement this measure, associated with developing new rules as well as labeling and testing requirements. OLCC would also be required to work with OHA to develop and maintain a map of industrial hemp operations that is also accessible to law enforcement. The labeling work required by this measure would require one Administrative Specialist 2 (1.00 FTE). The total estimated cost for OLCC in the 2021-23 biennium is \$339,000 Other Funds and \$503,658 Other Funds in the 2023-25 biennium.

Oregon Health Authority

OHA anticipates a fiscal impact from this measure due to new work testing cannabinoid products and implementing methods and procedures for determining whether a cannabis plant is marijuana or hemp. The measure also directs OHA to work with OLCC to develop and maintain a map of the locations and premises of licensed industrial hemp operations and to make maps available to law enforcement agencies. 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 approximately \$730,917 General Fund, and \$487,278 General Fund in 2023-25.

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. Although the 2021-23 Legislative Assembly budget contains funds allocated for interim committee and task force work, 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 fiscal impact to the Department of Agriculture is indeterminate. The measure requires the Department to undertake several different rule-making efforts. ODA estimates a fiscal impact for just rule-development of up to \$200,000 Other Funds. Additionally, the measure requires additional workload for ODA's Hemp Program in a number of areas, such as priority inspection of non-registered hemp growers, and adds civil penalty authority. The number of inspections or investigations and resulting potential civil penalty procedures that will require additional legal costs are all indeterminate.

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