

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4074 - 5**

81st Oregon Legislative Assembly – 2022 Regular Session  
Legislative Fiscal Office

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

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**Measure Description:**

Requires employee or worker of marijuana licensee to report human trafficking on licensed premises to Oregon Liquor and Cannabis Commission.

**Government Unit(s) Affected:**

Oregon State Police (OSP), Department of Consumer and Business Services (DCBS), Oregon Liquor and Cannabis Commission (OLCC), Criminal Justice Commission (CJC), Oregon Department of Agriculture (ODA)

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

**Oregon Liquor Control Commission**

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>
Other Funds	155,127	240,649
<b>Total Funds</b>	<b>\$155,127</b>	<b>\$240,649</b>
Positions	1	1
FTE	0.58	1.00

**Criminal Justice Commission**

	<b>2021-23 Biennium</b>	<b>2023-25 Biennium</b>
General Funds	2,130,978	231,648
<b>Total Funds</b>	<b>\$2,130,978</b>	<b>\$231,648</b>
Positions	1	1
FTE	0.63	1.00

**Analysis:** The measure requires employee or worker of marijuana licensee to report human trafficking on licensed premises to Oregon Liquor and Cannabis Commission and directs the commission to establish human trafficking coordinator position. The measure also directs Oregon Department of Agriculture (ODA) to require any rebuttal testing of cannabis to be performed by department staff member in a department-operated laboratory. In addition, the measure includes community-based organizations as eligible entities to receive financial assistance from Illegal Marijuana Market Enforcement Grant Program in order to address the ongoing humanitarian crisis associated with unlawful marijuana cultivation or distribution operations. The measure allows a building inspector, representative of the Department of Consumer and Business Services (DCBS), the Oregon State Fire Marshall, or a law enforcement officer to enter a property where there is a suspected violation of state law regarding marijuana or industrial hemp and allows listed individuals to petition the Circuit Court to is an

imminent threat. The measure also authorizes the commission to allow certain licensed marijuana retailers to relocate to other premises without obtaining a new license and requires marijuana testing laboratory employees to obtain worker permits from the commission. Becomes operative on January 1, 2023.

The Oregon Liquor Control Commission anticipates hiring one Operations and Policy Analyst 3 position (0.58 FTE) to develop the Human Trafficking Prevention Coordinator position, manage the alcohol server education program, and the marijuana worker education and reporting program. The Legislative Fiscal Office notes that staffing levels are determined through the Joint Committee on Ways and Means budget process and any needed position authority is included in a budget report rather than statute. Upon subsequent referral, the Joint Committee on Ways and Means will evaluate agency staffing and financial resources in light of the anticipated fiscal impact of the measure to determine whether position authority contemplated in section 4 is necessary.

This measure also modifies eligibility for grants from the Illegal Marijuana Market Enforcement Grant Program (IMMEGP) Fund to include community-based organizations. Currently, this funding is only provided to cities and counties. The IMMEGP currently has \$26 million in total funding that has been provided through various legislation, including the Criminal Justice Commission's (CJC) budget bill, HB 5005 (2021) - \$3 million, HB 3000 (2021) - \$3 million, and SB 5561 (2021 2nd Special Session) - \$20 million. This measure would provide an additional \$2 million of one-time funding to the Fund specifically for community-based organizations. The Legislative Fiscal Office (LFO) notes that to expend the monies deposited into the Fund, CJC will need Other Funds expenditure limitation.

CJC reports that due to the expansion of the IMMEGP to community-based organizations, CJC will be required to provide more technical assistance, data collection, and financial tracking. As a result, CJC anticipates the need for a limited duration full-time position Operations and Policy Analyst 2 (0.63 FTE), to act as program facilitator, to assist the increased number of grantees that will now be eligible to receive funding. Estimated cost of the position is \$130,978 in 2021-23 and \$231,648 in 2023-25 to reflect the full 24 months of the biennium. While CJC has requested General Fund for the administration of the program, the Legislative Fiscal Office notes that current administrative expenditures for the program are funded with the marijuana revenues transferred to IMMEGP and the appropriate source of funding for these costs will be evaluated by the Joint Committee on Ways and Means.

The Oregon Department of Agriculture, DCBS, and the Oregon State Police anticipate a minimal fiscal impact due to the provisions of this bill.