

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 766 - 2**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Directs Oregon Criminal Justice Commission to award noncompetitive grants through Illegal Marijuana Market Enforcement Grant Program to Department of State Police, community-based organizations, and local law enforcement agencies for specified purposes related to unlawful marijuana cultivation or distribution operations.

Government Unit(s) Affected:

Water Resources Department, Cities, Counties, Criminal Justice Commission, Department of State Police, Department of Justice

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Criminal Justice Commission		
General Fund		\$0
Special Payments - Oregon State Police	\$5,000,000	\$0
Special Payments - Community-based Organizations	\$6,000,000	\$0
Special Payments - Local Law Enforcement Agencies	\$40,000,000	\$0
Administrative Costs	\$483,561	\$0
<i>Total Funds</i>	\$51,483,561	\$0
<i>Positions</i>	2	0
<i>FTE</i>	2.00	0.00
Oregon State Police		
Other Funds	\$5,000,000	\$0
<i>Total Funds</i>	\$5,000,000	\$0
Department of Justice		
General Fund	\$847,516	\$0
<i>Total Funds</i>	\$847,516	\$0
<i>Positions</i>	2	0
<i>FTE</i>	2.00	0.00
Total Fiscal Impact	\$57,331,077	\$0
<i>Total Positions</i>	4	0
<i>Total FTE</i>	4.00	0.00

Analysis:

The measure appropriates \$51 million General Fund to the Criminal Justice Commission (CJC) for the Illegal Marijuana Market Enforcement Grant Program (IMMEGP). The measure requires CJC to award \$5 million to Oregon State Police (OSP), \$6 million to community-based organizations, and \$40 million to local law enforcement agencies for addressing unlawful marijuana cultivation or distribution operations. The measure also appropriates \$750,000 General Fund to the Department of Justice (DOJ) to support prosecution of labor

trafficking issues associated with unlawful marijuana cultivation or distribution operations.

The measure adds the Department of State Police (OSP) as an eligible entity for the grant program and allows that any grant funding provided to OSP can be for used equipment, contract services and personnel expenses related to the addressing and prosecuting unlawful marijuana cultivation and distribution operations. Currently, only local law enforcement agencies and community-based organizations are eligible for IMMEGP funding. The measure declares an emergency and is effective on passage.

Criminal Justice Commission

The 2021-23 Legislatively Approved Budget for IMMEGP activities totals \$32 million, which includes \$6 million from the Department of Revenue as part of the Marijuana Tax distribution, \$20 million of one-time General Fund included in SB 5561 (2021 Second Special Session) and an additional \$6 million of one-time General Fund provided in HB 4074 (2022). To administer these grant funds, CJC has one permanent full-time position and a full-time limited duration position that was added with the HB 4074 expansion of community-based organizations as an eligible grant recipient. The 2023-25 current service level budget for this program includes the \$6 million Other Funds from the Marijuana Tax distribution, and the one permanent position.

CJC reports that due to the significant increase in available one-time funding provided in SB 766, the agency will need an additional Program Analyst 3 (1.00 FTE) and extension of the limited duration Operations & Policy Analyst 2 (1.00 FTE) position to administer the program. The estimated cost of both positions is \$483,561 for the 2023-25 biennium. While the funding provided in SB 766 is one-time, CJC anticipates that grant monitoring and reporting will extend into the 2025-27 biennium.

Oregon State Police

The \$5 million funding in the measure will be used by OSP for overtime, equipment, and services and supplies costs for addressing unlawful marijuana cultivation or distribution operations. LFO also notes that OSP would likely need Other Funds expenditure limitation in order to expend grant funds received from CJC.

Department of Justice

The measure provides for a one-time \$750,000 General Fund appropriation to DOJ for the 2023-25 biennium to support prosecution of labor trafficking issues associated with unlawful marijuana cultivation or distribution operations. DOJ's fiscal impact, however, presumes that the cost of the measure will be \$847,516 or \$97,516 more than the one-time General Fund appropriation of \$750,000 for the 2023-25 biennium. DOJ's fiscal impact includes one Senior Assistant Attorney General position (1.00 FTE) and one full-time Criminal Investigator position (1.00 FTE) starting on July 1, 2023. The positions would assist local law enforcement with prosecution of labor trafficking issues associated with unlawful marijuana cultivation or distribution operations and augment currently budgeted resources

There is a minimal fiscal impact for the Water Resources Department and no fiscal impact for District Attorneys.

LFO notes that the funding in the measure is one-time therefore, any associated positions would be considered limited duration. This measure has a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.