

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3049 - 3**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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 Date: 03/22/2023

Measure Description:

Directs Oregon Liquor and Cannabis Commission to establish annual registration program and labeling requirements for industrial hemp commodity or product that contains cannabinoids and is intended for human or animal consumption.

Government Unit(s) Affected:

Oregon Liquor and Cannabis Commission, Department of Agriculture

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
Oregon Liquor and Cannabis Commission		
General Fund		
Personal Services	\$196,542	\$0
Services and Supplies	\$36,240	\$0
Total General Fund	\$232,782	\$0
Other Funds		
Personal Services	\$0	\$224,619
Services and Supplies	\$0	\$36,240
Total Other Funds	\$0	\$260,859
Total Fiscal Impact	\$232,782	\$260,859
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	1.00

Analysis: The measure requires the Oregon Liquor and Cannabis Commission (OLCC) in consultation with the Oregon Department of Agriculture (ODA) to establish an annual registration program and labeling requirements for industrial hemp commodity or products that contain cannabinoids and is intended for human or animal consumption. The measure also requires a person responsible for manufacturing, packaging, or distributing industrial hemp product that contains cannabinoids and is intended for human or animal consumption or use to register the product with OLCC, label the product, and pay an annual registration fee, prior to selling, transferring, or delivering product directly to consumer or retailer in Oregon. The measure specifies labeling requirements and directs OLCC to undertake rulemaking. The measure appropriates \$256,000 General Fund for the purposes of the measure and allows OLCC to charge a fee for their service.

OLCC would need one Compliance Specialist 3 (0.875 FTE) to establish administrative rules, develop educational materials, review of labels, and provide assistance to hemp manufacturers. OLCC estimates the fee will be \$156 and they will return to the Legislative Assembly for fee ratification if the measure becomes law and a fee is established administratively. The Legislative Fiscal Office assumes that the fee authority provided by this bill will

be sufficient to cover costs in future biennia, and ongoing expenses are presumed to be funded with fee revenue (Other Funds).

ODA anticipates a minimal fiscal impact due to this bill.

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.