

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2516 - 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: 03/23/2023

Measure Description:

Directs Oregon Liquor and Cannabis Commission to adopt rules to allow certain marijuana producers to sell marijuana items directly to consumer.

Government Unit(s) Affected:

Department of Agriculture, Oregon Liquor and Cannabis Commission

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 | | |
| Other Funds | | |
| Personal Services | \$909,780 | \$1,039,780 |
| Services and Supplies | \$83,720 | \$31,200 |
| Total Other Funds | \$993,500 | \$1,070,980 |
| Total Fiscal Impact | \$993,500 | \$1,070,980 |
| <i>Total Positions</i> | 5 | 5 |
| <i>Total FTE</i> | 4.38 | 5.00 |

Analysis: The measure allows marijuana producers to operate a cannabis tourism center as a conditional use on land zoned for exclusive farm use or zoned for other purposes, subject to local government approval. The measure defines the activities of a cannabis tourism center, and allows the centers to offer product samples for consumption on premises to patrons. The measure requires parking accommodation, setbacks, and road access, and allows local governments to impose regulations on cannabis tourism centers. The measure requires state government agencies to provide services to cannabis licensees that are comparable to any other business and permits the directs the Oregon Liquor and Cannabis Commission (OLCC) to adopt rules to allow small-scale producers to sell marijuana items directly to consumers and would require OLCC to adopt rules to permit the delivery of products of a licensed retailer to a hotel or inn. In addition, the measure allows a licensed wholesaler to sell or transfer products at a trade show or similar event.

The additional delivery options authorized by the measure and the establishment of cannabis tourism centers OLCC estimates they will need five Marijuana Regulatory Specialists (4.38 FTE) for increased enforcement due to the increased scope of delivery options and the establishment of cannabis tourism centers. The Marijuana Regulatory Specialists would be assigned to the five regional OLCC offices.

The Oregon Department of Agriculture anticipates no fiscal impact from this measure, as the bill makes no significant changes to the existing duties, functions, or other program authority.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact and positions establishment on the OLCC's budget.