SUBCOMMITTEE RECOMMENDATION

Oregon Liquor and Cannabis Commission Cannabis Reference Laboratory Services and Resources

| То: | Ways and Means Full Committee |
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| From: | Transportation and Economic Development Subcommittee |
| Carrier: | Representative Gomberg |

On Tuesday, April 1st, the Transportation and Economic Development Subcommittee received a report from the Oregon Liquor and Cannabis Commission and the Department of Agriculture on the services and costs associated with operating a Cannabis Reference Laboratory.

In 2023, the passage of HB 2931 established the reference lab as an independent means of reviewing testing results for cannabis potency and purity. A budget note required the two agencies to jointly report on lab costs and the interagency agreement governing lab operations. The lab is operated by the Department of Agriculture and supported by cannabis licensing revenue transferred from the Commission. The lab includes dedicated equipment and three chemists.

For the 2025-27 biennium, operating costs of the lab have risen due to increases in personnel costs, equipment and supplies, and an indirect rate to cover rent, utilities, and administrative overhead. The reported estimated cost to operate the lab in the 2025-27 biennium is revised from \$608,000 to \$1.4 million.

The Transportation and Economic Development Subcommittee recommends acknowledging receipt of the report.