

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3460**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**Prepared by: Kim To
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Date: 4/17/2013**Measure Description:**

Directs Oregon Health Authority to establish registration system for medical marijuana facilities for transferring usable marijuana from registry identification cardholders, designated primary caregivers of registry identification cardholders or marijuana grow sites to medical marijuana facilities and from medical marijuana facilities to registry identification cardholders or designated primary caregivers of registry identification cardholders.

Government Unit(s) Affected:

Oregon Health Authority (OHA), Oregon Judicial Department (OJD), Department of Justice (DOJ)

Summary of Expenditure Impact - Oregon Health Authority		
	2013-15 Biennium	2015-17 Biennium
Other Funds	803,276	637,154
Total Funds	\$803,276	\$637,154
Positions	4	4
FTE	3.66	4.00
Summary of Revenue Impact - Oregon Health Authority		
	2013-15 Biennium	2015-17 Biennium
Other Funds	900,000	1,000,000
Total Funds	\$900,000	\$1,000,000

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 3460 creates new provisions under the Oregon Medical Marijuana Program (OMMP), requiring the Oregon Health Authority to establish and administer a registration system for medical marijuana facilities to facilitate the transfer of usable marijuana between grow sites and registry identification cardholders, and their designated primary caregivers.

Oregon Health Authority (OHA)

The Oregon Health Authority estimates the expenditure impact of establishing and administering this new registration program to be \$803,276 Other Funds and 3.66 FTEs for the 2013-15 biennium; and \$637,154 Other Funds and 4.00 FTEs for the 2015-17 biennium. Should this bill become law, OHA anticipates hiring four employees [2 Compliance Specialist 3 positions and 2 Office Specialist 2 positions]. The Compliance Specialists would be responsible for inspecting sites for compliance with regulations regarding the zoning, proximity to other facilities and other requirements outlined in the proposed legislation. The Office Specialists would be charged with processing new applications and criminal background checks, handling paperwork regarding notices to applicants whose request were denied, and providing support work for the Compliance Specialists. In addition to the Personal Services, related Services and Supplies, and program operational costs, the expenditure impact includes the cost

of modifying the OMMP data system to establish a medical marijuana facility registration system to authorize the transfer of usable marijuana.

The bill requires OHA to register medical marijuana facilities. OHA anticipates establishing a registration fee of \$4,000 per facility. Assuming the registration of 225 facilities during the first biennium and 250 facilities in the second, OHA estimates the revenue impact to be roughly \$900,000 Other Funds for the 2013-15 biennium; and \$1,000,000 for the 2015-17 biennium.

Oregon Judicial Department (OJD)

Passage of this bill is anticipated to have minimal fiscal impact on the Oregon Judicial Department. ORS 183.400 allows any person who contests the validity of a rule developed by an agency to file a petition for review with the Court of Appeals. OJD anticipates a small increase in the number of these cases due to this bill.

Department of Justice (DOJ)

Passage of this bill is anticipated to have minimal fiscal impact on the Department of Justice. DOJ anticipate using existing staff and resources to provide the Oregon Health Authority with legal assistance in developing this new registration program.