

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2668 B

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 06/23/2015

Measure Description:

Requires minimum buffer zone between areas zoned for cultivation of industrial hemp and marijuana grow sites.

Government Unit(s) Affected:

Department of Agriculture, Higher Education Coordinating Commission

Summary of Expenditure Impact: See Analysis

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: This bill would prohibit the Oregon Department of Agriculture (ODA) from issuing industrial hemp license or seed production permit to an applicant with an operation within 1000 feet of a school, requires licensed grower of industrial hemp to permit ODA and OSU to use operation for research, specifies the type of research to be conducted, establishes a rules advisory committee for rulemaking, and establishes a moratorium on license issuance to industrial hemp growers. In addition, ODA will provide just compensation if the grower has incurred costs prior to revocation.

ODA estimates \$25,000 General Fund for rulemaking and supporting the rulemaking advisory committee. ODA estimates that just compensation could vary from \$500 per acre to \$750 per acre or more. The total acreage that may be subjected to this provision is 100 acres, resulting in payments of \$50,000 to \$75,000 General Fund. ODA will contract with a consultant at an estimated cost of \$5,000 General Fund to develop a more defensible just compensation figure.

The Higher Education Coordinating Commission estimates a total cost of \$290,000 to support the research for the three years required to complete the research project. The source of these funds has not been identified, but is assumed to be General Fund.

The Legislative Fiscal Office believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's budgetary impact on the State's General Fund.