

HB 5047

Measure 91 Implementation Budget

HB 5047 includes the budget adjustments necessary to implement various aspects of Measure 91, relating to marijuana programs. These adjustments relate to HB 3400, HB 2041, SB 460, and SB 844. A total of \$17.5 million Other Funds expenditure limitation and 77 positions are included for five agencies.

The implementation budget for the Oregon Liquor Control Commission is \$8.3 million Other Funds and 30 positions, 5 of which are limited duration. The budget includes the cost of procuring a product tracking system, inspectors and other program staff. Funding is to come from fees, which are not expected until April 2016. The agency will borrow from the liquor fund for start-up costs, and repay that fund with marijuana tax revenues, pursuant to authority granted in Senate Bill 605.

The budget for the Oregon Health Authority for the medical marijuana program includes \$5.8 million Other Funds and 40 positions. A portion of these expenditures will be passed through to Shared Services for IT services and background checks. The funding is expected to come from fee revenues generated by licensing growers and processors. Start-up costs may be paid using existing ending balances. The agency anticipates using the OLCC tracking system.

The budget for the Department of Revenue includes \$1.9 million Other Funds and six positions. This includes staffing for revenue receipts and distributions, tax return processing, education and other program functions. The budget also includes the limitation necessary

for adding point-of-sale functionality to the Department's Core Systems Replacement project. The expenditures are funded from marijuana tax proceeds.

The Capital Construction Subcommittee recommends HB 5047 be amended by the -1 amendment and reported out do pass, as amended.