

**REVENUE IMPACT OF
PROPOSED LEGISLATION
79th Oregon Legislative Assembly
2017 Regular Session
Legislative Revenue Office**

**Bill Number: HB 2198 - A
Revenue Area: Marijuana Revenue
Economist: Mazen Malik
Date: 05-31-2017**

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

Measure Description:

Changes name of Oregon Liquor Control Commission to Oregon Liquor and Cannabis Commission.

Revenue Impact (in \$Millions):

The impact of costs of this measure on the tax revenue is to lower the amount available for distributions to the various uses dedicated by law. The reduction in transfers seem to be \$1.2 million in 17-19 and \$2.2 million for 19-21. However, much of this revenue loss will be recovered by fees levied on the marijuana businesses being considered for inclusion in the system.

Impact Explanation:

Implementing HB2198-33 Sections 7, 8 and 14 combined will require the Oregon Liquor Control Commission to incorporate approximately 1,200 additional medical marijuana growers into the medical marijuana registration system established by SB 1057. Some of the work imposed by the bill will have the effect of increasing the participation of producers into the central cannabis control system. This will allow for the illicit supply to be less prevalent and the legal market to gain market share, however, it is not clear how all of these interactions will unfold. The number of plants and the limitation on security and monitoring might work on the other direction.

The Oregon Liquor Control Commission is expected to conduct a study of legal useable marijuana transfers from medical marijuana grow sites to recreational marijuana processors and wholesalers. This is expected within Commission resources budgeted for the 2017-2019 biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No