

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

**Bill Number: SB 56 - A
Revenue Area: OLCC Licenses
Economist: Mazen Malik
Date: 6-9-17**

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

Measure Description:

Authorizes Oregon Liquor Control Commission to require cannabis-related licensees, certificate holders and applicants for licenses and certificates to submit information related to persons who hold financial interest in business operating or to be operated under license or certificate.

Revenue Impact (in \$Millions):

SB 56 will assist the OLCC in its compliance efforts. The provisions of the bill will help ensure the currently projected revenue stream. It will allow the OLCC to maintain the pressure on the illicit products and push more of the demand to the regulated and legal market. Without the additional compliance authority contained in the bill there is a greater risk that revenue will fail to meet current projections.

Impact Explanation:

Allows the Oregon Liquor Control Commission to immediately restrict, suspend or refuse to renew the license of a licensee if the commission has concluded that the licensee has trafficked in marijuana from an unlicensed source. The commission's ability to immediately sanction licensees for violations will improve public safety may reduce non-compliance. require the Oregon Liquor Control Commission to maintain a hotline for select employees designated by certain state, county and city agencies to verify the license status of premises.

The measure also requires that the commission allow the processing of concentrates by small licensed marijuana producers using only mechanical or water-based extraction methods. The maximum canopy size permitted is 5,000 square feet for outdoor producers and 1,250 square feet for indoor producers. require a marijuana producer that also processes marijuana to segregate the parts of the premises dedicated to production and processing. Which means that licensees must declare their intention to process products and present that in their operations plan for licensing or renewal.

Defines rules for home delivery to be followed and recipient identity confirmed by deliverer. suspends the plant limits imposed on medical marijuana designated growers if those growers have applied for a recreational marijuana producer license. Allows retail marijuana stores with common ownership to transfer marijuana items between premises.

All these regulations and enforcement measures contribute to maintaining a solid legal retail and taxation system.

Creates, Extends, or Expands Tax Expenditure: Yes No