

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 1544 - 16

79th Oregon Legislative Assembly – 2018 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Establishes the Illegal Marijuana Market Enforcement Grant Program.

Government Unit(s) Affected:

Criminal Justice Commission (CJC), Oregon Liquor Control Commission (OLCC), Oregon Department of Agriculture (ODA), Department of Justice (DOJ), Oregon Judicial Department (OJD), Oregon Health Authority (OHA)

Analysis:

This fiscal impact statement is for the purpose of transmitting the measure from the Senate Committee on Rules to the Joint Committee on Ways and Means.

SB 1544 with the -16 amendment suspends, from January 1, 2019 to January 2, 2024, statutory requirements that the Department of Revenue (DOR) first distribute no more than \$1.25 million quarterly from the Marijuana Account to the Oregon Liquor Control Commission (OLCC) to pay OLCC’s administrative, inspection, and investigatory costs before making any other distributions from the Account. Starting January 1, 2019, and until October 1, 2023, DOR must distribute quarterly from the Marijuana Account \$875,000 to OLCC for deposit in its Marijuana Control and Regulation Fund and \$375,000 to the Criminal Justice Commission (CJC) for deposit in the Illegal Marijuana Market Enforcement Grant Program (IMMEGP) Fund. The bill establishes the Illegal Marijuana Market Enforcement Grant Program. CJC is responsible for implementing and administering the program to assist law enforcement agencies and district attorneys in enforcement efforts against illegal grows and distribution operations. The bill establishes the program fund in the General Fund with a continuous appropriation to CJC. The IMMEGP sunsets on January 2, 2024. Unexpended and unobligated funds remaining in the IMMEGP Fund are to be transferred and deposited in the Marijuana Control and Regulation Fund. In addition, the bill:

- Allows a local government that has entered into an agreement with the state for the collection, enforcement, administration, and distribution of local taxes on marijuana retailers to disclose payment distribution amounts.
- Allows an OLCC-licensed producer who is registered with OLCC to produce medical marijuana to provide immature plants to a person responsible for a medical marijuana grow site registered with the Oregon Health Authority (OHA), a medical marijuana cardholder, or a primary caregiver of a cardholder.
- Requires that medical-grade marijuana products supplied for a fee by a licensed processor registered with OLCC meet certain concentration standards. Exempts these products from certain labeling and packaging requirements and standards.

Further Analysis Required

- Requires a medical marijuana grow site with a physical postal address to state that address in its application for registration. A grow site lacking a physical postal address must provide assessor's map information, city, county, zip code, and either geolocation information or the tax lot number with its application for registration.
- Increases, from four to eight, the number of cardholders for whom a registered grow site may produce medical marijuana and directs OHA to prescribe by rule the number of immature plants under 24 inches tall that may be grown by persons and at sites.
- Exempts grow sites that grow for no more than two medical cardholders from the tracking system.
- Effective January 2, 2024, Imposes an additional fee on medical grow sites, processors, and dispensaries.
- Provides that a registered grow site producing for cardholders is not to be considered a commercial grow site solely because it is in the tracking system.
- Extends the timeframe in which the Oregon Cannabis Commission must make certain determinations and recommendations to the legislature.
- Allows marijuana retailers and medical dispensaries established before August 1, 2017 to be located within 1,000 feet of a school.
- Specifies new labeling requirements for products sold by licensed marijuana retailers that are derived from industrial hemp and that contain more than 0.3 % tetrahydrocannabinol (THC). Includes industrial hemp products and commodities that contain more the 0.3 % THC in the definition of "marijuana item."

The measure is anticipated to have an impact on Criminal Justice Commission (CJC), Oregon Liquor Control Commission (OLCC), Oregon Department of Agriculture (ODA), Department of Justice (DOJ), Oregon Judicial Department (OJD), Oregon Health Authority (OHA).

A more complete fiscal analysis on the measure will be prepared as the measure is considered in the Joint Committee on Ways and Means.

Further Analysis Required