

**SB 1544 A BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

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**Criminal Justice Commission**

**2017-19**

**Oregon Liquor Control Commission**

**2017-19**

PRELIMINARY

**Budget Summary\***

|   | 2017-19 Legislatively<br>Adopted Budget | 2018 Committee<br>Recommendation | Committee Change From<br>2017-19 Leg. Adopted |          |
|---|---|----------------------------------|---|----------|
|   |   |                                  | \$ Change                                     | % Change |
| <b>Criminal Justice Commission</b>      |   |                                  |   |          |
| Other Funds                             | \$ -                                    | \$ 1,500,000                     | \$ 1,500,000                                  | 100.0%   |
| Total                                   | \$ -                                    | \$ 1,500,000                     | \$ 1,500,000                                  | 100.0%   |
| <b>Oregon Liquor Control Commission</b> |   |                                  |   |          |
| Other Funds                             | \$ -                                    | \$ 600,693                       | \$ 600,693                                    | 100.0%   |
| Total                                   | \$ -                                    | \$ 600,693                       | \$ 600,693                                    | 100.0%   |

**Position Summary**

**Criminal Justice Commission**

|                                      |      |      |      |
|--------------------------------------|------|------|------|
| Authorized Positions                 | 0    | 1    | 1    |
| Full-time Equivalent (FTE) Positions | 0.00 | 0.54 | 0.54 |

**Oregon Liquor Control Commission**

|                                      |      |      |      |
|--------------------------------------|------|------|------|
| Authorized Positions                 | 0    | 3    | 3    |
| Full-time Equivalent (FTE) Positions | 0.00 | 1.63 | 1.63 |

\*Excludes Capital Construction Expenditures

**Summary of Revenue Changes**

Senate Bill 1544 establishes the Illegal Marijuana Market Enforcement Grant Program. Funds for the program come from the state’s Marijuana Tax prior to other statutory distributions. Senate Bill 1057 (2017) set aside \$10 million in Marijuana Tax revenue for the integration of medical market retailers, growers and distributors into the Oregon Liquor Control Commission (OLCC) regulated retail market but did not provide an equivalent expenditure limitation to OLCC. This revenue was to be distributed on the basis of actual expenses and was not to exceed \$1.25 million per quarter.

Senate Bill 1544 will suspend these requirements starting July 1, 2018. OLCC will now receive \$875,000 per quarter for deposit into the Marijuana Control and Regulation Fund and the Criminal Justice Commission (CJC) will receive \$375,000 per quarter for deposit into the Illegal

Marijuana Market Enforcement Grant Program Fund (IMMEGP). Unexpended and unobligated funds remaining in the IMMEGP Fund will be transferred into the Marijuana Control and Regulation Fund at the end of the biennium.

Fee revenues from the Oregon Medical Marijuana Program licensees converting into the OLCC system, estimated at \$181,440 for the 2017-19 biennium, will be transferred to OLCC to pay the software fees needed for the registration of additional grow sites in the Oregon Cannabis Tracking System.

### **Summary of Capital Construction Subcommittee Action**

Senate Bill 1544 establishes the Illegal Marijuana Market Enforcement Grant Program. CJC is responsible for administering the grant program, which will assist cities and counties with the costs incurred by law enforcement agencies and district attorneys in enforcement efforts against illegal marijuana grows and distribution operations. The subcommittee increased the agency's Other Funds expenditure limitation by \$1,500,000, including \$1,354,100 for grants to local governments and an Operations and Policy Analyst 4 (0.54 FTE) position to administer the program. The CJC estimates costs will increase to \$3,000,000 in the 2019-21 biennium.

OLCC received \$600,693 Other Funds expenditure limitation, and three Marijuana Regulatory Specialist positions (1.63 FTE) for the new Senate Bill 1544 responsibilities. The Marijuana Regulatory Specialists will perform the additional tracking and inspection work needed for the estimated 378 additional medical marijuana grow sites, which will be tracked in the Oregon Cannabis Tracking System. The amount approved includes one-time costs of \$154,818, including training, vehicles, and equipment for the regulatory specialists. OLCC estimates costs to administer this bill will increase to \$851,529 in the 2019-21 biennium.

## DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Criminal Justice Commission, Oregon Liquor Control Commission  
 Patrick Heath - 503-378-3742

| DESCRIPTION  | GENERAL<br>FUND | LOTTERY<br>FUNDS | OTHER FUNDS         |             | FEDERAL FUNDS |             | TOTAL<br>ALL<br>FUNDS | POS      | FTE         |
|--|-----------------|------------------|---------------------|-------------|---------------|-------------|-----------------------|----------|-------------|
|  |                 |                  | LIMITED             | NONLIMITED  | LIMITED       | NONLIMITED  |                       |          |             |
| <b><u>SUBCOMMITTEE ADJUSTMENTS</u></b>                     |                 |                  |                     |             |               |             |                       |          |             |
| <b><u>Criminal Justice Commission</u></b>                  |                 |                  |                     |             |               |             |                       |          |             |
| <b>SCR 21300-001-00 - Sentencing, Policy and Ressearch</b> |                 |                  |                     |             |               |             |                       |          |             |
| Personal Services  | \$ -            | \$ -             | \$ 123,277          | \$ -        | \$ -          | \$ -        | \$ 123,277            | 1        | 0.54        |
| Services and Supplies                                      | \$ -            | \$ -             | \$ 22,623           | \$ -        | \$ -          | \$ -        | \$ 22,623             |          |             |
| Special Payments (6020 Dist to Counties)                   | \$ -            | \$ -             | \$ 1,354,100        | \$ -        | \$ -          | \$ -        | \$ 1,354,100          |          |             |
| <b><u>Oregon Liquor Control Commission</u></b>             |                 |                  |                     |             |               |             |                       |          |             |
| <b>SCR 84500-006-00 - Medical Marijuana</b>                |                 |                  |                     |             |               |             |                       |          |             |
| Personal Services  | \$ -            | \$ -             | \$ 251,685          | \$ -        | \$ -          | \$ -        | \$ 251,685            | 3        | 1.63        |
| Services and Supplies                                      | \$ -            | \$ -             | \$ 349,008          | \$ -        | \$ -          | \$ -        | \$ 349,008            |          |             |
| <b>TOTAL SUBCOMMITTEE ADJUSTMENTS</b>                      | <b>\$ -</b>     | <b>\$ -</b>      | <b>\$ 2,100,693</b> | <b>\$ -</b> | <b>\$ -</b>   | <b>\$ -</b> | <b>\$ 2,100,693</b>   | <b>4</b> | <b>2.17</b> |