

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4089 - A

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:

Gives hemp research program currently operated by State Department of Agriculture name of Oregon Industrial Hemp Agricultural Pilot Program.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC), Oregon Health Authority (OHA), Oregon Department of Agriculture (ODA), Higher Education Coordinating Commission (HECC)

Summary of Expenditure Impact:

Costs related to the measure may require budgetary action - See analysis.

	2017-19 Biennium	2019-21 Biennium
Other Funds - OLCC	284,856	673,291
Total Funds	\$284,856	\$673,291
Positions	2	2
FTE	0.83	2.00

Analysis:

Establishes the Oregon Industrial Hemp Agricultural Pilot Program within Oregon Department of Agriculture (ODA); requires the Oregon Liquor Control Commission (OLCC) to track hemp, commodity, or product when it is transferred, sold, or transported to a licensed premise; authorizes OLCC to enforce and ensure compliance; establishes the Industrial Hemp Fund -- continuously appropriated to ODA -- to consist of fees for registration, application, and renewal.

The existing process for transfers of hemp into the Oregon cannabis tracking system; requires that unprocessed products can be transferred to processing facilities only, where they are entered into the cannabis tracking system. Under this measure, OLCC is directed to allow hemp growers and handlers to directly transfer industrial hemp and hemp-derived products to licensed recreational marijuana wholesalers, processors and licensed premises, with the effect being growers and handlers become users of the cannabis tracking system, so that when products are tested, results can be attached to subsequent products. OLCC will require a Compliance Specialist 3 (0.41 FTE) and one Administrative Specialist 2 (0.41 FTE), in 2017-19, and 2 positions (2.00 FTE) in 2019-21, to implement the program and develop rules for hemp handlers and growers to participate in the Cannabis Tracking System (CTS). OLCC anticipates incorporating CTS costs into the certification costs for hemp growers and handlers. The current certification fee is \$750 and OLCC anticipates 225 new accounts in 2017-19 and 325 total accounts in 2019-21.

ODA will use \$30,000 OF from existing funding for rule writing and the provisions of this bill may require ODA to raise fees sooner than they otherwise would have. The impact to ODA is anticipated to be minimal.

There is no fiscal impact to the Higher Education Coordinating Commission or the Oregon Health Authority.