

FISCAL IMPACT OF PROPOSED LEGISLATION

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office

Measure: SB 582 - A

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

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Measure Description:

Authorizes Governor to enter into agreement with another state for purpose of cross-jurisdictional coordination and enforcement of marijuana-related businesses under certain circumstances.

Government Unit(s) Affected:

Oregon Liquor Control Commission (OLCC), Oregon Department of Agriculture (ODA), Oregon Health Authority (OHA), Oregon State Police (OSP)

Summary of Fiscal Impact:

Costs related to the measure are indeterminate at this time - See explanatory analysis.

Analysis:

This bill allows the Governor to enter into an agreement for the interstate commercial sale of marijuana products. Any agreement pursuant to the bill must ensure enforceable public health and safety standards and include a system to regulate and track the interstate delivery of marijuana items. The Governor may only enter into this type of agreement if federal law authorizes the interstate transfer of marijuana items or the United States Department of Justice issues an opinion or memorandum allowing or tolerating such transfers.

Oregon Liquor Control Commission

The Oregon Liquor Control Commission (OLCC) currently regulates 2,117 adult-use recreational marijuana businesses in Oregon: 1,127 recreational marijuana producers, 212 recreational marijuana processors, 609 recreational marijuana retail stores, 148 recreational marijuana warehouse businesses and 21 laboratories.

Alcohol licensing at the Oregon Liquor Control Commission currently provides 1,700 certificates of approval to out-of-state entities that export malt beverages, ciders and wine to Oregon wholesalers. This is the closest analogue to the type of certificate that may be required for interstate import and export of marijuana within a tracked system. There is no way to anticipate how many wholesale licensees will apply for a certificate if an agreement is reached.

Were the Governor to enter into an agreement of the type contemplated by this bill, OLCC would incur substantial, indeterminate costs to develop a regulatory program. Necessary steps would include:

- gathering input from stakeholders and outreach across the state;
- conducting rule-making, with Department of Justice support; and
- adapting Oregon's cannabis tracking system (OCaTS) to allow for transfers to Oregon recreational marijuana licensees from outside OCaTS, and transfers from Oregon licensed marijuana premises to entities outside of Oregon.

The provisions of this bill are only operative if the federal government makes substantial changes in current federal law or enforcement priorities. If a triggering event were to occur and the Governor entered into one or more agreements for interstate transfer of marijuana items, OLCC would seek additional resources from the Legislature. The fiscal impact of this bill to OLCC is indeterminate.

There is no fiscal impact to the Oregon State Police, the Oregon Health Authority or the Oregon Department of Agriculture without an agreement pursuant to this bill. If a triggering event occurred and the Governor entered into an agreement allowing transfer of marijuana items, the fiscal impact to the Oregon State Police is indeterminate, though likely minimal.