

**HB 2672 STAFF MEASURE SUMMARY**  
**House Committee On Economic Development**

---

**Action Date:** 04/01/19

**Action:** Do pass and be referred to Ways and Means by prior reference

**Vote:** 11-0-0-0

**Yeas:** 11 - Barreto, Bonham, Drazan, Fahey, Helm, Lively, Marsh, McKeown, McLain, Wallan, Witt

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

**Prepared By:** Melissa Leoni, LPRO Analyst

**Meeting Dates:** 2/25, 4/1

---

**WHAT THE MEASURE DOES:**

Authorizes the Department of Revenue to reimburse the State Department of Agriculture, the State Department of Energy, and Water Resources Department for any expenses incurred in the administration and enforcement of activities related to cannabis. Takes effect 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Cannabis taxes, not fees, used for agency reimbursement
- Staff capacity at Department of Agriculture and Water Resources Department
- Agency limitation and budget requests

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Under ORS 475B.760, the taxes on cannabis and cannabis products received by the Department of Revenue are deposited in the State Treasury and credited to a suspense account. The Department pays its administrative and enforcement expenses related to the taxation of cannabis and cannabis products and pays any refunds or credits arising from erroneous overpayments from this account before crediting the balance to the Oregon Marijuana Account. Moneys in the Oregon Marijuana Account are distributed according to ORS 475B.759, including 20 percent to cities and counties and the remaining 80 percent split between the following eligible purposes: State School Fund (40 percent); mental health treatment or alcohol and drug abuse prevention, early intervention, and treatment (20 percent); State Police Account (15 percent); and alcohol and drug abuse prevention, early intervention, and treatment services (5 percent).

The Oregon Department of Agriculture (ODA) has administration and enforcement authority related to cannabis, including those described in ORS 475B.506 (duty of department), ORS 475B.511 (authority of the department), ORS 475B.526 (marijuana as a crop), and ORS 475B.529 (regulation of marijuana items as food or other commodity). The Oregon Health Authority (OHA) is required to consult with the ODA when adopting testing rules for cannabis or cannabis products (ORS 475B.529). The OHA and Oregon Liquor Control Commission must maintain a hotline for the Water Resources Department to inquire if an address is a premise for which a license has been issued (ORS 475B.876 and 475B.537).

House Bill 2672 authorizes the Department of Revenue to reimburse the State Department of Agriculture, the State Department of Energy, and Water Resources Department for any expenses incurred in the administration and enforcement of activities related to cannabis from the suspense account prior to crediting moneys to the Oregon Marijuana Account.