

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Fred Girod, Senate Co-Vice Chair  
Rep. David Gomberg, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** Natural Resources Subcommittee

**From:** Meg Bushman Reinhold, Legislative Fiscal Office

**Date:** February 24, 2020

**Subject:** HB 4072 – Relating to hemp  
Work Session Recommendations

This bill creates the Oregon Hemp State Program in the Oregon Department of Agriculture (ODA). The new State Program replaces the current hemp registration program at ODA. The bill directs ODA to adopt rules and implement a hemp program approved by the United State Department of Agriculture (USDA). ODA will conduct background checks and license hemp growers. ODA will also establish, by rule, requirements for a shipment manifest for commercial hemp.

A large component of gaining Federal approval of the State Hemp Plan is to demonstrate that there is adequate staffing for the Hemp Program's administrative and enforcement functions. To develop and run the program, ODA will need 4 permanent full-time positions: two Natural Resource Specialist 3's for field inspection and enforcement, an Office Specialist 2 for administrative functions such as application review, tracking, and general program support, and a Principal Executive Manager D for program oversight and coordination of statewide efforts. Additional costs related to the inspection and enforcement positions include one-time costs for the purchase of two vehicles. The fiscal impact to ODA for the 2019-21 biennium is anticipated to be \$672,883 Other Funds for the four positions (2.52 FTE) and associated costs. These costs roll-up to \$860,293 Other Funds in the 2021-23 biennium.

Funding for this program is primarily supported by hemp grower licenses, grow site fees, hemp handler licenses, and hemp seed producer licenses. The Department currently has sufficient revenue to support the additional positions, however once the State Hemp Plan is approved by the Federal Government, program needs will be re-evaluated.

The -A4 amendment provides for the necessary Other Funds appropriation of \$672,883.

### **Recommended Changes**

LFO recommends adoption of the -A4 amendment.

**MOTION: I move adoption of the -A4 amendment to HB 4072. (VOTE)**

**Final Subcommittee Action**

LFO recommends that HB 4072, as amended by the -A4 amendment, be moved to the Ways and Means Full Committee.

**MOTION: I move HB 4072, as amended, to the Full Committee with a do pass recommendation. (VOTE)**

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_