

HB 3000 C BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Oregon Liquor Control Commission

2021-23

Oregon Health Authority

2021-23

Criminal Justice Commission

2021-23

PRELIMINARY

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
Oregon Liquor Control Commission					
Other Funds Limited	\$ -	\$ -	\$ 399,007	\$ 399,007	100.0%
Oregon Health Authority					
General Fund	\$ -	\$ -	\$ 730,917	\$ 730,917	100.0%
Criminal Justice Commission					
Other Funds Limited	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Total	\$ -	\$ -	\$ 4,129,924	\$ 4,129,924	100.0%

Position Summary

Oregon Liquor Control Commission

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0	0	0.75	0.75

Oregon Health Authority

Authorized Positions	0	0	3	3
Full-time Equivalent (FTE) positions	0.00	0.00	3.00	3.00

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

PRELIMINARY

Summary of Revenue Changes

House Bill 3000 contains a General Fund appropriation of \$730,917 for carrying out the purposes of the measure within the Oregon Health Authority (OHA). Other Funds revenues for the Oregon Liquor Control Commission (OLCC) and the Oregon Department of Agriculture (ODA) come from fee revenue on licensees deposited into the Marijuana Control and Regulation Fund and the Industrial Hemp Fund, respectively. HB 3000 permits ODA to charge a civil penalty of up to \$10,000 for an industrial hemp crop exceeding the statutory percentage of allowable tetrahydrocannabinol (THC) on a dry weight basis.

Other Funds revenue for the Criminal Justice Commission (CJC) come from Marijuana Tax revenues. HB 3000 increases the current Marijuana Tax distributions to CJC by \$375,000 per quarter from the effective date of the law until October 1, 2023. A corresponding reduction to Marijuana Tax transfers to the Drug Treatment and Recovery Services Fund (DTRSF) within OHA will also occur. For context, the Department of Administrative Services – Office of Economic Analysis estimates Marijuana Tax revenues to the DTRSF at \$249.4 million in 2021-23.

Summary of Transportation and Economic Development Subcommittee Action

HB 3000 authorizes OLCC to regulate the processing, transport, sale, and purchase of artificially derived cannabinoids. The measure directs OLCC to consult with OHA and ODA to adopt rules establishing a maximum concentration for artificially derived cannabinoids allowed in a cannabinoid product and the maximum concentration of tetrahydrocannabinol, or artificially derived cannabinoid, permitted in an industrial hemp product.

Oregon Liquor Control Commission

The Subcommittee recommended \$399,007 Other Funds expenditure limitation and one permanent full-time Administrative Specialist 2 (0.75 FTE) for OLCC to develop new rules around artificially derived cannabinoids, as well as labeling and testing requirements. OLCC will incur position-related costs of \$107,398 for personal services, and services and supplies of \$291,609, which include:

- Services and supplies costs related to the new position;
- \$100,000 for overtime costs for site inspections of industrial hemp sites;
- \$84,000, for OLCC's Cannabis Tracking System fees, in 2021-23; and
- Mapping-related development costs.

Oregon Health Authority

The Subcommittee recommended \$730,917 General Fund and three positions (3.00 FTE) for OHA to implement the provisions of HB 3000, related to testing cannabinoid products and implementing methods and procedures for determining whether a cannabis plant is marijuana or hemp. This will require three new Compliance Specialist 3 positions (3.00 FTE), two of which will be permanent full-time and one of which will be limited duration, as well as \$125,373 in personal services related services and supplies. The Compliance Specialist 3 positions will develop and optimize the measurement of new cannabinoids, provide technical assistance to laboratories, and coordinate interagency work.

Criminal Justice Commission

The Subcommittee recommended an increase in Other Funds expenditure limitation of \$3,000,000 for CJC to increase funding for the Illegal Marijuana Market Enforcement Grant, which has been used to fund staff time for local law enforcement, as well as office and administrative equipment.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Liquor Control Commission, Oregon Health Authority, Criminal Justice Commission
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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
Oregon Liquor Control Commission									
SCR 004 Recreational Marijuana Program									
Personal Services	\$ -	\$ -	\$ 107,398	\$ -	\$ -	\$ -	\$ 107,398	1	0.75
Services and Supplies	\$ -	\$ -	\$ 291,609	\$ -	\$ -	\$ -	\$ 291,609		
Oregon Health Authority									
SCR 030-050 Public Health									
Personal Services	\$ 605,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 605,544	3	3.00
Services and Supplies	\$ 125,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,373		
Criminal Justice Commission									
SCR 001 Sentencing, Policy and Research									
Special Payments	\$ -	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000		
TOTAL ADJUSTMENTS	\$ 730,917	\$ -	\$ 3,399,007	\$ -	\$ -	\$ -	\$ 4,129,924	4	3.75
SUBCOMMITTEE RECOMMENDATION	\$ 730,917	\$ -	\$ 3,399,007	\$ -	\$ -	\$ -	\$ 4,129,924	4	3.75

PRELIMINARY