

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4074 - A13

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Tim Walker
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Date: 02/21/2022**Measure Description:**

Requires employee or worker of marijuana licensee to report human trafficking on licensed premises to Oregon Liquor and Cannabis Commission.

Government Unit(s) Affected:

Oregon State Police (OSP), Department of Consumer and Business Services (DCBS), Oregon Liquor and Cannabis Commission (OLCC), Criminal Justice Commission (CJC), Oregon Department of Agriculture (ODA)

Summary of Expenditure Impact:**Oregon Liquor and Cannabis Commission**

	2021-23 Biennium	2023-25 Biennium
Other Fund	\$155,127	\$240,649
Total Funds	\$155,127	\$240,649
Positions	1	1
FTE	0.58	1.00

Criminal Justice Commission

	2021-23 Biennium	2023-25 Biennium
General Fund	\$6,000,000	
Other Fund	\$6,130,978	\$231,648
Total Funds	\$12,130,978	\$231,648
Positions	1	1
FTE	0.63	1.00

Analysis: The measure requires employee or worker of marijuana licensee to report human trafficking on licensed premises to Oregon Liquor and Cannabis. The measure also directs Oregon Department of Agriculture (ODA) to require any rebuttal testing of cannabis to be performed by department staff member in a department-operated laboratory. In addition, the measure includes community-based organizations as eligible entities to receive financial assistance from Illegal Marijuana Market Enforcement Grant Program. The measure allows a building inspector, representative of the Department of Consumer and Business Services (DCBS), the Oregon State Fire Marshall, or a law enforcement officer to enter a property where there is a suspected violation of state law regarding marijuana or industrial hemp and allows listed individuals to petition the Circuit Court to is an imminent threat. The measure also authorizes the commission to allow certain licensed marijuana retailers to relocate to other premises without obtaining a new license and requires marijuana testing laboratory employees to obtain worker permits from the commission. Becomes operative on January 1, 2023.

The Oregon Liquor Control Commission anticipates hiring one Operations and Policy Analyst 3 position (0.58 FTE) to develop a Human Trafficking Prevention Coordinator position, manage the alcohol server education program, and the marijuana worker education and reporting program.

This measure also modifies eligibility for grants from the Illegal Marijuana Market Enforcement Grant Program (IMMEGP) Fund to include community-based organizations. Currently, this funding is only provided to cities and counties. The IMMEGP currently has \$26 million in total funding that has been provided through various legislation, including the Criminal Justice Commission's (CJC) budget bill, HB 5005 (2021) - \$3 million, HB 3000 (2021) - \$3 million, and SB 5561 (2021 2nd Special Session) - \$20 million. While some of these funds have already been awarded this biennium, it is assumed that passage of this measure would allow CJC to utilize some of its existing funding to provide grants to newly eligible community-based organizations.

CJC reports that due to the expansion of the IMMEGP to community-based organizations, CJC will be required to provide more technical assistance, data collection, and financial tracking. As a result, CJC anticipates the need for a limited duration full-time position Operations and Policy Analyst 2 (0.63 FTE), to act as program facilitator, to assist the increased number of grantees that will now be eligible to receive funding. Estimated cost of the position is \$130,978 in 2021-23 and \$231,648 in 2023-25 to reflect the full 24 months of the biennium.

The -A13 amendment increases Other Funds expenditure limitation for the OLCC by \$155,127 for the administrative expenses related to the expansion of community-based organizations as eligible recipients. Additionally, there is a one-time appropriation of \$6 million General Fund to CJC specifically for financial assistance to community-based organizations responding to humanitarian crises associated with unlawful marijuana cultivation and distribution operations. This General Fund is for deposit into the IMMEGP Fund, and an associated Other Funds expenditure limitation is included for CJC to expend the monies out of the fund.

The Oregon Department of Agriculture, DCBS, and the Oregon State Police anticipate a minimal fiscal impact due to the provisions of this bill.