

**HB 4074 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Kennemer

**Joint Committee On Ways and Means**

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**Action Date:** 02/23/22

**Action:** Do pass the B-Eng bill.

**Senate Vote**

**Yeas:** 10 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Knopp, Lieber, Steiner Hayward, Taylor

**Exc:** 1 - Thomsen

**House Vote**

**Yeas:** 11 - Breese-Iverson, Bynum, Evans, Gomberg, McLain, Nosse, Reschke, Sanchez, Smith G, Stark, Valderrama

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

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**Oregon Liquor and Cannabis Commission**

**2021-23**

**Criminal Justice Commission**

**2021-23**

## **Budget Summary\***

	<b>2021-23 Legislatively Approved Budget<sup>(1)</sup></b>	<b>2022 Committee Recommendation</b>	<b>Committee Change from 2021-23 Leg. Approved</b>	
			<u>\$ Change</u>	<u>% Change</u>
<b>Oregon Liquor and Cannabis Commission</b>				
Other Funds Limited	\$ -	\$ 155,127	\$ 155,127	100.0%
Total	\$ -	\$ 155,127	\$ 155,127	100.0%
<b>Oregon Criminal Justice Commission</b>				
General Fund	\$ -	\$ 6,000,000	\$ 6,000,000	100.0%
Other Funds Limited	\$ -	\$ 6,130,978	\$ 6,130,978	100.0%
Total	\$ -	\$ 12,130,978	\$ 12,130,978	100.0%

## **Position Summary**

### **Oregon Liquor and Cannabis Commission**

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.58	0.58

### **Oregon Criminal Justice Commission**

Authorized Positions	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.63	0.63

<sup>(1)</sup> Includes adjustments through January 2022

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

House Bill 4074 makes a one-time General Fund appropriation of \$6,000,000 to the Oregon Criminal Justice Commission (CJC) for deposit into the Illegal Marijuana Market Enforcement Grant (IMMEG) Fund, and provides Other Fund expenditure limitation for CJC to expend monies out of the fund for grants to community based organizations, and for expenses related to a position to support the work. The Measure also increases Other Funds expenditure limitation from existing Other Funds revenue for the Oregon Liquor and Cannabis Commission (OLCC) by \$155,127. One full-time, Permanent position (0.58 FTE) is authorized to provide the OLCC with resources related to requiring employees or workers of marijuana licensees to report human trafficking on licensed premises.

## **Summary of Transportation and Economic Development Subcommittee Action**

HB 4074 requires an employee or worker of a marijuana licensee to report human trafficking on licensed premises to OLCC and directs the Oregon Department of Agriculture to require any rebuttal testing of cannabis to be performed in a department-operated laboratory. The bill also authorizes the OLCC 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. Finally, the bill modifies eligibility for grants from the CJC IMMEGP, to include community-based organizations; currently, this funding is only provided to law enforcement agencies through cities and counties.

The Subcommittee recommended an increase of \$155,127 Other Funds expenditure limitation and one permanent full-time Operations and Policy Analyst 3 position (0.58 FTE) for OLCC to establish processes and manage reports on human trafficking from licensed facilities. The Subcommittee also recommended a one-time \$6.0 million General Fund appropriation to CJC for deposit into the IMMEGP fund for the expansion of grants to community-based organizations responding to humanitarian crises associated with unlawful marijuana cultivation and distribution operations. A corresponding \$6 million Other Funds expenditure limitation increase was provided to CJC to expend monies out of the fund. The Subcommittee also recommended an increase in Other Funds expenditure limitation of \$130,978 Other Funds expenditure limitation for a limited duration Operations and Policy Analyst 2 position (0.63 FTE), due to the expansion of the IMMEGP to eligible community-based organizations. The increase in the number of grantees is anticipated to require more technical assistance, data collection, and financial tracking.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Oregon Liquor and Cannabis Commission  
 Oregon Criminal Justice Commission  
 Tamara Brickman -- (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>Oregon Liquor and Cannabis Commission</b>									
<b>SCR 84500-004 - Recreational Marijuana Program</b>									
Personal Services	\$ -	\$ -	\$ 119,467	\$ -	\$ -	\$ -	\$ 119,467	1	0.58
Services and Supplies	\$ -	\$ -	\$ 35,660	\$ -	\$ -	\$ -	\$ 35,660		
<b>Oregon Criminal Justice Commission</b>									
<b>SCR 21300-001 - Sentencing, Policy, and Research</b>									
Personal Services	\$ -	\$ -	\$ 119,783	\$ -	\$ -	\$ -	\$ 119,783	1	0.63
Services and Supplies	\$ -	\$ -	\$ 11,195	\$ -	\$ -	\$ -	\$ 11,195		
Special Payments - 6060 Intra Agency Gen Fund Tr.	\$ 6,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000		
Special Payments	\$ -	\$ -	\$ 6,000,000	\$ -	\$ -	\$ -	\$ 6,000,000		
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 6,000,000</b>	<b>\$ -</b>	<b>\$ 6,286,105</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,286,105</b>	<b>2</b>	<b>1.21</b>
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

\*Excludes Capital Construction Expenditures