

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4016 - 2**

81st Oregon Legislative Assembly – 2022 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Tim Walker  
Reviewed by: Amanda Beitel, John Borden, Michelle Deister, Tom MacDonald, John Terpening  
Date: 02/09/2022

**Measure Description:**

Authorizes Oregon Liquor and Cannabis Commission to, based on supply of and demand for marijuana, refuse to issue initial marijuana production licenses for amount of time commission determines necessary.

**Government Unit(s) Affected:**

Oregon Health Authority (OHA), Cities, Counties, Oregon Liquor and Cannabis Commission (OLCC), District Attorneys and their Deputies (DAs), Oregon Judicial Department (OJD), Oregon Department of Agriculture (ODA)

**Summary of Fiscal Impact:**

Costs related to the measure may require budgetary action - See analysis.

**Summary of Expenditure Impact:**

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

**Analysis:** The measure prohibits the Oregon Liquor and Cannabis Commission (OLCC) and the Oregon Department of Agriculture (ODA) from issuing new marijuana and hemp production licenses on applications received after January 1, 2022 and sunsets this provision on March 31, 2024. The measure also authorizes OLCC to reissue marijuana licenses that have expired, been relinquished, or have been otherwise suspended and allows a District Attorney to seek a lien against a building or property that the owner has knowingly used or allowed to be used for illegal marijuana cultivation. In addition, the measure requires marijuana industry workers to report to OLCC and law enforcement if the individual has a reasonable belief that sex trafficking, human trafficking, or employment of minors is occurring on licensed premises. The measure allows a licensee that was mistakenly allowed to operate within 1,000 feet of a school to relocate without reapplying and establishes a Human Trafficking Coordinator position in OLCC.

OLCC anticipates needing one Operations and Policy Analyst 3 (0.58 FTE) to establish the rules governing the reporting of sex trafficking, human trafficking, or labor trafficking to the Commission, and establishment the human trafficking coordinator position. The Human Trafficking Prevention Coordinator will take responsibility for the existing alcohol server education and reporting program and provide development and support for the marijuana worker education and reporting program.

The Oregon Judicial Department, OHA, District Attorneys, and Counties do not anticipate a fiscal impact due to this measure. ODA anticipates a minimal fiscal impact due to this measure.

The Legislative Fiscal Office notes that staffing levels are determined through the Joint Committee on Ways and Means budget process and any needed position authority is included in a budget report rather than statute.

Upon subsequent referral, the Joint Committee on Ways and Means will evaluate agency staffing and financial resources in light of the anticipated fiscal impact of the measure, to determine whether position authority contemplated in section 12 is necessary.