

HB 2517 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Action Date: 03/29/23

Action: Do pass. Refer to Revenue.

Vote: 10-1-0-0

Yeas: 10 - Elmer, Grayber, Holvey, Hudson, Nelson, Nosse, Osborne, Owens, Scharf, Sosa

Nays: 1 - Boshart Davis

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 1/25, 3/22, 3/29

WHAT THE MEASURE DOES:

Exempts cannabis businesses from first-source hiring agreement requirements in enterprise zones. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Ability of cannabis businesses to benefit from enterprise zone tax abatement
- Inability of cannabis business to meet first-source hiring agreement requirements with Oregon Employment Department (OED)
- First-source hiring agreements require posting available jobs with WorkSource Oregon
- Ability of Oregon Business Development Department (OBDD) to waive first-source hiring requirement
- Refusal to waive requirement for cannabis-related businesses
- Impact on OBDD and OED federal funds

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Liquor and Cannabis Commission (OLCC) is the agency responsible for regulating the production, processing and sale of recreational marijuana in Oregon through the Control, Regulation and Taxation of Marijuana and Industrial Hemp Act. OLCC also regulates the production, processing and sale of medical products sold to Oregon Medical Marijuana Program (OMMP) cardholders in OLCC- licensed marijuana retail shops.

The Recreational Marijuana Program is exclusively authorized to make recreational and medical- grade marijuana available to consumers and licensed businesses through retail marijuana stores. The program also tracks the growing, transporting, processing and selling of recreational marijuana products. The Public Safety Program is responsible for licensing and regulating the operation of the recreational marijuana industry in Oregon.

Oregon's Enterprise Zones primarily incentivize new business investments by abating all local property tax for a certain number of years. Sponsored by city, port, county, or tribal governments, an enterprise zone typically serves as a focal point for local development efforts. One of the requirements for the standard three-year enterprise zone exemption period is a business must enter into first-source hiring agreement with local job training providers.

House Bill 2517 exempts a licensed cannabis business, located in an enterprise zone, from first-source hiring agreement requirement.