



News Release

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OLCC to send marijuana budget request to the legislature

PORTLAND, Ore. – The Oregon Liquor Control Commission is requesting that the Legislature establish a 2015-2017 budget for the recreational marijuana program that calls for \$10.5 million in costs to operate the program approved by voters last November and anticipates \$18.4 million in revenue for the two-year period starting this July.

The requested \$10.5 million budget calls for hiring and training 33 employees in the marijuana program beginning later this year. It also includes \$1.9 million for the IT projects needed to issue licenses, collect taxes and a traceability (seed to sale) system. It also calls for an additional \$636,000 for capital construction and \$1.4 million to pay back money borrowed from the Liquor Fund to start the marijuana program during the current 2013-2015 budget period.

The budget, which will be presented to a Legislative Ways and Means Subcommittee on Thursday, includes an estimated \$16 million in revenue from the sale of recreational marijuana and another \$2.4 million from application and licensing fees. Revenue is based on estimates from the Legislative Revenue Office and could be affected by a number of factors, including how many local jurisdictions opt out of the program, the impact of tourism and the home grow/personal possession provisions of the new law.

Based on the experiences in Colorado and Washington and adjusted for differences in population, the agency anticipates receiving 2,000 license applications from commercial growers, processors, wholesalers and retail outlets during the first six months of the 2016, of which an estimated 1,300 are expected to be approved.

Home grow and personal possession of certain amounts of marijuana becomes legal beginning July 1 of this year. Under the measure approved by voters, the OLCC is required to begin accepting applications for commercial recreational licenses on January 4, 2016. Retail sales of recreational marijuana are expected to start in the third quarter of 2016.

“This requested budget reflects what the agency needs to implement recreational marijuana on time and on schedule,” said Steven Marks, OLCC executive director. “In addition to revenue from the sale of recreational marijuana expecting to exceed OLCC expenses, the requested budget for 2015-2017 also includes one-time start-up costs and efficiencies associated with integrating the marijuana program into existing alcohol programs, such as licensing, enforcement and financial management.”

(Requested budget summary attached)

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Oregon Liquor Control Commission 2015-17 Requested Marijuana Program Budget

The OLCC is tasked with implementing Measure 91 which includes licensing and regulating recreational marijuana businesses as well as collecting the associated taxes. The budget highlights include:

- \$10.5 million total 2015-2017 budget request
 - 41% personnel
 - 59% supplies, services and capital construction
- 33 positions
 - 7 marijuana-specific policy, compliance and rulemaking
 - Executive manager
 - Senior policy analyst
 - Policy analyst/rules coordinator
 - Public information officer
 - Testing/labeling specialist
 - Data analyst
 - Compliance specialist
 - 4 financial services
 - Tax collection administrator
 - Accounting technician
 - Lead auditor
 - Auditor
 - 4 agency shared services
 - Human resources (recruitment)
 - Information technology (computer helpdesk support)
 - Administrative policy and process (hearings specialist)
 - General services (procurement, contracts and supplies)
 - 13 enforcement and licensing investigation specialists
 - 5 administrative assistant/support positions
 - Marijuana enforcement (administrative assistant)
 - Marijuana licensing (2 administrative assistants and office specialist to process license applications and assist with processing taxes)
 - Marijuana program administration (administrative assistant)
- \$1.9 million in IT projects including licensing, tax collection and traceability system
- \$636,000 in capital construction for licensing, tax payments, and security at front desk reception
 - Expect to receive \$400,000 per month in cash receipts (30% payments)
- \$480,000 in anticipated Department of Justice costs
- \$300,000 for consulting and contract services
 - Testing, consulting and other services
- Payback \$1.4 million in FY 2015 expenditures
 - Includes \$350,000 public education media campaign