

From: James Kilburn, Oregon Resident
Sent: May 12, 2015
To: Ann Lininger (Members of the Measure 91 Committee)
Subject: Measure 91 SB 844 – 6, Section 5 (page 20, lines 10 – 11) [Residency Requirement], Sections 58 – 60 of Measure 91 [Petition and election for local option]

To: Members of the Measure 91 Committee
From: James Kilburn, Oregon Resident

Representative Lininger and Members of the Measure 91 Committee,

I have reviewed a great deal of the measures, proposals, policies, amendments etc., of the usage of marijuana both medicinally and recreationally and have something to add to the discussion of the "Residency Requirement" that is one of the current topics of discussion, as a possible alternative to a reply letter written to Representative Andy Olson, by Dexter A. Johnson. I'd like to add, that I agree that there should be a fair and open market, especially in the area of a new and "emerging market", as it were, in Oregon. I also agree with so many before me, that the small business should be allowed to blossom to its fullest potential. In light of this, please refer to the following excerpts, which have bearing to that end.

STATE

Excerpt:

[‘CHAPTER 7. BEER AND WINE TAX](#)

Paragraph 7.001 "DESCRIPTION"

Allows all United States wine manufacturers producing **less than 100,000 gallons** annually to **exempt the first 40,000 gallons sold each year** in Oregon from the wine tax. It is estimated that 3,200,000 gallons will be claimed as tax exempt during the 2005–07 biennium. This is expected to increase to 3,900,000 gallons exempted in the 2007–09 biennium.

(<http://www.oregon.gov/dor/STATS/docs/ExpR11-13/tax-expenditure-chapter-7.pdf>)’

FEDERAL

Excerpt:

‘PRODUCT	TAX	TAX PER PACKAGE (usually to nearest cent)
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Beer	Barrel (31 gallons)	12 oz. can
Regular Rate	\$18	\$0.05
Reduced Rate	\$7 on first 60,000 barrels for brewer who produces less than 2 million barrels. \$18 per barrel after the first 60,000 barrels.	\$0.02
Wine	Wine Gallon	750ml bottle

(¹ \$0.90 credit, or for hard cider \$0.056, may be available for the first 100,000 gallons removed by a small winery producing not more than 150,000 w.g. per year. Decreasing credit rates for a winery producing up to 250,000 w.g. per year.)'

(http://www.ttb.gov/tax_audit/atftaxes.shtml)

After reviewing this information, you can see the correlation of a "Small brewery/winery", to a new **small** business of cannabis growing/processing/packaging/retailer/wholesaler, where Oregon's own Recreational / Medical Marijuana industry, is concerned. There are a number of state, as well as federal, references to our country's ideal of helping new small business as much as possible (*refer to: www.sba.gov*), which was the reason for the sizeable tax break for small breweries/wineries.

Additionally, helping the individual small businesses get started by relieving some of the tax burden may well alleviate a lot of the concern, stated on record, for example, by your own Clackamas county residents, for large cannabis fields. That is to say, to alleviate the concern of large cannabis fields, with appropriate taxation compensation for large operations, that will ultimately aid the residents in positive ways, a compromise, if you will.

I have a few other annotations/changes, which I've made to the OLCC's list of "Recommendations" where M91 is concerned. In my research and attention to M91 and the direction it appears to be taking, I can say that my concerns are primarily in line with those of the majority of the public who have made their positions known.

I will also point out, that as per the language of Sections 58 – 60 of Measure 91, city councils are not to make the decision of prohibiting marijuana sales or products from their jurisdictions without a **vote of the people**. I have read that there are some city councils unilaterally making this decision for their cities, without a statewide general election. It's my understanding of the aforementioned sections of Measure 91, that such decisions will be superseded by Measure 91. With all of this in mind, it appears that there are some local officials that need to be either reminded of this fact, or simply educated to their responsibilities to their constituents, the law and the majority of the people and not their personal prejudice and/or bias.

A final note concerning the wide sweeping, excessive attention and change which is happening to the medical marijuana policies and standards. Since the inception of the Oregon Medical Marijuana Act of 1998 (Oregon Ballot Measure 67), the proposed statute has had several proposed changes, as well as accepted changes/additions. Currently, ORS 475 under 475.320 (2)(b) states; *‘...up to six mature plants and up to 24 ounces of usable marijuana for each cardholder...’*. Local officials are now trying to greatly lower these limitations in lieu of the allowable limits of more expensive “Recreational Use” marijuana. These limitations on medical marijuana were at acceptable levels for the vast majority of the state and now seem to be up for debate again. For patients in need of medicinal marijuana, lowering their limits will not have noticeable, foreseeable consequence to recreational users. It will, however, have possible serious negative consequences to their ability to manage their pain, number and level of seizures, etc. Additionally, there is no differentiation in the statutes, policies and regulations, between strains of marijuana developed with negligible levels of THC and higher levels of CBD and those with higher levels of THC and negligible levels of CBD’s. Studies show the higher levels of CBD’s have a far greater affect on pain and seizures, etc, than the reverse of the total levels when smoked. Exceptions or concessions need to be made for products of a “For Medical Use Only” nature, i.e.; THC levels below certain levels for internal consumption (i.e.; smokable, food products), but without limitation for non-consumption products (i.e.; external use creams and oils). Higher THC levels, when applied topically, have been shown to have a greater affect on pain than when smoked.

Your quick response to my suggestions would be greatly appreciated, as there is quite obviously a time concern for these changes/amendments being made to Measure 91 from its original proposal and vote, as well as supporting policies. As one of the Representatives that seems to have one of, if not the highest, level of concern for the people of this state, as evidenced by your many sponsorships/co-sponsorships to make the environment safer for your constituents, I look forward to hearing from you in the near future with anticipation.

Thank you in advance for your time and attention and as always, your accomplishments and efforts in your office.

James Kilburn, USAF (Retired)
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Information true and accurate per their respective web addresses, as of the date of this letter.

References/Links:

<http://www.oregon.gov/dor/STATS/docs/ExpR11-13/tax-expenditure-chapter-7.pdf>

http://www.ttb.gov/tax_audit/atftaxes.shtml

Cc:

Ann Lininger, Co-Chair: Oregon Measure 91 Committee

Adam Crawford, Committee Administrator: Oregon Measure 91 Committee

Joshua Flamm, Committee Assistant: Oregon Measure 91 Committee

Jeff Mapes, Oregonian Media Group