

**REVENUE IMPACT OF
PROPOSED LEGISLATION
Seventy-Eighth Oregon Legislative
Assembly
2015 Regular Session
Legislative Revenue Office**

Bill Number:	HB 3400 - 29
Revenue Area:	Marijuana Revenue
Economist:	Mazen Malik
Date:	06-15-2015

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

The revenue impact of this measure is indeterminate for the following reasons:

The impact of this amendment is to allow counties and cities to opt out of both medical and commercial marijuana. The opt-out of medical marijuana will not have much impact on revenue; however, the commercial opt-out is likely to impact state tax revenue.

It is not clear which counties and/or cities will immediately opt out. The counties with 55% "No" votes on Measure 91 represent about 8% of the state population. Not all cities and counties in this group are guaranteed to pass an ordinance, and the mobility of consumers still gives the other counties access as an open conduit, thus a 5% negative impact on revenue is a likely floor of this amendment.

For an upper range estimate, those counties with a no vote equal to 49.5% or more are assumed to opt out. This would affect about 14.5 % of the state population. Given the ability of these residents in the opt-out counties to purchase in nearby legal markets, the overall impact would be less than 10%

Thus, the likely range of impact is anywhere from 5% in the short term to about 10% over the long range. For a reference point, a 1% change in revenue in a fully phased-in and functioning legalized marijuana market is expected to be about \$200,000.