

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

**Bill Number: SB 460 - A
Revenue Area: Marijuana Revenue
Economist: Mazen Malik
Date: 06/25/2015**

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

Measure Description:

Allows medical dispensaries to engage in an early start of commercial sales of Marijuana.

Revenue Impact:

The early start by medical dispensaries is expected to provide \$2 to \$3 million in revenue (at 25% rate provided for in HB 2041) assuming no major implementation difficulties. This revenue will result in the period following January 2016. This early start however, remains a major risk and needs to be monitored not to further disrupt the unfolding of the legal commercial system.

Impact Explanation:

This measure activates the early start section in HB 2041-A. The early start has no tax before January 2014, and a rate of 25% from January till the end of 2014.

The construction of a well regulated market will take some time and a synchronized process to become effective and operational. The early start option might complicate, delay or affect emergence of the regulated regime and pose a further risk to the envisioned system. The control of the supply of the product is an essential assumption in this regulatory regime, thus it will be important to monitor how the allowance of the medical suppliers to ramp up their production will have further impacts on the evolving system.

Creates, Extends, or Expands Tax Expenditure: Yes No