

**Joint Committee On Implementing Measure 91**

**Fiscal:** Fiscal impact issued  
**Revenue:** Revenue impact issued

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**Action Date:** 06/23/15  
**Action:** Do Pass The A-Eng Bill.  
**Meeting Dates:** 03/04, 06/15, 06/18, 06/23

**Vote:**

**Senate**

Yeas: 4 - Burdick, Ferrioli, Kruse, Prozanski  
Exc: 1 - Beyer

**House**

Yeas: 5 - Buckley, Helm, Lininger, Olson, Wilson

**Prepared By:** Adam Crawford, Committee Administrator

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**WHAT THE MEASURE DOES:**

Replaces measure. Imposes 17 percent tax on marijuana items sold by recreational marijuana retailers (retailers) at point of retail sale starting January 1, 2016. Requires Oregon Liquor Control Commission (OLCC) to enter into agreement with Department of Revenue (Department) authorizing Department to implement, administer and enforce rules and procedures for collection of tax. Requires retailers submit tax return on or before last day of January, April, July and October of each year for each previous calendar quarter. Allows retailer to deduct and retain 2 percent of taxes collected. Describes process for collection by Department for any delinquent tax. Requires retailer to keep records for 5 years. Allows Department to review records upon oral or written demand. Allows Department to disclose information to OLCC gained through review of records or subpoena. Requires medical marijuana dispensaries selling to non-medical marijuana cardholders collect 25 percent tax on all sales starting on or after January 4, 2016. Repeals tax on December 31, 2016.

Requires all funds collected by Department to be deposited in State Treasury suspense account. Allows Department to use suspense account for administration and enforcement of Act. Specifies all excess funds to be deposited in Oregon Marijuana Account. Prohibits cities and counties that pass ordinances prohibiting any kind of medical or recreational marijuana facility or site from receiving any funds raised through taxation of marijuana. Takes effect on 91<sup>st</sup> day after adjournment of 78<sup>th</sup> Legislative Assembly.

**ISSUES DISCUSSED:**

- Comparisons of point of sale taxation versus grower tax
- Market share of government-regulated marijuana market
- Final cost and price to consumer of marijuana

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces measure.

**BACKGROUND:**

In 2014, Oregon voters passed Ballot Measure 91 (Measure 91) which allowed recreational use of marijuana within specified limits. Originally, Measure 91 specified a tax on the grower of marijuana with different tax rates for flowers, leaves, and immature marijuana plants.

House Bill 2041 A replaces that with one tax rate of 17 percent at the point of sale. Also, the measure direct the Department of Revenue to administer, collect and enforce the provisions. House Bill 2041 A would not change the disbursement of the revenue raised by the tax. The money raised would go to:

- 40% - Common School Fund
- 20% - Mental Health Alcoholism and Drug Services
- 15% - State Police
- 10% - Cities
- 10% - Counties
- 5% - OHA for Drug and Alcohol Abuse Prevention

Finally, House Bill 2041 A would allow medical marijuana dispensaries to tax sales of marijuana to non-medical marijuana cardholders at a 25 percent rate, so long as Senate Bill 460 passes.