

HB 2197 -3, -4, -5 STAFF MEASURE SUMMARY

Joint Committee On Marijuana Regulation

Prepared By: Adam Crawford, LPRO Analyst

Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 6/6

WHAT THE MEASURE DOES:

Directs Oregon Liquor Control Commission to enter into agreement with nongovernmental entity that conducts or funds research on cannabis and cannabis-derived products. Specifies terms of agreement. Requires public dissemination of data, information, analysis and findings procured pursuant to research. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Replaces measure. Exempts marijuana seeds from taxation. Takes effect on the 91st day after adjournment.

-4 Replaces measure. Allows Department of Revenue (Department) to enter into an agreement with a federally recognized Indian tribe for the purposes of making rebate payments on the tax imposed on marijuana items. Requires Department to provide tax rebates if usable marijuana or marijuana items sold at a recreational marijuana retailer was produced or processed on tribal trust land and licensed by the governing body of a federally recognized Indian tribe. Takes effect on the 91st day after adjournment.

-5 Replaces measure. Allows Department of Revenue (Department) to enter into an agreement with a federally recognized Indian tribe for the purposes of making rebate payments on the tax imposed on marijuana items. Requires Department to provide tax rebates if usable marijuana sold at a recreational marijuana retailer was produced on tribal trust land and licensed by the governing body of a federally recognized Indian tribe. Takes effect on the 91st day after adjournment.

BACKGROUND:

Current Oregon law requires marijuana items sold at marijuana retailers to persons without an Oregon Medical Marijuana Program (OMMP) registration card be taxed at 17 percent. Local governments are allowed to levy a 3 percent tax on the items as well.

The U.S. Justice Department stated in 2014 that Indian tribes can grow and sell marijuana on their lands as long as they follow the same federal conditions laid out for states that have legalized the drug .In 2015, the Confederated Tribes of Warm Springs voted to build a marijuana production and processing facility and broke ground for that facility in 2016. Also in 2016, the legislature passed House Bill 4014 which allowed for the Governor to enter into agreements with federally recognized Indian tribes who wish to enter into the recreational marijuana market.

House Bill 2197 would allow the Governor to enter into agreements with tribal to for potential tax rebate payments on marijuana produced on tribal lands, but sold outside of reservations.