



ALEX CUYLER

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DATE: February 20, 2017
TO: House Committee on Revenue
RE: HB 2204, relating to cannabis

Chair Barnhart and Members of the Committee:

The Lane County Board of Commissioners is in support of HB 2204.

Under Oregon law, a county may adopt an ordinance to tax the retail sale of recreational marijuana within the unincorporated region of the County at a rate to not exceed 3% and that law may only take effect after a majority of voters within the entirety of the County approve of the Ordinance during the general election.

On November 8, 2016, the voters of Lane County did overwhelmingly vote in favor of Lane County Ordinance 16-03 by a vote of 70% yes votes to 30% no votes. The passage of this local tax will initially affect one retailer that Lane County has identified as being located in an unincorporated region of the County. The implementation of this Ordinance required several sets of readings in front of the Board of Commissioners, a public hearing on the Ordinance, a creation of a voter's pamphlet advisory explanatory statement writing committee, an election, and a subsequent intergovernmental agreement with the Department of Revenue. The election cost alone was \$13,000.

Lane County may at some point in the future have additional recreational marijuana retailers that locate within an unincorporated region of the County, and at some point will recoup via its local tax the expense of developing the Ordinance and holding the election.

HB 2204 would allow the County to increase the tax rate to up to 8% on recreational marijuana retail sales in a relatively simple manner, particularly in light of its established retail tax. Given the impacts to the community from a public safety, public health, and land use lens from the passage of Measure 91 and the subsequent actions of the Legislature, it is our opinion that a rate of up to 8% is a reasonable amount and will not inappropriately or unjustifiably tax the product being sold.

Lane County urges the Committee to hold a work session on this measure and pass it to the floor of the House with a DO PASS recommendation.

SUBMITTED ELECTRONICALLY