

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
79th Oregon Legislative Assembly  
2017 Regular Session  
Legislative Revenue Office**

**Bill Number: SB 845 - A  
Revenue Area: Marijuana Tax  
Economist: Mazen Malik  
Date: 05-11-2017**

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

**Measure Description:**

Changes distribution of moneys collected by Department of Revenue as tax imposed on retail sale of marijuana items.

**Revenue Impact (in \$Millions):**

The measure does not impact the revenue amounts, but changes the distribution timing and some of the percentage going to different education uses. The new distribution is as follows:

	2015-17	2017-19	2019-21	2021-23
Revenue	\$91.28	\$100.64	\$109.55	\$118.12
Costs	(\$12.72)	(\$5.71)	(\$6.35)	(\$6.82)
Net	\$78.56	\$94.93	\$103.20	\$111.30

Distributions

State School Fund	<b>30%</b>	\$23.57	\$28.48	\$30.96	\$33.39
Community College	<b>10%</b>	\$7.86	\$9.49	\$10.32	\$11.13
State police	<b>15%</b>	\$11.78	\$14.24	\$15.48	\$16.69
OHA Mental health	<b>20%</b>	\$15.71	\$18.99	\$20.64	\$22.26
OHA Drug Abuse	<b>5%</b>	\$3.93	\$4.75	\$5.16	\$5.56
Cities	<b>10%</b>	\$7.86	\$9.49	\$10.32	\$11.13
Counties	<b>10%</b>	\$7.86	\$9.49	\$10.32	\$11.13

**Impact Explanation:**

The ballot measure of legalization M-91 foresaw a 40% distribution to schools out of the tax revenue. However, the common school fund works as an endowment and not an immediate benefit to schools. The amended version of the bill sends 30% to the State School Fund, and 10 % the Community College Support fund. It also dedicates 15% to state police, 10 % to mental health, and 5;5 to the health authority. The measure maintains 10 % to Counties and 10% to Cities to be distributed using a permanent formula. However, the first-year distribution uses a temporary formula based exclusively on population. Revenue collected during first biennium (2015-17) will be distributed per the first-year formula after all the costs for the OLCC and DOR are paid. This is expected to occur after the end of the current biennium.

**Creates, Extends, or Expands Tax Expenditure:** Yes  No

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