

**HB 2197 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Ferrioli

**Joint Committee On Marijuana Regulation**

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**Action Date:** 06/06/17

**Action:** Do pass the A-Eng bill.

**Senate Vote**

**Yeas:** 5 - Beyer, Burdick, Ferrioli, Kruse, Prozanski

**House Vote**

**Yeas:** 4 - Fahey, Lininger, Olson, Wilson

**Exc:** 1 - Helm

**Fiscal:** Has minimal fiscal impact

**Revenue:** Revenue impact issued

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**WHAT THE MEASURE DOES:**

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 were 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 following adjournment sine die.

**ISSUES DISCUSSED:**

- Existing tobacco tax rebate programs
- Sovereignty of federally recognized Indian tribes
- Compacts currently allowed between the Governor and Indian tribes

**EFFECT OF AMENDMENT:**

No amendment.

**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. Department of Justice 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 the Governor to create compacts with federally recognized Indian tribes who wish to enter into the recreational marijuana market in Oregon.

House Bill 2197 A would allow the Department of Revenue to enter into agreements with tribes for potential tax rebate payments on marijuana produced and processed on tribal lands, but sold outside of reservations, if the Governor and tribe have already entered into a legal compact regarding marijuana regulation.