

HB 3067 A STAFF MEASURE SUMMARY

Carrier: Rep. Marsh

House Committee On Revenue

Action Date: 06/10/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 5-0-1-1

Yeas: 5 - Findley, Marsh, Nathanson, Reschke, Smith Warner

Exc: 1 - Smith G

Abs: 1 - Hernandez

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Mazen Malik, Senior Economist

Meeting Dates: 5/23, 6/10

WHAT THE MEASURE DOES:

Requires annual certification with the Oregon Department of Administrative Services whether city or county has an ordinance prohibiting the establishment of recreational marijuana businesses and is therefore eligible for distribution of Oregon Marijuana Account moneys. Requires notice to Oregon Liquor Control Commission, Oregon Health Authority, and Department when city or county repeals an ordinance that prohibits certain marijuana businesses. Allows for recovery of payments made in error. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- The quarterly efforts imposed on the cities.
- Staff work in small cities.
- Recovery of payments made in error.
- Counties have the same issues.

EFFECT OF AMENDMENT:

Allows for recovery of payments made in error to a local government.

BACKGROUND:

Marijuana Revenue is distributed as follows: 40% to the State School Fund, 15% to state police, 10% to mental health, and 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 solely on population. Revenue collected during first biennium (2015-17) was distributed per the first-year formula after all the costs for the OLCC and DOR are paid.

HB 3470 (2017 session) Changed the distributions to cities and Counties.

(A) Ten percent of the moneys in the account must be transferred to the cities of this state in the following shares: Seventy-five percent of the 10 percent must be transferred in shares that reflect the population of each city of this state that is not exempt compared to the population of all cities of this state that are not exempt from distribution due to opt out. Twenty-five percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.070, 475B.090, 475B.100 and 475B.110.

(B) Ten percent of the moneys in the account must be transferred to counties in the following shares: Fifty percent of the 10 percent must be transferred in shares that reflect the total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to 475B.070 on the last business day of the calendar quarter preceding the date of the transfer for all premises located in each county compared to the

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total commercially available area of all grow canopies associated with marijuana producer licenses held pursuant to ORS 475B.070 on the last business day of that calendar quarter for all premises located in this state; and Fifty percent of the 10 percent must be transferred in shares that reflect the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.110 on the last business day of the calendar quarter preceding the date of the transfer for premises located in each county compared to the number of licenses held pursuant to ORS 475B.090, 475B.100 and 475B.110 on the last business day of that calendar quarter for all premises in this state.