

Marijuana Revenue

The OLCC is also tasked to implement the Marijuana legalization initiative (Measure 91) which was passed in 2014. That implementation was reconfigured and embellished by HB 3400 of the 2015 session. HB 2041 changed the method of taxation from a \$35 per ounce production tax to a 17% Point of Sale Tax (POST) with 3% optional tax for local governments starting in 2017.

SB 460 allowed Legal sales by medical dispensaries at the beginning of the program and before the full implementation of commercial sales on the first day of 2017. The early start program allowed for marijuana to be sold during the 2016 calendar year by medical dispensaries. Those early sales to the public would be taxed at 25% POST rate. The early start program brought in about \$65 million in tax proceeds. After deductions for collection and administration costs, marijuana revenue will be divided among six statutorily specified distributions. Drug abuse and prevention will get 5% of funds, cities and counties will each get 10% and then distributed among different cities and counties that don't prohibit marijuana based on statutory specified formula, 15% goes the state police, 20% to mental health account, and 40% to the state school fund.

Marijuana Revenue

	State Totals	Local Tax Total
FY 2016	\$20,652,983	\$0
FY 2017	\$70,263,897	\$3,957,283
FY 2018	\$82,203,729	\$12,784,127
FY 2019	\$102,094,948	\$15,702,985
FY 2020	\$133,150,349	\$20,767,346

Source: Oregon Department of Revenue Research Section

Measure 110 was passed by voters in 2020, and it capped the distributions to the above specified uses to \$11.25 million a quarter. All revenue above that \$90 million a biennium threshold would be directed to the Drug Treatment and Recovery Services Fund.

Gross revenue from the Tax on Marijuana are expected to reach \$170 million in an average fiscal year. \$45 million of that will go to the statutory uses according to their allocated percentages, and \$125 million will go the new addiction and treatment programs created by Measure 110.

Marijuana Revenue Distributions

	Local Tax		State Tax					
	Cities/Counties Where DOR Collects the Local Tax	State School Fund (40%)	Mental Health, Alcoholism, and Drug Services (20%)	Oregon State Police (15%)	Oregon Health Authority, for Drug Treatment and Prevention (5%)	Cities and Counties (20%)		State Tax Total
						By Population	If Opt-In	
2018	\$12,201,753	\$59,012,830	\$29,506,415	\$22,129,811	\$7,376,604	\$16,705,653	\$12,800,761	\$147,532,074
2019	\$15,079,769	\$37,299,420	\$18,649,710	\$13,987,282	\$4,662,428	\$0	\$18,649,711	\$93,248,551
2020	\$19,311,190	\$45,209,772	\$22,604,896	\$16,953,657	\$5,651,219	\$0	\$23,918,063	\$114,337,607