

**REVENUE IMPACT OF
PROPOSED LEGISLATION
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office**

Bill Number:	HB 3295 - A
Revenue Area:	Marijuana Revenue
Economist:	Mazen Malik
Date:	06-08-2021

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

Measure Description:

Modifies city and county eligibility requirements for transfer of moneys from marijuana revenue.

Revenue Impact (in \$Millions):

There is no new revenue generated by the measure, only a redistribution of existing revenue. The change in the distributions between counties will take \$376,880 (in a typical biennium) from the total county share and redistribute it to Deschutes county. Other counties will experience a reduction in their distributions relative to their percentage share of that amount.

Impact Explanation:

Counties receive 10 percent of the total Marijuana revenue collected by the state. However, Measure-110 of 2020 limited that amount to \$9 million a biennium. The distribution formula to the different counties is based on the number of Marijuana businesses in each county relative to all similar business in the state. Twenty counties allow marijuana businesses to operate and consequently receive a portion of the marijuana revenues proportionate to the number of businesses in each of those counties. The amended measure allows counties that recently opted-out but continue to allow existing businesses to operate to be counted in the formula distribution. Accordingly, under the amended measure Deschutes county, which continues to have existing businesses, will be again eligible to receive funds. If the number of businesses in all counties don't change, the current proportions will be reevaluated to include Deschutes county numbers. That will give Deschutes county 4.19% of the total county share. That share comes to \$376,880 in a typical biennium. Since the total county amount is fixed by current law (M-110), any change in that number is only dependent on the change in proportions relative to the total number of businesses in all counties.

Creates, Extends, or Expands Tax Expenditure: Yes No