## 3/11 – 1 pm – House Bill 3112 Testimony

## **House Committee on Revenue**

The Marijuana Equity Board within office of Governor to provide equity oversight board of marijuana industry, with equity liaisons from the Oregon Health Authority and Oregon Liquor Control Commission and report to board quarterly and continuously, legislators will appropriate money in fund to board for specified purposes. Cost salary for nine (9) Board Members and their support staff, plus the equity teams of OHA and OLCC and their support staff. The board will also confer with county equity leaders periodically. Board has free rein to set rules and write legislation under the request of the board to the legislatures. There are three separate and distinct divisions in our state government, but the lines of these distinctions are blurring rapidly.

I absolutely agree with the testimony during the public hearing for HB 2015 by a marijuana association member concerning the county-to-county distribution for what county is to receive the tax revenue that the distributor of marijuana and the delivery crosses county lines. Oregon will not be collecting any tax from the Marijuana industry because the Legislature and the Governor have pushed taxes and expenses so high it's driven the price at retail marijuana outlets too high that people will start buying marijuana from non-licensed sellers and becoming more prevalent. The entire point of marijuana legalization was to increase funding for education and economic development. Not for the furtherance of Oregon Governor's Office to employ more workers (22+ at an average salary of \$65,000 is \$1,430,000 per year). Additionally spend state revenue for board operations – offices, furnishings, computers, hardware, software, office supplies... Travel, meals, auto expenses ....

Clincher, Bill states Board Members, must know the marijuana industry and shall be paid a salary as provided by law or, if not so provided, as prescribed by the Governor; be (sic-"are") culturally competent; may not hold any other public office; five of the members may not have financial or property interest, own stock wholly or partially in the marijuana industry or their spouse or child, of the cultivation, manufacture, distribution, sale, transportation or storage of marijuana. Receive a commission or other profit from marijuana industry, and must be confirmed by the Senate. The Governor may remove any member who no longer meets these requirements or for any other cause deemed sufficient by the Governor. Governor shall file in the office of the Secretary of State statement of all charges against the (board) member, and the findings on those charged and a record of proceedings. The Governor's power of removal under this subsection is absolute and there is no right of review of the power of removal in any court. If the Governor has absolute power what is the disciplinary action or inaction even doing in this Bill? I have heard that in political rhetoric too often "I have absolute power", scary.

I do not get the equity issue at all; every commercial recreational license have been issued that can be issued. Sounds like the same debacle that happened in fishing industry for commercial licenses being limited by the state. Transfer-sale of licenses in the fishing industry went for in the range of \$100,000+. That will be exactly what will happen if the ceiling on the number of licenses issued stays the same or under this Bill have a shared-license agreement. There is not any equity to be had; the same individuals that were cut out of the marijuana business before due to a criminal record that the state strenuously forbade from licensing these individuals in

the first place. The ugly inequitable head will appear and those same individuals will be cut out of the pie again by the transfer-sale or shared-license because the license or partial-shared license will be unaffordable. The Legislative Assembly is required to protect farmland and also keep a varied commercial property mix of industry, unless the state wants to be planted in marijuana instead of vegetables, fruits, and nuts equality will fail. At that juncture public scrutiny and complaints will be loud as people do not want the marijuana industry in an urban growth area or even in a rural cluster neighborhood necessarily. Marijuana operations are noisy, increase traffic, and neighborhood children can observe the marijuana operation up close and personal first hand. I did notice an article that the Governor via the Legislators wants ability for wholesalers to cross between states, so in other words, a state sanctioned interstate cartel? Who will reap the taxes from that, this state or the state of delivery by distributor and will it further decimate the retail marijuana industry in Oregon further by driving the wholesale price to become out of whack due to high distribution competitiveness in the marijuana interstate market. Oregon probably will see more current licensees- growers, processors, and distributors decrease in the numbers to those with deep pockets that are more than willing to pay a premium for a transfer-sale license or shared transfer license.

The Marijuana Equity Board will oversee, and measure and report equity outcomes, state will hand over to the Board funding allocations under ORS 137.300 and 475B.759. Establish a mechanism to track the funding allocations. Board will be tasked with an audit of applications for licenses issued, cannot change a license that is already issued, and many other tabulation duties. One such responsibility of the Board will partner with any offices in each city and county charged with equity oversight to monitor, measure, and report equity of the marijuana industry.

HB 3112 is 46 pages that go on and on and on and additional section headings are and involve many agencies of the state in determining, tabulating and studying individuals for a shared processor license and other licensees I suspect; all at the expense of revenue that would have been used otherwise to help finance education and economic development if it were not for administrative hoops of human resource capacity to grow state government employment pool the Legislative Assembly has set with HB 3112:

- Deposit to the Marijuana Equity Fund...
- Marijuana Shared Processing of Licenses,
- Convictions and Arrests,
- Setting Aside of Convictions and Arrests,
- Probation, Parole and Post-Prison Supervision,
- Permits and Conduct Exempted from Regulations,
- Applicability and Operative Dates,
- Funding Allocations,
- Medical Marijuana Program,
- Conforming Amendments,
- Captions, and
- Effective Date