



Support the -2 Amendment to SB 1587 Restore Local Marijuana Revenues

With the passage of Measure 110 there has been a massive reduction in allocations of state marijuana tax distributions to local government.

- The state imposes a 17% tax on recreational marijuana, local governments are limited to a 3% tax with voter approval.
- Until the end of 2020 cities and counties each received 10% of net *state* tax revenues.
- Under Measure 110 the distribution to cities and counties was reduced to a flat \$9M annually, which is not indexed and will not grow with the market.

Cities and counties will lose over \$50M in state marijuana revenue for the 2021-23 biennium, a reduction of over 73%.

- The December OEA forecast projects over \$340.4M in state tax revenue (net of administrative cost) for the 2021-23 biennium.
- Before Measure 110 cities and counties would have each received 10%, or about \$68.1M total for the biennium, instead locals will receive \$18M.

SB 1587 -2 addresses local losses for the 2021-23 biennium.

- Cities appreciate and support the one-time General Fund backfill for the \$50M in projected revenue losses to cities and counties found in Sections 8 to 10 of the -2 Amendment.
- We understand there will be an interim workgroup looking for a permanent solution to local revenue losses ahead of the 2023 session. This one-time appropriation will give time for that conversation to occur.

City revenues are struggling due to the pandemic and longstanding issues with the property tax system, Measure 110 is only making these problems worse. Cities need SB 1587 with the -2 Amendment!

LOC Contact

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