

**HB 2505 STAFF MEASURE SUMMARY**

**House Committee On Economic Development and Small Business**

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**Prepared By:** Andrew Hendrie, LPRO Analyst

**Meeting Dates:** 1/31

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**WHAT THE MEASURE DOES:**

Increases maximum tax that governing body of city or county may impose on sale of marijuana from 3 percent to 10 percent. Requires 20 percent of newly enacted or increased amount to be transferred to county that collecting retail establishment is located, provided county is eligible for Oregon Marijuana Account distributions. Applies to sales after January 1, 2024. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The authority to impose a tax or fee on the production, processing or sale of marijuana items in this state is vested solely in the Legislative Assembly except if city or county voters approve an ordinance to impose a tax or a fee on the sale of marijuana items that are sold in the jurisdiction by a marijuana retailer that holds a license. Currently, a jurisdiction may not impose a tax or fee higher than 3 percent.

House Bill 2505 increases maximum tax that governing body of city or county may impose on sale of marijuana from 3 percent to 10 percent. Applies to sales after January 1, 2024. Cities that collect this tax must transfer 20 percent of the collected tax or fee to the county the retail establishment collecting the tax is located.