

HB 3431 STAFF MEASURE SUMMARY

House Committee On Rules

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Sub-Referral To: House Committee On Revenue

Meeting Dates: 4/13

WHAT THE MEASURE DOES:

Creates an ongoing source of revenue to fund Economic Equity Investment Program. Requires 50 percent or \$6,250,000, whichever is greater, of funds in Oregon Marijuana Account in excess of \$11,250,000 be transferred to the Economic Equity Investment Fund. Takes effect on 91st day following adjournment sine die.

FISCAL: Fiscal impact issued

REVENUE: Revenue impact issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 2022, the Legislative Assembly passed Senate Bill 1579, which established the Economic Equity Investment Program (program) at Oregon Business Development Department (OBDD). The purpose of the program is to award grants to organizations providing culturally responsive services supporting economic stability, self-sufficiency, wealth building, and economic equity among disadvantaged individuals, families, businesses, and communities in Oregon. The program was allocated \$15 million and will distribute funding to recipient organizations who will, in turn, implement programs and provide resources to eligible beneficiaries to address longstanding economic inequities in four key areas: ownership of land and property; entrepreneurship and business development; workforce; and intergenerational wealth building.

The Oregon Marijuana Account holds all the retail marijuana tax money that the state collects. In 2020, Oregon voters' passed Ballot Measure 110, directing funds in the Oregon Marijuana Account in excess of \$11,250,000 to the Drug Treatment and Recovery Services Fund created by the measure. The remaining \$11,250,000 in tax revenue is distributed to the State School Fund, Oregon State Police, Oregon Health Authority, cities, and counties. According to the Oregon Department of Revenue, in fiscal year 2021, the state collected \$178,262,488 in tax revenue from marijuana sales.

House Bill 3431 creates an ongoing source of revenue to fund the Economic Equity Investment Program by requiring 50 percent or \$6,250,000, whichever is greater, of the funds in the Oregon Marijuana Account in excess of \$11,250,000 be transferred to the Economic Equity Investment Fund. The remainder of the excess will be transferred to the Drug Treatment and Recovery Services Fund.