



February 5, 2023

Representative Nancy Nathanson, Chair
House Committee on Revenue
900 Court Se. NE
Salem, OR 97301

RE: City of Eugene Supports HB 2089-Increase in State Share Marijuana Revenue to Cities/Counties.

Chair Nathanson, Vice Chairs Reschke and Walters, and Committee Members, the City of Eugene is pleased to provide this letter of support for HB 2089, which would adjust the state marijuana revenue sharing formula to help cities recover the loss of tax revenue resulting from the passage of Measure 110. The League of Oregon Cities has provided a good overview of the issues, which we support, and this letter identifies the specifics within Eugene.

Before Measure 110, the City of Eugene was on track to receive \$1.3M in state shared marijuana tax receipts in FY21, up from \$1M the year before. This revenue is placed within the City's general fund, which as many of you know, provides the funding for public safety, community court, parks safety and security, library and recreation programs, homeless shelter programs, climate actions, and land use planning---to name a few of the critical services in our community. That \$1.3M has been reduced to roughly \$350,000 per year. Since Measure 110 went into effect, we have had to absorb that \$1 million loss to the general fund. We estimate that the new formula proposed within this bill would increase Eugene's annual share back to approximately \$1.3 million.

This is not a bill that dives into the merits or challenges of Measure 110, rather it is a bill that allows local governments an equitable and historic share of the statewide tax on recreational marijuana sales, and help fund the valuable services our community continues to expect from the city and call for on a regular basis.

As you will likely hear many times this session, the City is currently addressing a \$15-20M gap in the General Fund between revenues and expenditures, a gap that has been exacerbated by the change in state shared revenue distribution under M110, but that can be remedied by the revised approach outlined in HB 2089.

Thank you for your time, and Eugene asks that you vote in support of HB 2089 as drafted.

Sincerely,

submitted electronically

Ethan Nelson, IGR Manager