



ALEX CUYLER

Intergovernmental Relations Manager

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DATE: February 7, 2023
TO: House Committee on Revenue
FROM: Alex Cuyler, Lane County Intergovernmental Relations Manager
RE: HB 2089, relating to marijuana revenue

Dear Chair Nathanson and Members of the Committee:

Lane County wishes to express its support for HB 2089. This measure, at this point in session, offers a path forward between two voter passed initiatives which Lane County was not was not able to cast a vote for, nor against.

Measure 91 was passed into law in 2014 by a clear majority of Oregon's voters and legalized the recreational use of marijuana while setting up a production and sale framework. The authors of the measure, and subsequently the Legislature, recognized the impact the measure would have on local government and created a tax structure to ensure those impacts would at least be partially mitigated. County government received 10% of the resultant tax it could use at its discretion, and shared in the 25% share of the tax which was directed to mental health treatment, and drug and alcohol prevention. The Legislature has long established county government to be the local public authority and the local mental health authority, and marijuana tax revenues provided much needed supports to both state and local government service delivery.

In 2020, voters passed Measure 110, an initiative that further decriminalized drugs in this state. The authors of that measure redirected Measure 91 revenues almost in their entirety, into a treatment system that has yet to prove effective. Moreover, the Legislature is now left to solve the very real fiscal holes that Measure 110 created in County mental and public health programming, as well as the impacts to the Community Correction Act and Justice Reinvestment Programs stemming from the decriminalization of drug possession.

In a nutshell, Measure 91 anticipated the costs of marijuana legalization and created a funding structure to address them, while Measure 110 created significant new issues for local law enforcement, local public health, and local mental health. To add insult to injury, it razed the marijuana funding mechanism and ignored the added costs to the existing public health and public safety frameworks.

In Lane County, the negative impact to the County's General Fund by the passage of Measure 110 represents a \$875,000 reduction between 2021 and 2022. The reduction in funding from the Oregon Health Authority for the treatment dollars allocated to county mental and public health is approximately \$200,000 per year. On the Community Corrections and JRI front, the M110 impact is approximately \$1M per year. Lane County is backfilling these lost dollars in the current fiscal year with a combination of County General Fund and one-time opioid litigation settlement dollars.

While Lane County continues to participate in the M110 work group, that effort has yet to produce any actionable items for the County to weigh in on. We believe HB 2089 will restore at least the General Fund loss occurring as a direct result of M110 and thus support this measure as introduced.

ELECTRONICALLY SUBMITTED BY ALEX CUYLER, LANE COUNTY
INTERGOVERNMENTAL RELATIONS MANAGER