

HB 2382 -1 STAFF MEASURE SUMMARY
House Committee On Economic Development

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Sub-Referral To: House Committee On Revenue
Meeting Dates: 3/11

WHAT THE MEASURE DOES:

Allows certain counties to adopt ordinance to impose a tax on marijuana production sites located in unincorporated areas of county. Requires tax be based on maximum canopy size allowed under recreational production license up to \$1 per square foot, or on maximum number of mature plants allowed for marijuana production site designated by medical registry identification cardholder up to \$50 per mature plant. Allows Oregon Liquor Control Commission or Oregon Health Authority to suspend, revoke, or refuse to renew license for failure to pay county production tax. Applies to production on or after January 1, 2020. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Limits tax on marijuana production sites to three percent and bases tax on total amount of marijuana produced at the site that is sold or transferred to an entity located in a different county. Removes provision allowing Oregon Liquor Control Commission or Oregon Health Authority to suspend, revoke, or refuse to renew license for failure to pay county production tax.

BACKGROUND:

Oregon voters approved Ballot Measure 67 in 1998 allowing the medical use of marijuana in Oregon within specified limits. The law provides legal protections for qualified patients (registry identification cardholders), allows a caregiver to provide assistance to a patient, and mandates an Oregon Health Authority registration system. Cardholders may grow plants for themselves, designate a grower and grow site on their behalf, or purchase marijuana items from medical marijuana dispensaries or licensed recreational retail establishments.

Oregon voters approved Ballot Measure 91 in 2014 allowing the possession, growing and gifting of marijuana as of July 1, 2015 for persons 21 years of age or older. Measure 91 included a tax on marijuana at the grower level, which was replaced by the Legislative Assembly in 2015 with a 17-percent tax at the point of sale. Current statute also allows a city or county to tax the sale of recreational marijuana items sold in its jurisdiction by licensed retailers at three percent. State and local taxes cannot be charged for medical marijuana cardholders or a designated primary caregiver who is purchasing items for a cardholder.

House Bill 2382 allows certain counties to adopt an ordinance to impose a tax on recreational and medical marijuana production sites based on canopy size or number of mature plants.