

**HB 3096 STAFF MEASURE SUMMARY**

**House Committee On Economic Development**

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**Prepared By:** Melissa Leoni, LPRO Analyst

**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 3/27

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**WHAT THE MEASURE DOES:**

Authorizes exemption for certain cities to impose a tax or fee up to 18 percent on production, processing, or sale of marijuana items. Requires two percent of proceeds to be transferred to governing body of county for public safety purposes. Applies to marijuana items produced, processed, or sold on or after January 1, 2020. Takes effect 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

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 3096 authorizes an exemption for certain cities to the three percent limit on the tax of recreational marijuana items sold in that jurisdiction, and allows the governing body of a city to impose a tax or fee of up to 18 percent on marijuana items produced, processed, or sold on or after January 1, 2020. The measure also requires the transfer of two percent of the proceeds to the county for public safety purposes.