

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number: SB 758 - A
Revenue Area: Marijuana Revenue
Economist: Mazen Malik
Date: 04-13-2021

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Changes "Oregon Medical Marijuana Act" to "Oregon Medical and Therapeutic Cannabis Act." Allows person designated to produce marijuana by registry identification cardholder to enter into agreement with registry identification cardholder to transfer marijuana to another registry identification cardholder or primary caregiver.

Revenue Impact (Millions):

Distributions of \$90 million	2021-23	2023-25	2025-27
State School Fund	(\$0.7)	(\$0.9)	(\$0.9)
Mental health	(\$0.7)	(\$0.9)	(\$0.9)
State Police	(\$0.7)	(\$0.9)	(\$0.9)
Cities	\$0.0	\$0.0	\$0.0
Counties	\$0.0	\$0.0	\$0.0
Alcohol & Drug	(\$0.7)	(\$0.9)	(\$0.9)
OMMP Admin (New)	\$2.7	\$3.6	\$3.6

The exemption of other states medical Card holders is likely to reduce marijuana revenue by \$0.6 million a year.

Impact Explanation:

This measure changes the distributions from the Marijuana Account. Measure 110 (of 2020) limited the allocations of the Marijuana Account to current uses to \$90 million per biennium with the rest of the revenue going to the new Drug Treatment Programs. That \$90 million amount is distributed among the State School Fund (40%), Mental Health programs (20%), State police (15%), Alcohol and Drug Addiction (5%), and cities and counties each receive 10%. Except for Cities and counties, the other four funds will each lose an amount equal to 1% of the \$90 million going to the Marijuana Account. This 4% of total will then be transferred to the Oregon Medical Marijuana Program (OMMP) administration account. The amount going to OMMP is equal to \$3.6 million a biennium, except for the 21-23 biennium where the transfer will be for only 18 months.

The revenue reduction due to exempting out of state medical use form taxation is likely to be 0.35% of the total Marijuana Revenue. However, that amount reaches more than \$1.1 million a biennium.

Creates, Extends, or Expands Tax Expenditure: Yes No

This will exempt medical card holders from other states from paying the Oregon tax on retail Marijuana.

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