



## Cities Need HB 2015

**Cities support HB 2015 to allow local governments to increase local marijuana taxes from the current maximum of 3% up to a possible 10%.**

**With the passage of Measure 110 there will be a massive shift in the allocation of state marijuana tax distributions.**

- The state imposes a 17% tax on recreational marijuana.
- Until the end of 2020 cities and counties each received 10% of net state tax revenues, so 20% total.
- Under Measure 110 cities and counties will split \$2.25M quarterly, or \$9M annually, which is not indexed and will not grow with the market.

**Cities and counties will lose \$45.7M in state marijuana revenue for the 2021-23 biennium, a reduction of almost 72%.**

- The March OEA forecast projects almost \$318.5M in state tax revenue (net of administrative cost) for the 2021-23 biennium.
- Before Measure 110 cities and counties would have each received 10%, or about \$63.7M for the biennium total, instead locals will receive \$18M.

**Oregon would still have recreational marijuana taxes over 10% lower than other West Coast states under HB 2015.**

- Even with a local tax of 10% and a state tax of 17% Oregon will be well below Washington (45.4% total possible) or California (37.75% total possible not including additional cultivator tax).

**City revenues are struggling due to the pandemic, Measure 110 will make these problems worse. Cities need HB 2015.**

### LOC Contact

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