



## Support SB 864

Ontario is a small city of 11,000 people in Malheur County. It is the largest city on the Oregon/Idaho border and is less than an hour from the Boise metropolitan area – with 750,000 people - whose closest access to legalized marijuana is in Ontario.

The Boise MSA is one of America's fastest growing, with more people coming. Homes are being built across the river as fast as they can be built with no end in sight. Meanwhile, Ontario struggles to get 3-4 new homes per year.

Ontario is the second largest retailer of cannabis behind only Portland and accounts for 10% of all Oregon sales. Ontario cannabis retailers are grossing approximately \$100 million in sales and 892,857 transactions per year. That's nearly 2,500 sales daily with 90% of those sales being from citizens of Idaho.

The public costs of importing 90% of our buyers from Idaho is staggering and a unique situation to Ontario that is not adequately covered by the current local 3% retail tax rate.

Roads and infrastructure, public safety, and healthcare services are all impacted by the intense daily traffic. In addition, Ontario remains one of the most economically challenged cities in the state and has had to cut vital public services in the past few years.

Senator Findley and Representative Mark Owens have introduced SB 864 to help Ontario meet these challenges.

We want to be good partners with the state – and our research concludes that marijuana demand is not price sensitive within the 7% range we are proposing, and that Oregon will not lose marijuana sales due to a potential increase in local retail tax rates. (The average retail transaction of \$112 will not be impacted by an increase of \$7 for customers coming in from Idaho to make these purchases.)

Even with a local option of 10%, Oregon's potential maximum tax rate of 27% will compare favorably to Washington's rate of 35%.

But our city also wants to ensure we keep our commitment to our own residents to be able to use our unique position to cover the city's costs and benefit our residents.

SB 864 would allow Ontario voters to impose a tax of up to 10% on cannabis sales within the city. The city cannot unilaterally impose this tax – we must make a compelling case to local voters at a statewide general election.

If local voters approve, it would help Ontario to cover its costs from the influx of traffic stemming from the high volume of marijuana sales to Idahoans.

We then hope to use additional revenue to invest in our community infrastructure – our streets, parks, recreational amenities, downtowns, and housing - so that eventually when the revenue dissipates, we are better poised to be an attractive option for new residents.

### CONTACT INFORMATION

JL Wilson, Public Affairs Counsel, [jlwilson@pacounsel.org](mailto:jlwilson@pacounsel.org) / 503-569-8054  
Patrick Sieng, Public Affairs Counsel, [psieng@pacounsel.org](mailto:psieng@pacounsel.org) / 503-799-8280  
Adam Brown, City of Ontario, [adam.brown@ontariooregon.org](mailto:adam.brown@ontariooregon.org) / 541-881-3223