

The HB2505 Oregon 2023 has more potential for risk and more imbalance than already present in the cannabis industry. I work as a budtender in Lincoln County and have the ability to talk to consumers for their needs, and tax is still withholding several sales. If we want to finally outcompete the black market, raising the overall price will not help. Cities will also face more competition with their neighboring cities having a lower tax, and finally this benefits the highest grossing cities while leaving the smaller ones left to the fate of their government that may not have the best interest in mind.

Most consumers we have talked to will only buy what they cannot get from their black market source to avoid tax. Very few find the benefit of a current 20% tax for safer product; there is not enough people who care about the risks associated with black market products to outweigh the price. As someone who has lived in California, when cannabis became recreational the state had a 20% tax with a 20% county and 3% city tax. I had to change my buying habits to accommodate a 43% increase in price by knowing the right people and buying from black market, and I am personally someone who does care about safer products but did not have the price to afford it. Until we outcompete the black market, we cannot raise prices without seeing a crash in this industry that is already struggling with keeping prices low. With the generational culture of marijuana and the black market, people are less likely to change their ways if it doesn't benefit them.

Secondly, by allowing a higher increase in tax, it creates a more competition between cities that could drive customers to shop in lower tax cities. We already see waves of people that come from higher priced areas to find cheaper prices because of factors such as distribution, but to add in a factor of one city next door offering nearly 10% less on orders that average around \$150 per customer, that is significant enough for many (especially in our generally inflated economy) to travel between cities in order to save money. In small areas such as the Oregon Coast, people drive over because we sell things at a cheaper price than the valley because of the price we are offered with companies because the competition is harder with overall more of our resources at stake. With the city having control over whether people will have to pay more out the door, we can expect to see businesses in those cities go under at the expense of others thriving. Furthermore, with the current OLCC ruling, there are no new licenses to be distributed for another year, so there is no room for another to take its place.

Finally, this bill does not benefit the smaller cities who do not see a return because of volume. Smaller cities will not see the benefit of this tax as it increases and goes to larger cities, creating the higher imbalance than already present. Raising tax on one of the highest taxed goods in the state will only worsen the problems we are already facing, and further from creating a safe market for consumers. The more we send consumers to the black market, the less money we will see from this resource of income and the further we are from winning the legal market battle.