



Testimony in Support of HB 2015. March 4, 2021

Thank you Chair Nathanson and Committee Members, for the record, I am Ethan Nelson, Intergovernmental Relations Manager for the City of Eugene showing our support for HB 2015. We also thank Representative Owens for bringing this bill forward. Specifically, the City of Eugene is very supportive of the voluntary aspect of HB 2015, that would allow a local option for increasing local tax rates on recreational marijuana sales within a city's jurisdiction. This is the identified pathway for cities to recover the loss of tax revenue due to the reduction of state-shared revenues resulting from the passage of Measure 110. The League has provided a good overview of the issues, I wanted to spend just a moment to identify the specifics within Eugene.

Before Measure 110, the City of Eugene was on track to receive \$1.3M in state shared marijuana tax receipts in FY21, up from \$1M the year before. This revenue is placed within the City's general fund, which as many of you know, provides the funding for public safety, community court, parks safety and security, library and recreation programs, homeless shelter programs, climate actions, and land use planning--to name a few of the critical services in our community. Based on our projections, we estimate that the \$1.3M will be reduced to roughly \$200,000 per year going forward. We are currently working through budget forecasts for FY22, with an assumption that we will need to account for that \$1M annual hit to the general fund.

This is not a bill that dives into the merits or challenges of Measure 110, rather it is a bill that allows local governments to propose the appropriate tax rate for recreational marijuana sales that will provide funding for the services which our community continues to expect from the city and call for on a regular basis. We support the proposal to increase the local tax rate up to 10%.

Additionally, clarity needs to be provided on whether or not any new increase would be required to be referred to voters or can be made by the governing body of the city. Lastly, based on testimony from Association of Oregon Counties and League of Oregon Cities, the City of Eugene does not support a distribution from a city's local revenues on recreational marijuana taxes to counties, with no requirement for spending those funds within the jurisdictional boundaries.

Thank you for your time and Eugene asks for your support for HB2015.