



City of Ontario
 444 SW 4th Street
 Ontario, OR 97914
 Voice (541)881-3223
 Fax (541)889-7121

Mayor Riley J. Hill

Dan Capron, Council President

Norm Trume

Freddy Rodriguez

Marty Justus

Michael Braden

Ramon Dalomo

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House Speaker Tina Kotek
 900 Court St. NE, Rm 269
 Salem, OR 97301

Dear Speaker Kotek,

It is with great hope that I send this letter to you on behalf of the Ontario City Council regarding the distribution of marijuana state revenue sharing. We know that you have been to Ontario and have stood up for us during your time in the House of Representatives. It is our hope that you will fight for us to correct an unanticipated consequence of Measure 91, the distribution formula for state marijuana revenue back to local governments, to make sure we can keep our community thriving.

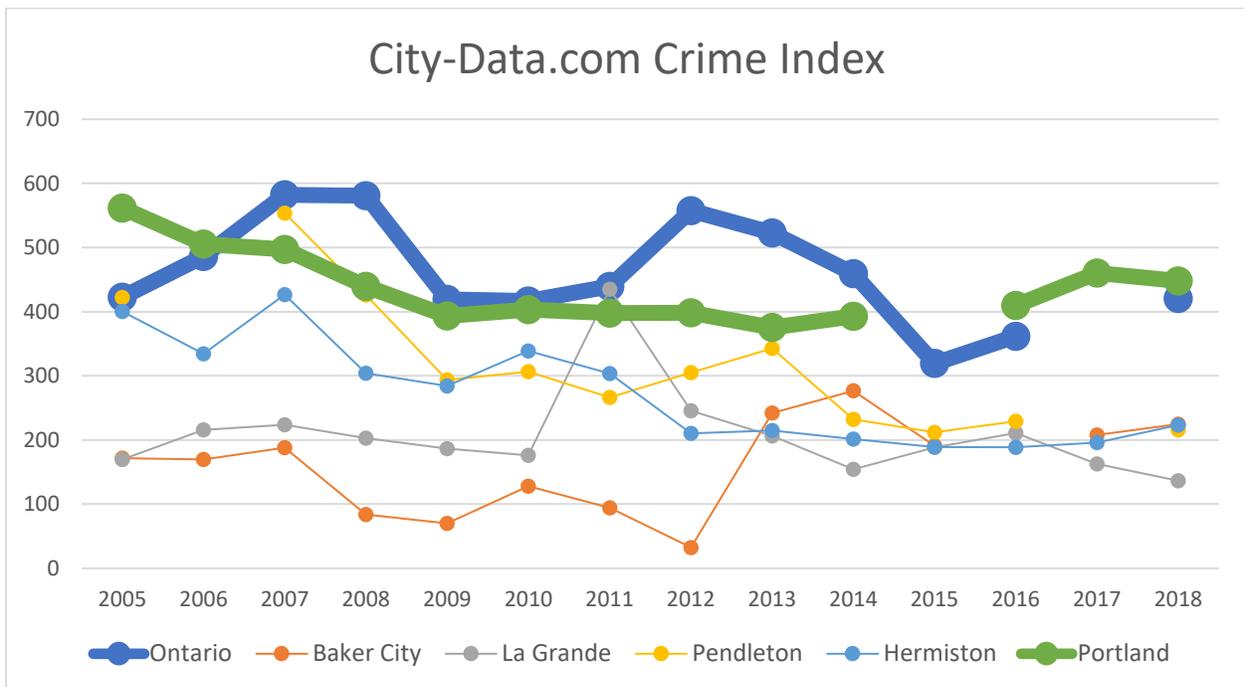
A recent article in the Portland Business Journal called *What's driving record breaking cannabis sales* by author Pete Danko reveals that a state cannabis revenue is being driven by a 130% increase in eastern Oregon. The state is benefiting from sales in Ontario and this request will not change that benefit. The map shows the whole eastern border of Oregon, but the reality is that those sales are coming from Ontario.

I would like to draw your attention to the challenges we have in Ontario with respect to the safety of our community. The website www.city-data.com has a crime index for nearly all local governments in



the United States. In the chart below I have shown other Oregon communities near Ontario as well as Ontario and Portland. As you can see from the data, with respect to crime, Ontario is more closely aligned with Portland on the issues facing our community. A person in Ontario is just as likely if not more likely, to be impacted by violent or property crime in Ontario as they are in Portland. It's no surprise that Ontario has been labelled one of Oregon's most unsafe communities in several studies over the last six years.

Additional funding is critical to address mental health, drug education, and public safety. Ontario has struggled to keep our community as thriving as it once was over the last 20 years. We want to return to that thriving state, but we need your help.



Measure 91 requires that 10% of the 17% state tax be redistributed to local governments for public safety. That equals another 1.7% of money received from Ontario sales being redistributed to local governments. If that 1.7% were coming back to the City of Ontario we would have seen \$836,006 this year in state revenue sharing. Instead, because of Measure 91, which distributes those funds based on population and the number of dispensaries, we will only see \$52,795 (the last quarter is estimated) this year.

The remaining \$783,211 is sprinkled throughout the state to other local governments. I am sure that helps other communities. This amounts to an extremely regressive tax. Money is leaving a poor community and being sent to our

What Ontario should be getting in State Marijuana Revenue Sharing:

\$836,006

What Ontario is getting:

\$52,795

most prosperous communities across the state, like Happy Valley, Tualatin, Scappoose, Hillsboro, Oregon City, Bend, and Tigard. If the City could keep the taxes paid here in Ontario it would make a big difference for us.

The majority of our sales are derived from Idaho customers. Those customers, however, are not considered in our population for the distribution formula. Our resident population is 11,485, so when 75% of the formula is based on Ontario's population, but our city services are being burdened by 3/4 of a million people from the Boise Market, it really puts a strain on our community. Based on the most recent sales data, we anticipate that we are seeing an additional 750-1,000 cars a day coming into and out of our city, straining the system. This generates an additional level of municipal services.

We are the largest city located in the poorest county in Oregon and we are sending \$783,211 to other cities across the State. Our median housing income is \$34,940. Nearly 1/3 of our community lives in poverty. Ontario needs this money to help our community. We feel this can be added to the omnibus bill, with a sunset clause, in the current special session with the following language.

A city with a population exceeding 10,000 that is located in a combined Metropolitan Statistical Area of over 600,000 on the Oregon border with the State of Idaho, for purposes of financial impact, shall be exempt from the distribution formula of marijuana revenue sharing in Measure 91. Cities meeting these requirements shall receive the 10% state local revenue sharing for public safety based upon actual sales within that municipality. This exemption from Measure 91 will terminate on June 30, 2027.

If this is not addressed in the special session, Ontario will have sent \$1,566,421 to other cities throughout the state by the time it can be remedied in the next general session. That hardly seems equitable given the burdens put on our city services and the needs of our community. Our local dispensaries and a citizen led marijuana ad-hoc committee have also expressed their support for keeping the state revenue sharing here in Ontario.

If you would like to speak with us, we would be more than happy to work around your schedule to have an audience with you.

On Behalf of the Ontario City Council,



Riley J. Hill
Mayor

CC: Ontario City Council; Senator Lynn Findley; Representative Mark Owens, Malheur County Economic Development