



June 8, 2020

Mayor Ted Wheeler
1221 SW 4th Ave
Room 340
Portland, OR97204

Dear Mayor Wheeler,

The Oregon Cannabis Association (OCA), representing more than 200 businesses, is joining with numerous organizations to insist that the funds derived from the Portland Cannabis Tax appropriately go to social programs and services that aid African American, Latinx, and Native American people in our communities, and that no further cannabis tax dollars be used for police or law enforcement budgets.

Across our city, state, and nation, millions of people have taken to the streets to protest the continuing racism and white supremacy that results in the death and devaluation of our citizens, specifically Black and Indigenous People of Color. This systemic racism exists in every facet of our society, and it is past time for us to join together to provide real support and change for African American, Latinx, and Native American members of our communities.

As businesses who benefit from legalized cannabis, we are obligated and committed to fight for communities of color who have been, and continue to be, disproportionately harmed by the destructive war on drugs.

As retailers, cannabis dispensaries pay city licensing fees, city taxes and alarm permits, just as any business in our city does. Cannabis dispensaries are also required to pay a 3% tax to the city on top of the existing standard business fees.

During original negotiations around these taxes, the OCA worked hard to keep those funds directed back into our communities and we are renewing that call now. **The original agreement, detailed in the language below, has not been honored.**

6.07.145 Net Revenues Distribution.

C. These funds shall be allocated in the Adopted Budget for the following purposes:

1. *Drug and alcohol education and treatment programs, including but not limited to services that facilitate or increase access to drug and alcohol education and treatment, and programs that support rehabilitation and employment readiness.*
2. *Public safety, including police, fire, and transportation safety purposes that protect community members from unsafe drivers. Examples include but are not limited to police DUII training and enforcement, support for firefighter paramedics, street infrastructure projects that improve safety, and other initiatives to reduce impacts of drug/alcohol abuse.*
3. *Support for innovative neighborhood small businesses, especially women-owned and minority-owned businesses, including but not limited to business incubator programs, management training, and job training opportunities; and providing economic opportunity and education to communities disproportionately-impacted by cannabis prohibition.*

In the past two years, **only 14.5% of the funds were used for social equity**, with the remainder going largely to fund law enforcement positions.

After giving the police \$410,00 in the first year for a “service coordination team for access to drug/alcohol treatment,” **there were no cannabis tax dollars spent on drug and alcohol treatment in year two.**

Last year, police received an increase of well over \$1 million dollars, taking in more than \$2 million in cannabis tax revenues.

This is simply unacceptable.

As the Council considers its budget this year, it is imperative that you take strong steps to end the distribution of these funds, even in the face of declining revenues, to the same law enforcement agency that very often is the perpetrator of similar actions that caused the demonstrations in Portland these past weeks.

We are asking that the cannabis tax allocation be updated to reflect the progress of this moment:

- Set aside more of these funds for social equity programs like NuLeaf Project and other grant programs that directly benefit cannabis businesses owned by African Americans, Native Americans and Latinx people;
- Set up a program to pay expungement costs for fines and penalties from marijuana crimes (sometimes decades old) that have been a barrier to expungement;

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- Support for organizations and city services that provide economic opportunities, healthcare and job skills training for those who have been most impacted by racism and the war on drugs.

The OCA is eager to join with the Council and organizations across the city to determine a more equitable split of these tax dollars, targeted to services that truly make a difference in the lives of people impacted by racism, the war on drugs, a lack of healthcare services, and the many other social ills that can be traced directly back to the systemic racism in our nation, state and city.

We will no longer agree to allow the use of any of these cannabis sales tax dollars to fund police, particularly at the exclusion of these other critical services which provide a more direct and positive impact to the people of our city.

We stand ready to assist in helping Portland right the wrongs of the past and present, and would gratefully direct our tax payments to that end.

Sincerely,



Kim Lundin
Executive Director
Oregon Cannabis Association



Kendra Freeman
Board of Directors &
Chair of the Social Justice Committee
Oregon Cannabis Association

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