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The business hours for the Auditor's Office are Monday through Friday from 9:00 a.m. to 5:00 p.m. The office is open to visitors Tuesday through Thursday in City Hall. View our [division webpages](#) for more information about how to connect with us in-person or remotely.

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City improved accountability and transparency of recreational cannabis tax

News Article

Contact

Alexandra D. Fercak
Performance Auditor II

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This is a one-year follow-up to our 2019 report, "Recreational Cannabis Tax: Greater transparency and accountability needed."

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The Office of Community and Civic Life improved accountability and transparency of the recreational cannabis tax since our 2019 audit. The office worked with Council to change the decision-making process, increase transparency of the tax allocation, and improve the grants process. Public reporting of tax allocations still needs to be finalized.

Our 2019 audit found that most of the recreational cannabis taxes had been used for police and transportation programs even though the tax has been promoted to produce funds that would benefit and support individuals and cannabis businesses owners who were adversely affected when cannabis was illegal.

While those uses are allowed, community members, cannabis businesses, or others affected by past cannabis policies had not been involved in the overall budget decisions, and the City did not report on how it used the tax revenues. We recommended the City improve the transparency of tax allocation decisions and results.

Recommendation Status: Implemented

2019 Recommendation

To provide transparency and accountability and guide and focus funding decisions, we recommend the Office of Community & Civic Life work with Council to develop a tax allocation framework that includes:

- Tax allocation and oversight committee to provide input to Council on how tax revenue should be allocated.
- Include cannabis tax fund allocations in budget work session discussions.
- Report annually to oversight committees and the public on how the tax funds are being allocated. Provide rationale behind council decisions and report on outcomes.

2020 Auditor's Status Update: Recommendation implemented

City Council decides and authorizes the allocation of cannabis tax as part of the annual budget process. The Office of Community and Civic Life worked with Council over the last year to change the allocation process by making it transparent and including the public in the allocation decisions.

Civic Life convened and worked with the Cannabis Policy Oversight Team, which provides recommendations on public policy. Civic Life adopted the team's recommendations and provided input to Council. Council held budget work sessions in May 2019 and March 2020 to discuss the tax allocation and hear from City bureaus that requested funding from the cannabis tax. After significant public input in June 2020, Council decided against an allocation to the Portland Police Bureau Traffic Division and increased funding for community grants awarded through Civic Life.

Civic Life reported cannabis tax allocations to the oversight committee but it still needs to ensure the total annual Recreational Cannabis Tax allocations are reported to the public in an accessible format.

Recommendation Status: In Process

2019 Recommendation

To ensure an effective, timely and competitive distribution of cannabis grants, we recommend the Office of Community and Civic Life develop a

grant process, which includes clarifications for how the grants will be awarded and managed, what outcomes will be achieved, and how outcomes will be reported to City Council.

2020 Auditor's Status Update: Recommendation in process

For the cannabis tax funds allocated to Civic Life, the bureau improved the grant process by developing goals and a timeline for the process. A community panel is in place and has reviewed proposals for grant funding. Grantees who will receive funding this fiscal year have been selected.

We will follow-up in May 2021 to determine whether grants were allocated timely, what outcomes were achieved, and how Civic Life reported outcomes to Council.

Visit our website to view the [original 2019 audit report](#).

Visit our online dashboard to track the status of recommendations from other reports