



# Recreational Cannabis Tax:



## Greater transparency and accountability needed

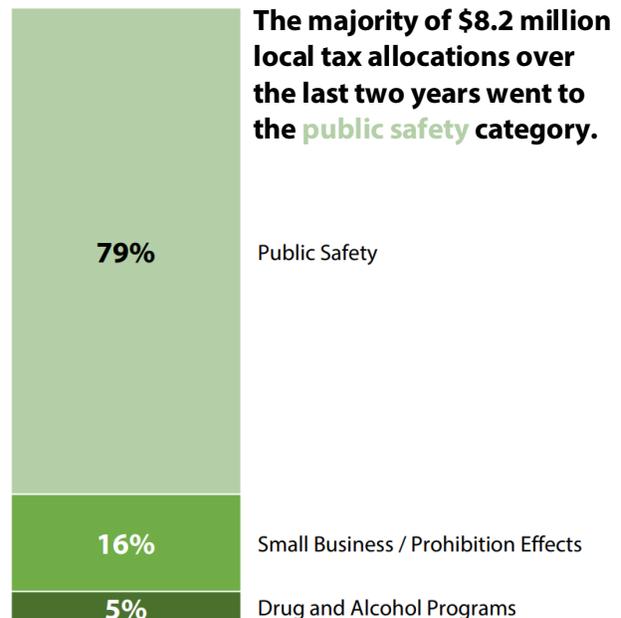
AUDIT HIGHLIGHTS | May 2019

Portland voters approved a tax on recreational cannabis sales in 2016. The City tax was promoted to fund alcohol and drug treatment programs and to benefit individuals and cannabis business owners that were adversely affected when cannabis was illegal.

Since that time, most of the taxes collected have been used for police and transportation safety programs.

### Use of the tax may not meet voters' intent

- Ballot measure specified the local cannabis tax to be used in three categories.
- The categories are intentionally broad with no defined allocations to meet changing community needs and priorities.
- Council established expectations that community members would be involved in allocation decisions and there would be a link between the source and use of the tax.



### Tax allocations not transparent and accountable to the public

- Tax revenue allocations were made in part to address City's General Fund shortages, and rationale for the budget decisions was not transparent.
- Community members did not have opportunity to influence allocation decisions, and there is no reporting on the use of the tax.

### Recommendations

We recommend the Office of Community & Civic Life work with Council to develop a transparent and accountable tax allocation framework and implement a timely and effective grant award process.