

Recreational Marijuana Tax Fund

Managing Bureau: Office of Management & Finance, Bureau of Revenue & Financial Services

Statement of Purpose: The purpose of the Fund is to receive gross revenues received from the Recreational Marijuana Tax, to provide funding for the purposes identified in Section 6.07.145 of this Code and costs related to the administration of the tax. Except for those established purposes, in no case shall revenues be transferred from the Recreational Marijuana Tax Fund to the City's General Fund, or any other fund, for any other purpose.

Sources of Revenue: The Recreational Marijuana Tax receives revenues from a three percent tax on recreational marijuana sales in the City of Portland.

Contingency Requirements: Per Financial Policy 2.04, contingency funds should be used to address reasonable but unforeseen requirements within the fiscal year. There are no minimum or maximum contingency requirements for the fund. The Bureau of Revenue & Financial Services will budget contingency for the entirety of the legal fund in order to mitigate against the impacts of shortfalls in forecast revenue.

Reserve Requirements: There are no reserve requirements for this fund.

Disposition of Funds: If the tax is sunset at a future date, all funds will be disbursed for the purposes identified in Section 6.07.145 of this Code and costs related to the administration of the tax.

Responsibilities of the Bureau of Revenue & Financial Services are as follows:

- Forecast revenues and communicate forecast updates to the City Budget Office and to bureaus that are funding activities with recreational marijuana tax revenues
- Manage all budgetary and financial activity within the Recreational Marijuana Tax parent fund (i.e., 227000)
- Establish and manage budgeted contingency for the legal fund
- Establish a unique bureau-specific sub-fund within Recreational Marijuana Tax legal fund in SAP for every bureau that is funding activities with recreational marijuana tax revenues
- Execute Interagency Letter of Agreement with each bureau that is funding activities with recreational marijuana tax revenues, detailing roles and responsibilities of each party, including but not limited to the following processes:
 - The allocation of program/bureau spending reductions due to less than estimated revenues

Responsibilities of bureaus that are funding activities with recreational marijuana tax revenues are as follows:

- Budget and record activities funded with recreational marijuana tax revenues within bureau-specific sub-fund (e.g., 227001)
- Make mid-year budget adjustments as necessary in response to revenue shortfalls
- Establish and maintain financial controls to ensure only eligible activities are recorded within bureau-specific sub-fund. Eligible activities are defined in PCC 6.07.145
- Take prompt corrective action to resolve issues concerning ineligible activity posted to bureau-specific sub-fund

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- Execute Interagency Letter of Agreement with Bureau of Revenue & Financial Services, detailing roles and responsibilities of each party