



M U L T I S T A T E

[Ontario funds lobbyist to seek more pot taxes](#) (Oregon)

A new lobbyist will be heading to Salem on behalf of the city of Ontario.

The Ontario City Council voted Thursday to allot \$20,000 towards promoting legislation that would increase the amount of tax the city collects on its marijuana sales.

Voting yes on the measure were Councilors Freddy Rodriguez, Sam Baker, Michael Braden, John Kirby, and Ken Hart. Mayor Riley Hill wasn't present, but he has been a vocal proponent of increasing taxes on marijuana.

Despite its small size and rural character, Malheur County, whose dispensaries are concentrated in Ontario, consistently ranks third in marijuana sales statewide, just behind Portland-area counties.

Ontario saw \$9.5 million in sales in January alone. It assesses a 3% sales tax on that revenue, and the state collects an additional 17%. The state then allocates 10% of its marijuana tax collection back to cities, but it does so based on a formula relating to a city's population, not the amount of marijuana sold in a particular community.

Ontario, as a border city whose dispensaries serve a large proportion of Idahoans, is at a disadvantage. It attracts customers from across the Boise area, but its official population is small.

That means that right now, Ontario sends about \$1.7 million a year to Salem, but get backs only 3% of that.

House Bill 2014 would change the state formula so that the share of money some cities receive would be based on sales of marijuana rather than their population. This would likely mean an

increase of funds for Ontario. The money redistributed to Ontario by the state of Oregon, currently about \$55,000 a year, has to be spent on public safety.

The only uncertainty is that state revenue from marijuana was recently capped at \$11.25 million per quarter by Ballot Measure 110, better known for decriminalizing possession of most drugs in Oregon. All revenue in excess of that number will now go to the Drug Treatment and Recovery Services Fund.

Ontario City Manager Adam Brown estimated that with the cap in place, the amount of money available for redistribution to cities would be effectively reduced by 75%.

“In reality, what the government did was defund the police, because that money was for public safety,” said Ontario City Manager Adam Brown.

House Bill 2015, meanwhile, would allow Ontario to raise the local tax from 3% to 10%.

According to research conducted by Brown, legal marijuana is a relatively “inelastic” product, meaning that even if its price should rise, users will continue to buy at about the same rate. Brown said that as such, the city of Ontario has plenty of room to raise taxes without worrying that those taxes will depress sales.

The money that Ontario collects through the 3% sales tax, currently about \$3 million a year, is spent mostly on one-time costs such as buildings, parks, and other improvements, code enforcement, and retirement debt.

Brown estimated that a 10% local tax would give the city around \$10 million a year.

The \$20,000 that the city has moved to spend on a lobbyist will come from the city’s general fund.

“Lobbyists in Salem will know who the influencers are, the mavens,” said Brown, explaining why the investment is worthwhile.

Two years ago, Brown went to Salem with Mayor Riley Hill to advocate for a tax change, but they were unsuccessful.

Brown said that he would consider asking city officials in Portland to collaborate in funding the lobbyist, since the legislation would benefit them as well.

The councilors expressed their support for Brown in looking for partnerships to help fund the lobbyist.

“Having a partner would help out,” said Rodriguez.

Retired judge files ethics complaint against House speaker (New Mexico)

As retired judge Sandra Price watched the state House of Representatives debate a bill that would allow people to sue government agencies over civil rights violations, one particular moment grabbed her attention.

It was when Rep. Ryan Lane, R-Aztec, rose to ask the bill’s sponsors — House Speaker Brian Egolf, D-Santa Fe, and Rep. Georgene Louis, D-Albuquerque — to accept a substitute bill.

The amended legislation would have required any lawmakers who work as attorneys to agree not to represent clients in complaints that might fall under the proposed New Mexico Civil Rights Act.

Lane, Louis and Egolf are all attorneys.

Just days before Tuesday’s debate on the House floor, Price had filed a complaint against Egolf with the State Ethics Commission, claiming he stands to benefit if the bill is passed into law. She argued he should have disclosed that at least 20 percent of his business concerns civil rights litigation.

Watching Lane — an attorney who, Price said, knew nothing about her claim — argue the point on the chamber floor made her “almost fall out of my chair.”

“It made me feel good that I wasn’t the only one to see this. I felt it was a conflict that he [Egolf] was preparing the bill, that he had sponsored that bill, argued on the bill, voted on the bill.”

In a written statement Wednesday, Egolf, whose Santa Fe law firm handles civil rights cases, among a variety of other cases, said the retired judge’s complaint is “baseless and clearly designed to distract me from my work and to discourage me from fighting for the people of New Mexico.”

He said he would not comment on the ethics complaint because it was pending and directed inquiries to Albuquerque attorney Andrew Schultz and retired judge Linda Vanzi of the Rodey Law Firm, “who are preparing my response to the complaint.”

Speaking by phone, Schultz said that with New Mexico’s Legislature made up of unpaid volunteers, it is “essential that people of all professions be able to serve without being accused of anything they do coming back to haunt them.”

He said a businessperson who is a legislator may vote on a tax measure “that could later have an impact on their business.”

“The idea that simply because you are a lawyer disqualifies you on matters of public importance is foolish and is not the intent or the letter of New Mexico ethics laws.”

House Bill 4, which would create the New Mexico Civil Rights Act, would allow residents to file complaints in state District Courts against government agencies over violations of the New Mexico Bill of Rights. Currently, such cases are generally filed in federal courts, citing violations of the U.S. Constitution.

Should the plaintiffs win a case filed under the law, their attorneys’ fees would be covered.

In her complaint, Price said the bill, if it becomes law, will “clearly and unequivocally benefit the private practice of Speaker Egolf.”

Price, who is a Democrat, said her actions have nothing to do with party politics. She said she wants Egolf and other legislators to be “conscious about how things appear.”

“If it [the complaint] causes him to scrutinize what bills he is passing, voting on, arguing, that’s what I want,” Price said.

Schultz said one section of the law Price cites in her complaint applies to public officials and employees but excludes legislators, so it would not apply to Egolf.

Price said, “I read that statute to mean it applies to public officials, and I believe legislators are public officials.”

Schultz said he was preparing a response to Price’s complaint and planned to ask the commission to dismiss it.

Lane, a freshman lawmaker, argued Tuesday on the House floor it could be a conflict of interest for any legislator who is an attorney to support the bill and then later file claim under the act on behalf of a client.

Louis countered that Lane's proposed substitute bill could affect almost every member of the Legislature, where members hold jobs in a variety of professions — doctor, educator, rancher — and often encounter bills that involve their line of work.

“It's not just lawyers in the Legislature; it's every single profession,” Louis said.

Ultimately, House members voted 44-24 to table Lane's motion, mostly along party lines, with Democrats opposing it. Then the House voted 39-29 — with some Democrats joining Republicans in opposing the legislation — to approve HB 4.

The legislation now heads to the Senate for consideration.

Speaking by phone Wednesday night, Lane said he knew nothing of Price's complaint until she called him after Tuesday's debate to tell him she had filed it.

This is not the first time conflict-of-interest concerns have come up in the state's “citizen Legislature,” in which members are not paid and most have full-time jobs. Some lawmakers are married to lobbyists or vote and sponsor legislation that might support an industry in which they have a personal business interest.

In an interview with The New Mexican about possible conflicts of interest during the 2020 legislative session, Egolf asked, “Should there be no lawyers in the Legislature?”

The State Ethics Commission, launched in January 2020, is tasked with overseeing the state's laws on campaign finance, lobbying, financial disclosures and other aspects of public officials' conduct.

Price said the commission acknowledged her complaint Feb. 11.

Efforts to reach a representative of the commission late Wednesday were unsuccessful.