

May 4th, 2023

Dear Oregon Legislators,

On behalf of the Cannabis Industry Alliance of Oregon and the thousands of small businesses, entrepreneurs, and employees that support over a billion dollars in annual sales and generate nearly $200 million for state coffers each year, we feel it is our responsibility to directly respond to the ongoing revelations about La Mota’s business dealings.

Companies that display a pattern of flagrant disregard for state laws and fair business practices have no place in Oregon’s cannabis industry.

We cannot let this happen again. It is imperative, as integral as this industry is to our state, that Oregon cannabis businesses pay their taxes, meet their obligations to vendors, and never again attempt to use ill-gotten funds to push personal political agendas. To accomplish this, we are asking you to take immediate action, specifically on House Bill 2515, which is currently assigned to the House Committee on Rules.

The owners of La Mota have funded and accomplished their expansion by remaining in significant arrears with the Oregon Department of Revenue and IRS, by refusing to pay vendors for products sold in their stores, and by taking advantage of the OLCC’s unmetered issuance of licenses.

To address these three issues, we are asking you to amend and pass HB2515. The bill’s current language fixes Oregon’s licensure model by dynamically tying license numbers to population instead of issuing emergency moratoriums every two years. We are asking that the bill be amended to also include language that restricts the OLCC from renewing or issuing licenses to businesses that refuse to remain in good standing with the Oregon DOR, and to explore options to ensure that cannabis licensees don’t benefit from predatory business practices and refusal to pay vendors for product sold at retail.

These safeguards will provide a more stable, predictable, and fair market environment for existing and new businesses while establishing a strong foundation for future industry growth. More importantly, they will help ensure that nothing like this happens again in Oregon cannabis. This is not who we are, and this behavior has no place in this industry and in this state, which we love and respect so much.

Respectfully,

Board and Members of the Cannabis Industry Alliance of Oregon