



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Staff Report

File Number: 16-399

Agenda Date: 7/6/2016

Status: Agenda Ready

To: City Commission

Agenda #: 7b.

From: City Manager Tony Konkol

File Type: Resolution

SUBJECT:

Resolution No. 16-18: Voter Referral to Adopt a Three Percent Tax on Recreational Marijuana Sales

RECOMMENDED ACTION (Motion):

Staff recommends approval of Resolution No. 16-18.

BACKGROUND:

The City adopted a marijuana tax under Ordinance 14-1014 (effective October 14, 2014) before Measure 91 went into effect and before House Bill 3400 (HB 3400) was adopted. Oregon City, as well as most other Oregon cities, adopted a measure imposing taxes in advance of Measure 91.

Subsequently, the legislature adopted HB 3400, which amended Measure 91 in a variety of significant ways and, in particular, authorized cities to impose a tax of up to 3%, but only if the tax is adopted by a vote of the people.

Resolution No. 16-18 aligns with state law and will allow Oregon City to charge a 3% local tax on marijuana sales within Oregon City. The resolution does the following things:

1. Sends a measure to the voters of Oregon City. The text of the measure itself, i.e., the changes to the city code, are contained in Exhibit A to the resolution.
2. Adopts a ballot title for the measure, and
3. Directs the city manager to prepare an explanatory statement.

The separate ballot question of whether marijuana businesses should be legalized in Oregon City has already been referred to the voters of Oregon City for the November ballot with the City Commission's approval of Resolution 16-10.

Additionally, time, place and manner regulations for marijuana businesses will be reviewed and adopted through the legislative process with public hearings starting in late July. The first Planning Commission public hearing will be July 25, 2016 and the first City Commission public hearing will be August 17, 2016.

