

## RESOLUTION NO. 16-18

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### **A RESOLUTION OF THE CITY OF OREGON CITY REFERRING TO THE VOTERS OF OREGON CITY A MEASURE TO ESTABLISH A THREE PERCENT TAX ON RECREATIONAL MARIJUANA SALES**

**WHEREAS**, the citizens of Oregon approved Measure 91 in November, 2014, legalizing the sale and consumption of marijuana, and allowing local governments limited time place and manner regulatory authority over licensed premises that grow, produce, sell, and transfer marijuana and marijuana items; and

**WHEREAS**, prior to the voters' passage of Measure 91, the Oregon City Commission approved an ordinance adopting Oregon City Municipal Code Chapter 3.06 establishing a tax on local sales of recreational marijuana; and

**WHEREAS**, the 2015 Oregon Legislature enacted HB 3400, revising the authority given to local governments over dispensaries selling or transferring marijuana and marijuana items, and enacted SB 460, allowing medical marijuana dispensaries registered with the Oregon Health Authority to sell limited amounts of retail marijuana and immature plants to adults over the age of 21, beginning Oct 1, 2015 and continuing until December 31, 2016 with a 25 percent tax on the sale of recreational marijuana at medical dispensaries until December 31, 2016; and

**WHEREAS**, the 2015 Oregon Legislature set the tax base for at 17 percent for the sales of recreational marijuana beginning January 1, 2017; and

**WHEREAS**, Measure 91 provided distribution of only one tenth of state tax revenues after costs to cities for enforcement of the measure; and

**WHEREAS**, the 2015 Oregon Legislature required local jurisdictions to seek voter approval for any local tax of up to three percent on recreational sales at a general election; and

**WHEREAS**, the Oregon City Commission has decided to refer a measure to the voters at the November 8, 2016 election, which if approved would amend the Oregon City Municipal Code to establish a three percent tax on the sale of recreational marijuana.

### **NOW THEREFORE, THE CITY OF OREGON CITY RESOLVES AS FOLLOWS:**

#### **Section 1 – Referral.**

The Oregon City Commission hereby submits an ordinance, attached to this resolution as Exhibit A, entitled: " A Measure Amending the Oregon City Municipal Code, Title 3 – Revenue and Finance, by Ordinance to Provide for a Tax on Recreational Marijuana Sales " to the legal voters of the City of Oregon City, Oregon for adoption or rejection at the election in the City of Oregon City, Clackamas County, County to be held on November 8, 2016, and directs the City Elections Officer to take all steps necessary to place this measure on the ballot; and

#### **Section 2 – Ballot Title.**

The City Commission adopts the following ballot title to describe the measure to be placed before the voters at the November 8, 2016 regular City election. The City Manager is directed to file the following ballot title with the City Recorder:

Measure No. \_\_\_\_\_:

**CAPTION:** Imposes city tax on sale of recreational marijuana.

**QUESTION:** Shall City of Oregon City impose a three percent tax on the sale of recreational marijuana?

**SUMMARY:** Under state law, the city commission may refer to the voters of Oregon City an ordinance imposing a tax or fee on the sale of recreational marijuana items in the city by a licensed marijuana retailer. Approval of this measure would impose a three percent tax on the sale of marijuana items in the city by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

Under state law, a city that adopts an ordinance that prohibits the establishment of marijuana businesses in that city may not impose a tax or fee on the production, processing or sale of marijuana or any product into which marijuana has been incorporated. This measure would become operative only if the measure proposing to prohibit the establishment of any of those marijuana entities does not pass by a majority of votes.

**Section 3 – Explanatory Statement.** The City Commission authorizes and directs the City Manager to take all steps necessary to submit an explanatory statement to the Clackamas County Clerk for placement in the voters' pamphlet for the November 8, 2016, general election.

Approved and adopted at a regular meeting of the City Commission held on the 6th day of July 2016.

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DAN HOLLADAY, Mayor

Attested to this 6th day of July 2016:

Approved as to legal sufficiency:

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Kattie Riggs, City Recorder

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City Attorney