



Legislation Text

File #: 18-250, **Version:** 2

Marijuana Business Update

RECOMMENDED ACTION (Motion):

No action required by the Commission.

BACKGROUND:

In November of 2016, the citizens of Oregon City voted to allow marijuana businesses within city limits and to impose a tax on recreational marijuana sales. In preparation for the vote and after an extensive public outreach process, the City Commission adopted marijuana business regulations in October of 2016. The regulations include a variety of standards, such as zoning designations and separation requirements and were adopted to provide a framework for Oregon City voters when considering if marijuana businesses should be allowed.

Since January 1, 2017, when the local measure went into effect, the City has received twenty-seven business license applications (all for retail sales businesses). Eight applications have been approved, eighteen were withdrawn/expired/denied and one is currently under review.

The City receives an allocation of state tax revenues and collects a 3% local tax on retail marijuana sales. It is anticipated that the City will receive about \$183,000 annually in tax revenues. The funds have been placed in General Fund reserves for allocation to Police and Park programs in the next budget cycle. This is consistent with the State distribution formula to support enforcement, and the City's need for Park funding.

BUDGET IMPACT:

Amount: \$183,000

FY(s): Annually

Funding Source: State and local taxes