

BEFORE THE BOARD OF COMMISSIONERS

FOR MARION COUNTY, OREGON

An ordinance establishing a 3% tax )  
on the sale of marijuana items by )  
persons holding a license under )  
section 22, chapter 1, Oregon Laws )  
2015 (Measure 91) in the )  
unincorporated area of Marion )  
County, referring the ordinance to the )  
electors of Marion County, and )  
declaring an emergency. )

ORDINANCE NO. 1359

THE MARION COUNTY BOARD OF COMMISSIONERS ORDAINS AS FOLLOWS:

SECTION 1. PURPOSE

The purpose of this ordinance is to establish a 3% tax on the sale of marijuana items by persons holding a license under section 22, chapter 1, Oregon Laws 2015 (Measure 91) within the unincorporated area of Marion County, pursuant to section 34a, chapter 614, Oregon Laws 2015 (HB 3400 (2015)). This ordinance can take effect only if the voters of Marion County reject the prohibition of marijuana businesses at the November 8, 2016 general election.

SECTION 2. DEFINITIONS

A. "Marijuana businesses" means marijuana processing sites registered under section 85, chapter 614, Oregon Laws 2015 (HB 3400 (2015)), medical marijuana dispensaries registered with the Oregon Health Authority under ORS 475.314, marijuana producers licensed under section 19, chapter 1, Oregon Laws 2015 (Measure 91), marijuana processors licensed under section 20, chapter 1, Oregon Laws 2015 (Measure 91), marijuana wholesalers licensed under section 21, chapter 1, Oregon Laws 2015 (Measure 91), and marijuana retailers licensed under section 22, chapter 1, Oregon Laws 2015 (Measure 91).

B. "Marijuana items" is defined in section 1, chapter 614, Oregon Laws 2015 (HB 3400 (2015)).

C. "Taxpayer" means a person holding a license under section 22, chapter 1, Oregon Laws 2015 (HB 3400 (2015)) whose retail establishment is located in the unincorporated area of Marion County

SECTION 3. 3% TAX ON THE SALE OF MARIJUANA ITEMS

In accordance with section 34a, chapter 614, Oregon Laws 2015 (HB 3400 (2015)), Marion County imposes a 3% tax on the sale of marijuana items by a person holding a license under section 22, chapter 1, Oregon Laws 2015 (HB 3400 (2015)) in the unincorporated area of Marion County.

SECTION 4. REFERRAL FOR ELECTION

This ordinance shall be referred to the electors of Marion County at the next general election on Tuesday, November 8, 2016.

SECTION 5. WHEN ORDINANCE CAN TAKE EFFECT

This ordinance can take effect only if the voters of Marion County reject the prohibition of marijuana businesses at the November 8, 2016 general election.

SECTION 6. SEVERABILITY

Should any section or portion of this ordinance be held unlawful or unenforceable by any court of competent jurisdiction, that decision shall apply only to the specific section, or portion thereof, directly specified in the decision. All other sections or portions of this ordinance shall remain in full force and effect.

SECTION 7. DECLARATION OF EMERGENCY

This ordinance being necessary for the preservation of the health, safety, and

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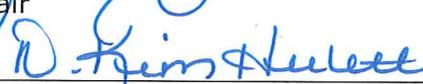
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welfare of the community, an emergency is declared to exist and this ordinance will take effect immediately.

Adopted this 23<sup>RD</sup> day of September 2015.

MARION COUNTY BOARD OF COMMISSIONERS

  
Chair

  
Recording Secretary



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: September 23, 2015

Department: Board of Commissioners Agenda Planning Date: 9/17/15 Time required: 15 min.

Audio/Visual aids

Contact: Scott Norris, Legal Counsel Phone: ext. 5690

Department Head Signature: John Luttin

TITLE Consideration of ordinance establishing a 3% tax on the sale of recreational marijuana items and referring the ordinance to the voters at the November 8, 2016 general election.

Issue, Description & Background Section 34a, Chapter 614, Oregon Laws 2015 (HB 3400 (2015)) allows a local government to impose a local option tax on the sale of recreational marijuana items, as that term is defined in section 1, chapter 614, Oregon Laws 2015 (HB 3400 (2015)). The local option tax can be no more than 3%. In order to become effective, the establishment of a local option tax must be referred to the voters for approval. Also, in order to become effective, the local government must not "opt out" (i.e., prohibit) any of the six forms of marijuana businesses authorized by chapter 614, Oregon Laws 2015 (HB 3400 (2015)). Before the board at this board session is an "opt out" ordinance consistent with chapter 614, Oregon Laws 2015 (HB 3400 (2015)). The local option tax, which would be referred to the voters at the same November 8, 2016 general election as the "opt out" ordinance, would take effect only if the prohibition of marijuana businesses in the "opt out" ordinance is rejected by the voters.

Financial Impacts: A 3% retail sales tax would be imposed on marijuana retailers licensed pursuant to section 22, chapter 1, Oregon Laws 2015 (Measure 91). The amount of revenue that this tax would generate is unknown at this time.

Impacts to Department & External Agencies Marijuana retailers licensed pursuant to section 22, chapter 1, Oregon Laws 2015 (Measure 91) would be required to pay the 3% tax. There are unlikely to be impacts to county departments, depending upon the collection process employed.

Options for Consideration: 1. Adopt the ordinance as proposed; 2. Direct staff to make changes to the proposed ordinance and bring it back to the board at a future board session; 3. Take no action at this time.

Recommendation: It is recommended that the board adopt the ordinance as proposed at this time.

List of attachments: Proposed ordinance.

Presenter: Scott Norris, Legal Counsel

Copies of completed paperwork sent to the following: (Include names and e-mail addresses.)

Scott Norris, Legal Counsel snorris@co.marion.or.us