

## ORDINANCE NO. 168-2016

### AN ORDINANCE OF THE CITY OF DONALD IMPOSING A THREE PERCENT TAX ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER AND REFERRING ORDINANCE

**WHEREAS**, ORS 475B.345 provides that a city council may adopt an ordinance to be referred to the voters that imposes up to a three percent tax or fee on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

**WHEREAS**, the city council wants to impose a three percent tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city;

**NOW THEREFORE, BASED ON THE FOREGOING, THE CITY OF DONALD ORDAINS AS FOLLOWS:**

#### **DEFINITIONS.**

Marijuana item has the meaning given that term in ORS 475B.015(16).

Marijuana retailer means an OLCC-licensed retailer and/or person who sells marijuana items to a consumer in this state.

Retail sale price means the price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

**TAX IMPOSED.** As described in ORS 475B.345 the City of Donald hereby imposes a tax of three percent on the retail sale price of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city.

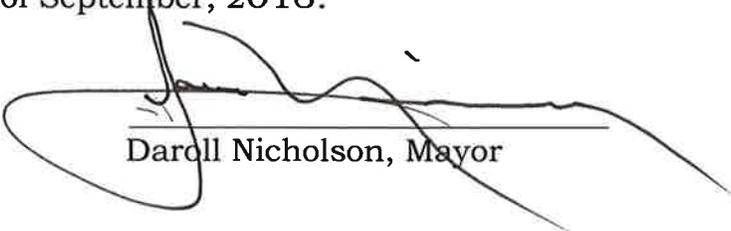
**COLLECTION.** The tax shall be collected at the point of sale of a marijuana item by a marijuana retailer at the time at which the retail sale occurs and remitted by each marijuana retailer that engages in the retail sale of marijuana items.

**REFERRAL.** This ordinance shall be referred to the electors of the City of Donald at the next statewide general election on Tuesday, November 8, 2016.

5 AYES  
0 NAYS  
0 ABSTENTIONS

This Ordinance shall take be effective on the thirtieth day after the date of enactment below, as per City Charter Chapter X, Section 36.

**SIGNED** and **DATED** this 8th day of September, 2016.



Daroll Nicholson, Mayor

**ATTEST**



Heidi Bell, City Manager

PASSED by the City Council: 8/9/2016

SIGNED by the Mayor: 8/9/2016

EFFECTIVE: 9/8/2016

**Exhibit A**  
**For Ordinance NO. 168-2016 & Resolution No. 421-16**

**BALLOT TITLE**

Imposes city tax on retailer's sale of recreational marijuana items

**QUESTION**

Shall City of Donald impose a three percent sales tax on recreational marijuana items by an OLCC-licensed retailer?

**SUMMARY**

Under state law, a city council may adopt an ordinance to be referred to the voters of the city imposing up to a three percent tax on the sale of recreational marijuana items in the city by an OLCC-licensed marijuana retailer.

Approval of this measure would impose a three percent tax on the sale of recreational marijuana items in the City of Donald by an OLCC-licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

**EXPLANATORY STATEMENT**

Approval of this measure would impose a three percent tax on the sale of recreational marijuana items by an OLCC-licensed marijuana retailer within the City of Donald. There are no restrictions on how the City may use the revenues generated by this tax.

Under Measure 91, adopted by Oregon voters in November 2014, codified in ORS chapter 475B and amended by the Legislature in 2016, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. ORS 475B.345 provides that a city council may adopt an ordinance imposing up to a three percent tax on the sale of marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by retail licensees in the city, but the council must refer that ordinance to the voters at a statewide general election. The City of Donald City Council has adopted Ordinance NO. 168-2016 imposing a three percent tax on the sale of recreational marijuana items by an OLCC retail licensee in the city, and, as a result, has referred this measure to the voters.