

RESOLUTION NO. 5291-16

A RESOLUTION REFERRING TO THE ELECTORS OF THE CITY OF TUALATIN THE QUESTION OF IMPOSING A THREE PERCENT (3%) TAX ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER WITHIN THE CITY.

WHEREAS, section 34a of House Bill 3400 (2015), codified as ORS 475B.345, provides that a city council may adopt an ordinance to be referred to the voters that imposes a three percent (3%) tax or fee on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City of Tualatin; and

WHEREAS, the City Council adopted Ordinance No. 1396-16, which imposes a three percent (3%) tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City of Tualatin;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. Measure. A measure election is hereby called for the purpose of submitting to the electors of the City of Tualatin a measure imposing a three percent (3%) tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City, a copy of which is attached hereto as "Exhibit 1," and incorporated herein by reference.

Section 2. Election Conducted by Mail. The measure election shall be held in the city of Tualatin on November 8, 2016 for the next general election. As required by ORS 254.465, the measure election shall be conducted by mail and according to the procedures adopted by the Oregon Secretary of State.

Section 3. Delegation. The City of Tualatin authorizes the City Manager, or the City Manager's designee, to act on behalf of the City and to take such further action as is necessary to carry out the intent and purposes set forth herein, in compliance with the applicable provisions of law.

Section 4. Ballot Title. The ballot title for the measure is set forth in Exhibit 2, which is attached and incorporated herein.

Section 5. Notice of Ballot Title and Right to Appeal. Upon receiving the ballot title for this measure, the city elections official shall publish in the next available edition of a newspaper of general circulation in the city a notice of receipt of the ballot title, including notice that an elector may file a petition for review of the ballot title.

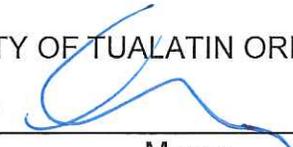
Section 6. Explanatory Statement. The explanatory statement for the measure is as set forth in Exhibit 3, which is attached and incorporated by reference.

Section 7. Filing with County Elections Office. The city elections officer shall file the appropriate documents to refer the measure to the voter with the County elections officials for inclusion on the ballot for the November 8, 2016 election.

Section 8. Effective Date. This resolution is effective upon adoption.

ADOPTED this 8th day of August, 2016.

CITY OF TUALATIN OREGON

BY  _____
Mayor

APPROVED AS TO LEGAL FORM

BY  _____
City Attorney

ATTEST

BY  _____
City Recorder

EXHIBIT 1
Resolution No. 5291-16

ORDINANCE NO. 1396-16

AN ORDINANCE IMPOSING A THREE PERCENT TAX ON THE SALE
OF MARIJUANA ITEMS BY A MARIJUANA RETAILER AND
REFERRING THE ORDINANCE TO VOTERS

WHEREAS, section 34a of House Bill 3400 (2015), codified as 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 Council wants to impose a tax on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City of Tualatin;

THE CITY OF TUALATIN ORDAINS AS FOLLOWS:

Section 1. Tualatin Municipal Code Chapter 13-1 is amended to read as follows:

TMC 13-1-010. Definitions. Unless the context clearly requires otherwise, the following words and phrases used in this Chapter have the following meanings:

- (1) "Marijuana item" has the meaning given that term in Oregon Laws 2015, chapter 614, section 1.
- (2) "Marijuana retailer" means a person who sells marijuana items to a consumer in this state.
- (3) "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.

TMC 13-1-020. Tax Imposed. As provided in ORS 475B.345, the City of Tualatin imposes a tax of three percent (3%) on the retail sale price of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the City of Tualatin.

TMC 13-1-030. 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.

Section 2. Ordinance No. 1376-14, adopted September 29, 2014, is repealed.

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Section 3. Referral. This ordinance shall be referred to the electors of the City of Tualatin at the next statewide general election to be held on Tuesday, November 8, 2016.

ADOPTED this 25 day of July, 2016.

CITY OF TUALATIN OREGON

BY [Signature]
Mayor

APPROVED AS TO LEGAL FORM

BY [Signature]
City Attorney

ATTEST

BY [Signature]
City Recorder *Pro Tem*

EXHIBIT 2
Resolution No. 5291-16
(Referring Marijuana Tax to Voters)

BALLOT TITLE

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

QUESTION

Shall the City of Tualatin impose a three percent tax on the sale of marijuana items by marijuana retailers?

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 (3%) tax or fee on the sale of marijuana items in the city by a licensed marijuana retailer. Approval of this measure would impose a three percent (3%) tax on the sale of marijuana items in the City of Tualatin by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

EXHIBIT 3
Resolution No. 5291-16
(Referring Marijuana Tax to Voters)

EXPLANATORY STATEMENT

Approval of this measure would impose a three percent (3%) tax on the sale of marijuana items by a marijuana retailer within the City of Tualatin.

Under Measure 91, adopted by Oregon voters in November 2014 and 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 (3%) 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. ORS 475B.345 requires also a city council to refer an ordinance adopting the tax to the voters at a statewide general election.

The City of Tualatin City Council has adopted an ordinance imposing a three percent (3%) tax on the sale of marijuana items by a retail licensee in the City of Tualatin and has referred this measure to the voters.

If the voters approve the measure, the three percent (3%) tax would apply only to the retail sales of recreational marijuana. Medical marijuana would not be taxed under the measure.

ORS 475B does not restrict how the City may use the revenues generated by this tax. Revenues from the tax may, therefore, be used for any City purpose determined by the City Council through the local budget process.