

RESOLUTION NO. 2016 - 19

**A RESOLUTION TO SUBMIT A MEASURE TO VOTERS AND ADOPTING BALLOT TITLE AND EXPLANATORY STATEMENT THE QUESTION OF A TAX ON CERTAIN MARIJUANA BUSINESSES WITHIN THE CITY OF McMINNVILLE**

Oregon Revised Statutes (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 on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city.

The City Council adopted Ordinance No. 5004, establishing McMinnville Municipal Code Chapter 5.42 imposing a three percent (3%) tax on the sale of marijuana items by a recreational marijuana retailer in the area subject to the jurisdiction of the city.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL FOR THE CITY OF McMINNVILLE, as follows:

1. A measure election is hereby called for the purpose of submitting to the electors of the City of McMinnville a measure imposing a three percent 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.
2. The measure election shall be held in the City of McMinnville on November 8, 2016. As required by ORS 254.465, the measure election shall be conducted by mail by the County Clerk of Yamhill County, according to the procedures adopted by the Oregon Secretary of State.
3. The City Manager or the City Manager's designee, is hereby authorized 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.
4. The ballot title for the measure set forth as "Exhibit 2" to this resolution is hereby adopted.
5. Upon receiving the ballot title for the measure, the City Recorder shall publish in the next available edition of the News Register a notice of receipt of the ballot title, including notice that an elector may file a petition for review of the ballot title.
6. The explanatory statement for the measure, which is attached hereto as "Exhibit 3", and incorporated herein by this reference, is hereby approved.
7. The City Recorder shall deliver the Notice of Measure Election to the County Clerk for Yamhill County for inclusion on the ballot for the November 8, 2016, election.
8. This Resolution is effective upon passage.

Passed by the Council this 26<sup>th</sup> day of April 2016 by the following votes:

Ayes: Drabkin, Hill, Jeffries, Ruden, Yoder

Nays: \_\_\_\_\_

Approved this 26<sup>th</sup> day of April 2016.

  
MAYOR

Approved as to form:

  
CITY ATTORNEY

## EXHIBIT 1

THE CITY OF McMinnville Does Ordain As Follows:

5.42.020 Imposition of tax on retail sale of marijuana items.

A. A tax is hereby imposed upon the retail sale of marijuana items in the City. The tax imposed by this section is a direct tax on the consumer, for which payment upon retail sale is required to achieve convenience and facility in the collection and administration of the tax. 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.

B. The tax imposed under this section shall be imposed at the rate of:

1. 3 percent of the retail sales price of marijuana leaves;
2. 3 percent of the retail sales price of marijuana flowers;
3. 3 percent of the retail sales price of immature marijuana plants;
4. 3 percent of the retail sales price of a cannabinoid edible;
5. 3 percent of the retail sales price of a cannabinoid concentrate;
6. 3 percent of the retail sales price of a cannabinoid extract;
7. 3 percent of the retail sales price of a cannabinoid product that is intended to be used by applying the cannabinoid product to the skin or hair; and
8. 3 percent of the retail sales price of cannabinoid products other than those described in subsection (B)(7) of this section.

EXHIBIT 2  
BALLOT TITLE

CAPTION

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

QUESTION

Shall City of McMinnville impose a three percent tax on the sale of marijuana items by a marijuana 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 retail sale of 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. Taxable marijuana items include: marijuana leaves, flowers, and plants, as well as cannabinoid edibles, concentrates, extracts, and other cannabinoid products. The tax would not apply to sales of marijuana items for medical use governed by the Oregon Medical Marijuana Act.

The tax would be collected at the point of sale and remitted by the marijuana retailer. All revenues collected pursuant to the tax will become general funds of the City and will be used to support public safety operations.

## EXHIBIT 3

### EXPLANATORY STATEMENT

#### VOTERS PAMPHLET EXPLANATORY STATEMENT

Approval of this measure would impose a three percent tax on the sale of marijuana by a recreational marijuana retailer within the City of McMinnville. Revenues generated by this tax are restricted to public safety purposes.

Oregon voters adopted Measure 91 in November 2014, which was amended by the Oregon Legislature in 2015. Pursuant to this law the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The law 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 marijuana products intended for human consumption and use. Council must refer that ordinance to the voters at a statewide general election. The McMinnville City Council has enacted an ordinance imposing a three percent tax on the sale of marijuana by a recreational marijuana retailer in the city and is referring this measure to the voters.