CITY OF NEWPORT

RESOLUTION NO. 3745

A RESOLUTION CALLING FOR AN ELECTION
TO REFER TO THE VOTERS OF THE CITY OF NEWPORT, OREGON,
A MEASURE THAT WOULD IMPOSE A THREE PERCENT TAX
ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER

Finding

On May 16, 2016, the City Council adopted Ordinance No. 2097 imposing a three percent tax on the sale of marijuana items by marijuana retailers in the City of Newport, and referring Ordinance No. 2097 to the electors of the City of Newport at the election of November 8, 2016.

Based upon this finding:

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. An election is called in and for the City of Newport for the purpose of submitting to the legal voters of the city the ballot title, Attachment A, with the following question:

Shall the City of Newport impose a three percent tax on the sale of marijuana items by a marijuana retailer?

Section 2. The explanatory statement for this ballot measure is included as Attachment B.

Section 3. Tuesday, November 8, 2016, is designated as the date for holding the election on the question stated in Section 1 above.

Section 4. The election will be conducted by the Lincoln County Clerk's Office.

Section 5. The precincts for the election shall include all territory within the corporate limits of the City of Newport and no other territory.

Section 6. If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as provided in Attachment C.

Adopted by the Newport City Council on May 16, 2016.

CITY OF NEWPORT

Sandra N. Roumagoux

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker

Margaret M. Hawker, City Recorder

APPROVED AS TO FORM:

Steven E. Rich, City Attorney

ATTACHMENT A
TO
CITY OF NEWPORT RESOLUTION NO. 3745

BALLOT TITLE

CAPTION

Imposition of a tax on retail marijuana items

QUESTION

Shall the City of Newport 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 or fee on the sale of marijuana items in the city by a licensed marijuana retailer. The Newport City Council adopted Ordinance No. 2097, on May 16, 2016, which imposes a three percent tax on the sale of marijuana items by a marijuana retailer and referring the ordinance to the voters at the General Election to be held on November 8, 2016.

Approval of this measure would impose a three percent tax on the sale of marijuana items in the city by a licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer.

ATTACHMENT B
TO
CITY OF NEWPORT RESOLUTION NO. 3745

EXPLANATORY STATEMENT

Under Measure 91, adopted by Oregon voters in November 2014 and amended by the Legislature in 2015, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The 2015 Legislation 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 Newport City Council has adopted Ordinance No. 2097 imposing a three percent tax on the sale of marijuana items by a retail licensee in the city, and, as a result, has referred this measure to the voters.

Approval of this measure would impose a three percent tax on the sale of marijuana items by a marijuana retailer within the city. There are no restrictions on how the city may use the revenues generated by this tax. However, this tax will only be imposed if this measure passes at the November 8, 2016 General Election.

ATTACHMENT C
TO
CITY OF NEWPORT RESOLUTION NO. 3745

If the ballot measure is approved by the voters of the City of Newport, the Newport Municipal Code shall be amended as follows:

3.15 IMPOSING A THREE PERCENT TAX ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER

A. DEFINITIONS

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.

B. TAX IMPOSED

As described in section 34a of House Bill 3400 (2015), the City of Newport 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.

C. 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.