

**A BILL FOR AN ORDINANCE OF THE CITY OF)
LEBANON IMPOSING A THREE PERCENT TAX)
ON THE SALE OF MARIJUANA ITEMS BY A)
MARIJUANA RETAILER)** **ORDINANCE BILL NO. 2017-8**
ORDINANCE NO. 2896

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 on the sale of marijuana items by a marijuana retailer in the area subject to the jurisdiction of the city; and

WHEREAS, on November 8, 2016 the citizens of Lebanon passed Local Measure 22-148 which imposes a three percent tax on the sale of marijuana items by a marijuana retailer in the City of Lebanon.

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

Chapter 3.20 of the Lebanon Municipal Code is revoked in its entirety and replaced with:

Section 1. DEFINITIONS.

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

Section 2. TAX IMPOSED. As described in ORS 475B.345 the City of Lebanon 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.

Section 3. 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. The City of Lebanon may enter into an agreement with the State of Oregon, Department of Revenue, to supervise and administer this local tax on marijuana retailers.

Section 4. INTEREST AND PENALTY.

(A) Interest shall be added to the overall tax amount due at the same rate established under ORS 305.220 for each month, or fraction of a month, from the time the return to the Oregon Department of Revenue was originally required to be filed by the marijuana retailer to the time of payment.

(B) If a marijuana retailer fails to file a return with the Oregon Department of Revenue or pay the tax as required, a penalty shall be imposed upon the marijuana retailer in the same manner and amount provided under ORS 314.400.

(C) Every penalty imposed, and any interest that accrues, becomes a part of the financial obligation required to be paid by the marijuana retailer and remitted to the Oregon Department of Revenue.

(D) Taxes, interest and penalties transferred to the City of Lebanon by the Oregon Department of Revenue will be distributed to the City's General Fund.

(E) If at any time a marijuana retailer fails to remit any amount owed in taxes, interest or penalties, the Oregon Department of Revenue is authorized to enforce collection on behalf of the City of the owed amount in accordance with ORS 475B.700 to 475B.755, any agreement between the Oregon Department of Revenue and the City of Lebanon under ORS 305.620 and any applicable administrative rules adopted by the Oregon Department of Revenue.

Section 5. Effective Date. Because the proper administration and collection of taxes is necessary for the peace, health and safety of the people of the city of Lebanon, an emergency is declared to exist, and this ordinance is effective upon its passage by the City Council.

Passed by the Lebanon City Council and executed by the Mayor on this 8th day of February, 2017 by a vote of 5 yeas and 0 nays.

CITY OF LEBANON, OREGON



Paul R. Aziz, Mayor

Bob Elliott, Council President

ATTESTED BY:



Linda Kaser, City Clerk