



*Home of the Tualatin River National Wildlife Refuge*

## **RESOLUTION 2016-016**

### **APPROVING BALLOT TITLE AND EXPLANATORY STATEMENT AND SUBMITTING TO THE VOTERS ORDINANCE 2016-003, IMPOSING A THREE PERCENT TAX ON THE SALE OF MARIJUANA ITEMS BY A MARIJUANA RETAILER**

**WHEREAS**, section 34a of House Bill 3400 (2015) 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; and

**WHEREAS**, the Sherwood City Council, on January 19, 2016, adopted Ordinance 2016-003, Imposing a Three Percent Tax on the Sale of Marijuana Items by a Marijuana Retailer and Referring Ordinance; and

**WHEREAS**, Senate Bill 1601 (2016) prohibits cities that impose such a tax from collecting the tax in the case of sales of marijuana items by recreational marijuana retailers to medical marijuana cardholders; and

**WHEREAS**, the Sherwood City Council wants to refer the question of whether to impose a tax on the sale of recreational marijuana items by a recreational marijuana retailer in the area subject to the jurisdiction of the City to the voters of the City of Sherwood;

### **NOW, THEREFORE, THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:**

**Section 1.** An election is called for the City of Sherwood, Washington County, Oregon for the purpose of submitting to City voters Ordinance 2016-003, Imposing a Three Percent Tax on the Sale of Marijuana Items by a Marijuana Retailer and Referring Ordinance

**Section 2.** Tuesday, November 8, 2016 is designated as the date for holding the election for voting on the ordinance.

**Section 3.** The election will be conducted by the Washington County Elections Department.


**Section 4.** The precincts for this election will include all of the territory within the corporate limits of the City of Sherwood.

**Section 5.** The Ballot Title and Explanatory Statement attached as Exhibits 1 and 2, respectively, are hereby approved.

**Section 6.** The City Recorder will publish the Ballot Title as required by state law. The City of Sherwood authorizes the City Recorder or her 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 7.** This Resolution shall be effective upon its approval and adoption.

**Duly passed by the City Council this 5<sup>th</sup> day of April, 2016.**

  
Krisanna Clark, Mayor

Attest:

  
Sylvia Murphy, MMC, City Recorder

**Exhibit 1**  
**Ballot Title**

**CAPTION:** City tax on marijuana retailers' sales of recreational marijuana items

**QUESTION:** Shall Sherwood impose a three percent tax on sales of recreational marijuana items by recreational marijuana retailers in the city?

**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 licensed recreational marijuana retailers. The Sherwood City Council adopted such an ordinance and referred it to this election.

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

Under state law, a city that prohibits the establishment of one or more types of marijuana facilities in the city may not impose a local tax on the sale of recreational marijuana items. A separate measure on this ballot would prohibit the establishment of certain recreational marijuana facilities in Sherwood. This local tax measure would therefore become operative only if it is approved by voters and the measure prohibiting certain recreational marijuana facilities is not approved.

**Exhibit 2**  
**Explanatory Statement**

Approval of this measure would impose a three percent tax on the sale of recreational marijuana items by recreational marijuana retailers within the City of Sherwood. The tax would be collected at the point of sale and remitted by the retailers. 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, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. The Oregon Legislature subsequently provided that a city council may adopt an ordinance imposing up to a three percent tax on the sale of recreational marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by licensed recreational marijuana retailers in the city, but the city council must refer that ordinance to the city's voters at a statewide general election. The Sherwood City Council adopted an ordinance imposing a three percent tax on the sale of recreational marijuana items by licensed recreational marijuana retailers in the city and, as a result, has referred this measure to the voters.

Under state law, a city that prohibits the establishment of one or more types of marijuana facilities in the city may not impose a local tax on the sale of recreational marijuana items. A separate measure on this ballot would prohibit the establishment of certain recreational marijuana facilities in Sherwood. This local tax measure would therefore become operative only if it is approved by voters and the measure prohibiting certain recreational marijuana facilities is not approved.