



ORDINANCE 2020-013

AMENDING CHAPTERS 3.25 AND 5.30 OF THE SHERWOOD MUNICIPAL CODE RELATING TO MARIJUANA TAXES AND BUSINESSES AND DECLARING AN EMERGENCY

WHEREAS, on November 3, 2020, City voters approved ballot measure 34-299, which repealed the prohibition on recreational marijuana facilities in the City of Sherwood; and

WHEREAS, said ballot measure also reaffirmed a prior voter approval of the imposition of a local tax on sales of recreational marijuana items as allowed by state law; and

WHEREAS, City Council formally enacted the ballot measure legislation on December 1, 2020; and

WHEREAS, as a result of the foregoing, staff has prepared this Ordinance to make various amendments to the City's code relating to marijuana taxes and business regulations, and specifically to allow for the City's local recreational marijuana tax program to be administered by the Oregon Department of Revenue, to provide consistency amongst recreational and medical marijuana business regulations, to incorporate hours of operation regulations into Chapter 5.30, and to make others housekeeping amendments; and

WHEREAS, under ORS 475B.474, the voter approved changes are effective January 1, 2021; and

WHEREAS, in order to allow the above described changes to also be effective on that same date, and to allow for Department of Revenue administration of the City's local tax beginning on that date, in alignment with its tax collection cycle, it appears to City Council that adopting this Ordinance on an emergency basis is necessary, appropriate, and in the best interest of the City; and

WHEREAS, the City Council held a public hearing on this Ordinance on December 15, 2020.

NOW, THEREFORE, THE CITY OF SHERWOOD ORDAINS AS FOLLOWS:

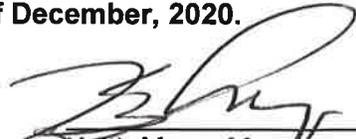
Section 1. Chapters 3.25 and 5.30 of the Sherwood Municipal Code are hereby amended to read as set forth in Exhibit A, attached to this Ordinance.

Section 2. The City Recorder is hereby directed to enter a copy of this Ordinance in the record of the proceedings of this Council and to take such other actions necessary to effectuate the amendment of the Municipal Code.

Section 3. It being necessary that this Ordinance take effect earlier than thirty days after its adoption for the reasons set forth above, an emergency is hereby declared and this Ordinance is

and shall be effective on January 1, 2021.

Duly passed by the City Council on this 15th day of December, 2020.


Keith Mays, Mayor

Attest:


Sylvia Murphy, MMC, City Recorder

	<u>AYE</u>	<u>NAY</u>
Scott	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Griffin	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Brouse	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Garland	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Rosener	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mays	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Exhibit A

Chapter 3.25 - MARIJUANA TAX

3.25.010 - Definitions.

As used in this chapter, unless the context requires otherwise:

- (1) "Marijuana item" has the meaning given that term in ORS 475B.015(19).
- (2) "Recreational 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 recreational marijuana retailer by or on behalf of a consumer of the marijuana item.
- (4) "Tax collector" means the person or agency designated as the tax collector pursuant to Section 3.25.040 below and responsible for administration of the tax established by this Chapter.

3.25.020 - Tax imposed.

As described in ORS 475B.491, the City of Sherwood hereby imposes a tax of three percent on the retail sale price of marijuana items by a recreational marijuana retailer in the area subject to the jurisdiction of the city.

3.25.030 - Collection.

The tax shall be collected at the point of sale of a marijuana item by a recreational marijuana retailer at the time at which the retail sale occurs and remitted by each recreational marijuana retailer that engages in the retail sale of marijuana items.

3.25.040 – Designation of Tax Collector

- (1) The City may enter into an intergovernmental agreement with the State of Oregon or another governmental agency whereby said agency is responsible for the administration, collection, distribution, and enforcement of the tax authorized under this Chapter. The terms of any such agreement shall apply in lieu of and shall supersede conflicting provisions of this Chapter but shall not be construed as repealing any provisions of this Chapter.
- (2) In the event the City enters into an intergovernmental agreement as set forth in subsection (1) above, the agency with which the City enters said agreement shall be designated as the tax collector for purposes of this Chapter, shall have the authority set forth in this Chapter, and may adopt such rules as are necessary to exercise such authority.
- (3) In the event the City does not enter such an intergovernmental agreement, or such agreement is terminated, the City Manager shall be designated as the tax collector for purposes of this Chapter, shall have the authority set forth in this Chapter, and may adopt such rules as are necessary to exercise such authority.

3.25.050 – Interest and Penalty.

- (1) 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 tax collector was originally required to be filed by the marijuana retailer to the time of payment.
- (2) If a marijuana retailer fails to file a return with the tax collector 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.
- (3) 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 tax collector.
- (4) Taxes, interest, and penalties transferred to City by the tax collector will be distributed to the City's general fund, subject to the restrictions set forth in this Chapter.
- (5) If at any time a marijuana retailer fails to remit any amount owed in taxes, interest or penalties, the tax collector is authorized to enforce collection on behalf of the City of the owed amount in

accordance with ORS 475B.700 to 475B.760, any agreement between the tax collector and the City under ORS 305.620, and any applicable administrative rules adopted by the tax collector.

3.25.060 – Limitation on Marijuana Tax appropriation by the City.

Any tax monies collected pursuant to Sherwood Municipal Code Chapter 3.25 may only be appropriated for public safety purposes, which shall be defined for the purposes of this chapter as any expenses associated with public safety infrastructure capital expenditures or the City of Sherwood Police Department.

Chapter 5.30 - MARIJUANA BUSINESSES

5.30.010 - Definitions.

As used in this chapter, unless the context requires otherwise:

- (1) "Marijuana" means the plant Cannabis family Cannabaceae, any part of the plant Cannabis family Cannabaceae and the seeds of the plant Cannabis family Cannabaceae.
- (2) "Recreational marijuana processor" means an entity licensed by the Oregon Liquor Control Commission to process marijuana.
- (3) "Recreational marijuana producer" means an entity licensed by the Oregon Liquor Control Commission to manufacture, plant, cultivate, grow or harvest marijuana.
- (4) "Recreational marijuana retailer" means an entity licensed by the Oregon Liquor Control Commission to sell marijuana items to a consumer in this state.
- (5) "Recreational marijuana wholesaler" means an entity licensed by the Oregon Liquor Control Commission to purchase marijuana items in this state for resale to a person other than a consumer.
- (6) "Recreational marijuana laboratory" means an entity licensed by the Oregon Liquor Control Commission to perform qualitative and quantitative analysis on any marijuana items produced, processed, or otherwise manufactured for recreational or medical use in this state.
- (7) "Medical marijuana dispensary" means a retail facility that is either (1) registered by the Oregon Health Authority or (2) designated as an exclusively medical license holder by the Oregon Liquor Control Commission under ORS 475.B.131, and that is allowed under state law to receive marijuana, immature marijuana plants or usable marijuana products (such as edible products, ointments, concentrates or tinctures) and to transfer said marijuana, immature plants, or usable products to a person with a valid Oregon Medical Marijuana Program card (a patient or the patient's caregiver).

5.30.020 – Hours of Operation.

- (1) Recreational marijuana retailers and medical marijuana dispensaries shall operate only between the hours of 10:00 a.m. to 8:00 p.m. Sunday through Thursday.
- (2) Recreational marijuana retailers and medical marijuana dispensaries shall operate only between the hours of 10:00 a.m. to 10:00 p.m. Friday and Saturday.
- (3) An individual facility may set hours within the parameters specified above, but may not be open outside those parameters.