

House Bill 2382

Sponsored by Representative SMITH DB, Senators ROBLAN, HEARD (at the request of Association of Oregon Counties) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows certain counties to adopt ordinance to impose tax on medical and recreational marijuana production.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to county taxes on marijuana production sites; creating new provisions; amending ORS
3 475B.491; prescribing an effective date; and providing for revenue raising that requires approval
4 by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 475B.491 is amended to read:

7 475B.491. (1)(a) Except as expressly authorized by this section, the authority to impose a tax or
8 fee on the production, processing or sale of marijuana items in this state is vested solely in the
9 Legislative Assembly.

10 (b) Except as expressly authorized by this section, a county, city or other municipal corporation
11 or district may not adopt or enact ordinances imposing a tax or fee on the production, processing
12 or sale of marijuana items in this state.

13 (2) Subject to subsection (4) of this section, the governing body of a city or county may adopt
14 an ordinance to be referred to the electors of the city or county as described in subsection (3) of
15 this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area
16 subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a
17 county by a marijuana retailer that holds a license issued under ORS 475B.105.

18 (3) If the governing body of a city or county adopts an ordinance under this section, the gov-
19 erning body shall refer the measure of the ordinance to the electors of the city or county for ap-
20 proval at the next statewide general election.

21 (4) An ordinance adopted under **subsection (2) of** this section may not impose a tax or fee:

22 (a) In excess of three percent; or

23 (b) On a registry identification cardholder or on a designated primary caregiver who is pur-
24 chasing a marijuana item for a registry identification cardholder.

25 **(5)(a) As used in this subsection:**

26 **(A) "Marijuana production site" means:**

27 **(i) A premises for which a license has been issued under ORS 475B.070; or**

28 **(ii) The marijuana grow site of a person designated to produce marijuana by a registry**
29 **identification cardholder.**

30 **(B) "Qualifying county" means a county that:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (i) Received payments under the federal Secure Rural Schools Program during the 2008
2 calendar year in an amount that was equal to at least 30 percent of all moneys deposited into
3 the county general fund in that same period; and

4 (ii) Has not adopted an ordinance to prohibit the establishment of an entity for which a
5 license under ORS 475B.070 is required.

6 (b) The governing body of a qualifying county may adopt an ordinance to be referred to
7 the electors of the county as described in subsection (3) of this section that imposes a tax
8 on each marijuana production site located in the unincorporated area subject to the juris-
9 diction of the county. The tax must be based on:

10 (A) For a marijuana production site for which a license has been issued under ORS
11 475B.070, the maximum canopy size allowed under the license issued for that marijuana
12 production site.

13 (B) For a marijuana production site of a person designated to produce marijuana by a
14 registry identification cardholder, the maximum number of mature plants allowed for that
15 marijuana production site.

16 (c) The Oregon Health Authority or the Oregon Liquor Control Commission may suspend,
17 revoke or refuse to renew a license under ORS 475B.070 or a registration under ORS 475B.810
18 if the person who holds the license or registration fails to remit to the county the tax de-
19 scribed in this subsection.

20 (d) An ordinance adopted under this subsection may not impose a tax in excess of:

21 (A) For a marijuana production site for which a license has been issued under ORS
22 475B.070, \$1 per square foot of canopy allowed for the marijuana production site.

23 (B) For a marijuana production site of a person designated to produce marijuana by a
24 registry identification cardholder, \$50 per mature marijuana plant allowed for that marijuana
25 production site.

26 (e) The authority and the commission shall provide to a qualifying county that adopts an
27 ordinance under this subsection all information in the possession of the authority and the
28 commission that is necessary for the county to accurately impose and collect the tax, in-
29 cluding but not limited to information related to the identification of the person that holds
30 the license or registration, the location and mailing address of the marijuana production site,
31 the maximum allowable mature marijuana plant count and the maximum allowable canopy
32 size.

33 (6) The governing body of a qualifying county may impose a tax under either or both
34 subsections (2) and (5) of this section.

35 **SECTION 2.** The amendments to ORS 475B.491 by section 1 of this 2019 Act apply to
36 marijuana produced on or after January 1, 2020.

37 **SECTION 3.** (1) The amendments to ORS 475B.491 by section 1 of this 2019 Act become
38 operative on January 1, 2020.

39 (2) The Oregon Health Authority and the Oregon Liquor Control Commission may take
40 any action before the operative date specified in subsection (1) of this section that is neces-
41 sary to enable the authority and the commission to exercise, on and after the operative date
42 specified in subsection (1) of this section, all of the duties, functions and powers conferred
43 on the authority and the commission by the amendments to ORS 475B.491 by section 1 of this
44 2019 Act.

45 **SECTION 4.** This 2019 Act takes effect on the 91st day after the date on which the 2019

1 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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