

# House Bill 2505

Sponsored by Representative OWENS, Senator FINDLEY (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**.

Increases maximum percentage of tax that governing body of city or county may impose on sale of marijuana items. Requires percentage of newly enacted or increased amount to be transferred to county in which collecting retail establishment is located, provided county is eligible for Oregon Marijuana Account distributions.

Applies to marijuana items sold on or after January 1, 2024.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to local marijuana taxes; creating new provisions; amending ORS 475C.453; and prescribing  
3 an effective date.

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

5 **SECTION 1.** ORS 475C.453 is amended to read:

6 475C.453. (1)(a) Except as expressly authorized by this section, the authority to impose a tax or  
7 fee on the production, processing or sale of marijuana items in this state is vested solely in the  
8 Legislative Assembly.

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

12 (2) Subject to subsection (4) of this section, the governing body of a city or county may adopt  
13 an ordinance to be referred to the electors of the city or county as described in subsection (3) of  
14 this section that imposes a tax or a fee on the sale of marijuana items that are sold in the area  
15 subject to the jurisdiction of the city or the unincorporated area subject to the jurisdiction of a  
16 county by a marijuana retailer that holds a license issued under ORS 475C.097.

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

20 (4) An ordinance adopted under this section may not impose a tax or fee:

21 (a) In excess of *[three]* **10** percent; or

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

24 **SECTION 2. The amendments to ORS 475C.453 by section 1 of this 2023 Act apply to taxes**  
25 **imposed on marijuana items sold on or after January 1, 2024.**

26 **SECTION 3. Section 4 of this 2023 Act is added to and made a part of ORS 475C.670 to**  
27 **475C.734.**

28 **SECTION 4. (1) If the governing body of a city by ordinance imposes or increases a tax**  
29 **or fee on the sale of marijuana items, 20 percent of the proceeds of the tax or fee collected**

**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 shall be transferred to the county in which the retail establishment collecting the tax is lo-  
2 cated.

3 (2) Subsection (1) of this section applies only to:

4 (a) Cities located in counties that are eligible under ORS 475C.726 (3)(c) to receive  
5 transfers from the Oregon Marijuana Account; and

6 (b) A tax or fee that is newly enacted after the effective date of this 2023 Act or that  
7 amount that is attributable to a tax or fee increase enacted after the effective date of this  
8 2023 Act.

9 SECTION 5. This 2023 Act takes effect on the 91st day after the date on which the 2023  
10 regular session of the Eighty-second Legislative Assembly adjourns sine die.

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