

Senate Bill 1135

Sponsored by Senator SMITH DB

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act lets some counties tax marijuana that is grown in the county. (Flesch Readability Score: 76.5).

Allows a qualifying county to adopt an ordinance to impose a tax on adult-use and medical marijuana production. Defines "qualifying county."

Takes effect on the 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 475C.453; 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 475C.453 is amended to read:

7 475C.453. (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 475C.097.

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 475C.065; or**

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

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

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

5 (ii) Has not adopted an ordinance to prohibit the establishment of an entity for which a
6 license under ORS 475C.065 is required.

7 (b) The governing body of a qualifying county may adopt an ordinance to be referred to
8 the electors of the county as described in subsection (3) of this section that imposes a tax
9 that is not in excess of three percent on a marijuana production site located in the
10 unincorporated area subject to the jurisdiction of the county. The tax must be based on the
11 total amount of marijuana produced in a tax year at the marijuana production site that is
12 sold or transferred to an entity located outside the qualifying county in which the marijuana
13 production site is located.

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

16 SECTION 2. The amendments to ORS 475C.453 by section 1 of this 2025 Act apply to
17 marijuana produced on or after January 1, 2026.

18 SECTION 3. (1) The amendments to ORS 475C.453 by section 1 of this 2025 Act become
19 operative on January 1, 2026.

20 (2) The Oregon Health Authority and the Oregon Liquor and Cannabis Commission may
21 take any action before the operative date specified in subsection (1) of this section that is
22 necessary to enable the authority and the commission to exercise, on and after the operative
23 date specified in subsection (1) of this section, all of the duties, functions and powers con-
24 ferred on the authority and the commission by the amendments to ORS 475C.453 by section
25 1 of this 2025 Act.

26 SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025
27 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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