

**ORDINANCE NO. 17-1002**

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**AN ORDINANCE OF THE CITY OF OREGON CITY AMENDING THE OREGON CITY MUNICIPAL CODE CHAPTER 3.06, MARIJUANA AND MARIJUANA-INFUSED PRODUCTS TAX**

**WHEREAS**, in November of 2016, the citizens of Oregon City authorized the imposition of a tax upon the sale of marijuana and marijuana infused products through a vote on a referred measure; and

**WHEREAS**, the Measure imposing a tax on marijuana and marijuana infused products authorized the City to contract with an entity, including the State of Oregon, to administer and collect the tax; and

**WHEREAS**, the City has begun discussions with the Oregon Department of Revenue to administer the marijuana tax program and to collect the taxes for the City; and

**WHEREAS**, the Oregon Department of Revenue has identified technical changes to the City's taxation measure that would facilitate the collection of taxes, in particular, changes to the imposition of penalties and interest for late or non-payment of the tax; and

**WHEREAS**, the City wishes to amend the tax on marijuana and marijuana infused products to align the City's taxation program with the requirements of the Oregon Department of Revenue.


**NOW, THEREFORE, THE CITY OF OREGON CITY ORDAINS AS FOLLOWS:**

Section 1. The City hereby amends Section 3.06.060 of the Oregon City Municipal Code relating to penalties and interest on the collection of tax on marijuana and marijuana infused products by repealing Section 3.06.060 in its entirety and adopting as Section 3.06.060 the language contained in "Exhibit A", attached hereto, with additions shown in underline and deletions shown in ~~strikethrough~~.

Section 2. Severability. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

Section 3. Effectiveness. This Ordinance shall take effect 30 days from the date of adoption.

Read for the first time at a regular meeting of the City Commission held on the 1<sup>st</sup> day of February, and the City Commission finally enacted the foregoing ordinance this 15<sup>th</sup> day of February, 2017.

  
DAN HOLLADAY, Mayor

Attested to this 15<sup>th</sup> day of February, 2017,

  
Kattie Riggs, City Recorder

Approved as to legal sufficiency:

  
City Attorney

Attachment:  
Exhibit A – Oregon City Municipal Code Amendments

## Exhibit A

### 3.06.060 - Penalties and interest.

~~A. Any seller who fails to remit any portion of any tax imposed by this chapter within the time required must pay a penalty of ten percent of the amount of the tax, in addition to the amount of the tax.~~

~~B. If any seller fails to remit any delinquent remittance on or before a period of sixty days following the date on which the remittance first became delinquent, the seller must pay a second delinquency penalty of ten percent of the amount of the tax in addition to the amount of the tax and the penalty first imposed.~~

~~C. If the director determines that the nonpayment of any remittance due under this chapter is due to fraud, a penalty of twenty-five percent of the amount of the tax will be added thereto in addition to the penalties stated in subsections A and B of this section.~~

~~D. In addition to the penalties imposed, any seller who fails to remit any tax imposed by this chapter must pay interest at the rate one percent per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.~~

~~E. In addition, failure to pay the tax or fraud in that payment may be grounds for revocation of a business license as required by Section 5.04.060.~~

~~F. Every penalty imposed, and any interest as accrues under the provisions of this section, becomes a part of the tax required to be paid.~~

~~G. All sums collected pursuant to the penalty provisions in subsections A and C of this section will be distributed to the city's general fund.~~

~~H. Penalties for certain late tax payments may be waived or reduced pursuant to policies and processes adopted by the finance department. However, the finance department is not required to create a penalty waiver or reduction policy. If the finance department does not create a policy for waivers or reductions, no waivers or reductions are allowed.~~

A. 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 Director was originally required to be filed by the marijuana retailer to the time of payment.

B. If a marijuana retailer fails to file a return with the Director 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.

C. 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 Oregon Department of Revenue.

D. Taxes, interest and penalties transferred to Oregon City by the Oregon Department of Revenue will be distributed to Oregon City's General Fund.

E. If at any time a marijuana retailer fails to remit any amount owed in taxes, interest or penalties, the Director is authorized to enforce collection on behalf of the City of the owed amount in any manner allowed by law, including in accordance with ORS 475B.700 to 475B.755, any agreement between the Oregon Department of Revenue and Oregon City under ORS 305.620 and any applicable administrative rules adopted by the Oregon Department of Revenue.