

House Bill 3175

Sponsored by Representative SMITH DB; Representative LEIF, Senator HEARD

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 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, "marijuana production site" means:**

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

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

29 **(b) The governing body of a county may adopt an ordinance to be referred to the electors**
30 **of the county as described in subsection (3) of this section that imposes a tax that is not in**
31 **excess of three percent on a marijuana production site located in the county. The tax must**

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 be based on the total amount of marijuana produced in a tax year at the marijuana pro-
2 duction site that is sold or transferred to an entity located outside the county in which the
3 marijuana production site is located.

4 (6) The governing body of a county may impose a tax under subsections (2) and (5) of this
5 section.

6 SECTION 2. The amendments to ORS 475B.491 by section 1 of this 2021 Act apply to
7 marijuana produced on or after January 1, 2022.

8 SECTION 3. (1) The amendments to ORS 475B.491 by section 1 of this 2021 Act become
9 operative on January 1, 2022.

10 (2) The Oregon Health Authority and the Oregon Liquor Control Commission may take
11 any action before the operative date specified in subsection (1) of this section that is neces-
12 sary to enable the authority and the commission to exercise, on and after the operative date
13 specified in subsection (1) of this section, all of the duties, functions and powers conferred
14 on the authority and the commission by the amendments to ORS 475B.491 by section 1 of this
15 2021 Act.

16 SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021
17 regular session of the Eighty-first Legislative Assembly adjourns sine die.

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