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

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

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

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

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

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

(3) If the governing body of a city or county adopts an ordinance under this section, the governing body shall refer the measure of the ordinance to the electors of the city or county for approval at the next statewide general election.

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

(a) In excess of three percent; or

(b) On a registry identification cardholder or on a designated primary caregiver who is purchasing a marijuana item for a registry identification cardholder.

(5)(a) As used in this subsection, “marijuana production site” means:

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

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

(b) The governing body of a county may adopt an ordinance to be referred to the electors of the county as described in subsection (3) of this section that imposes a tax that is not in 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.

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

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

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

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

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

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

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