

**CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS**  
**Sitting/Acting as (if applicable)**  
**Policy Session Worksheet**

**Presentation Date:** Tuesday, July 19      **Approx Start Time:** 2:00 pm

**Approx Length:** 1 Hour

**Presentation Title:** Ballot Measure – Marijuana 3% Tax Ordinance

**Department:** County Counsel/DTD/PGA

**Presenters:** Stephen L. Madkour, Barbara Cartmill, Gary Schmidt

**Other Invitees:**

**WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?**

Authorization to proceed with preparing resolution to file a ballot measure with the clerk for publication of notice and eventual placement on the November ballot.

**EXECUTIVE SUMMARY:**

The Board of County Commissioners has requested that staff prepare a ballot title for a marijuana tax measure to be placed on the November election ballot. A revised version of the draft ballot measure is attached.

**FINANCIAL IMPLICATIONS (current year and ongoing):**

Estimates only. Please see attached.

Is this item in your current budget?       YES       NO

What is the cost?      \$

What is the funding source?

**STRATEGIC PLAN ALIGNMENT:**

- How does this item align with the County's Performance Clackamas goals? This aligns with the Performance Clackamas goals of Building Public Trust through Good Government by voter involvement in all taxing decisions.

**LEGAL/POLICY REQUIREMENTS:**

A number of legal/policy issues are relevant to this issue.

**Ballot Measure Requirements:**

- The question must include three components:

- A ballot title – the caption that describes the subject of the referral (up to 10 words)
- The question of the referral (up to 20 words), and
- A summary describing the major effects of the referral (up to 175 words)

The question may also include a 500-word explanatory statement.

**Timeline for November 8 election:**

1. No later than **Friday, August 19**, the ballot title, question and summary must be sent to the County Clerk for publication.
2. There is a seven-day ballot title challenge period. If the title is challenged, the county would be in court for first and final review.
3. On **September 8**, all challenges must be completed and Form 801 submitted to the clerk.
4. The measure would be included in the voter’s pamphlet in which interested parties could include arguments in favor or against. Such arguments are due by **September 12**.

The Ballot Measures will require forwarding to the clerk who publishes notice of the measure, which is then subject to a ballot title challenge. Only after that period expires will the measure formally be referred to the ballot for the November election. The marijuana tax issue differs slightly from the motor vehicle tax issue because ORS 475B states that the County may adopt an ordinance that shall be referred to the voters. This process is not typical for either tax questions or ordinance adoption.

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

The Ballot Measure will require a Resolution formally referring the matter to the clerk to be published and placed on the ballot.

**OPTIONS:**

Marijuana Tax

1. Refer the 3% marijuana Ordinance and tax authorization measure as drafted;
2. Refer the 3% marijuana Ordinance and tax authorization measure as amended.

**RECOMMENDATION:**

1. Direct staff to finalize ordinance and tax question for referral on the November election.

**ATTACHMENTS:**

1. Draft Ordinance and ballot measure imposing 3% marijuana tax

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_

Department Director/Head Approval \_\_\_\_\_

County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact Stephen L. Madkour, County Counsel, [SMadkour@clackamas.us](mailto:SMadkour@clackamas.us) or 503-655-8362.

## **BALLOT TITLE**

### **CAPTION (10 words):**

Imposes 3% County Tax on Retail Sales of Marijuana Items

### **QUESTION (20 words):**

Shall Clackamas County impose a 3% tax on the sale of retail marijuana items in unincorporated areas of Clackamas County?

### **BALLOT SUMMARY (175 words):**

Under state law, a county governing body may adopt an ordinance to be referred to the voters of the County imposing up to a three percent tax or fee on the sale of retail recreational marijuana items in unincorporated areas of the county by a state licensed marijuana retailer.

Approval of this measure would impose a three percent tax on the sale of marijuana items in the unincorporated area of the county by a state licensed marijuana retailer. The tax would be collected at the point of sale and remitted by the marijuana retailer. "Marijuana items" means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts. Revenues from the tax will be directed towards code enforcement, law enforcement, juvenile and adult dependency and addiction, and public health and safety services.

## EXPLANATORY STATEMENT

An impartial, simple and understandable statement explaining the measure and its effect for use in the county voters' pamphlet

*500 word limit under ORS 251.345 and OAR 165-022-0040(3)*

Approval of this measure would impose a three percent tax on the sale of recreational marijuana items by a marijuana retailer within the unincorporated area of Clackamas County. The tax would apply only to unincorporated areas of Clackamas County. If approved, the annual revenues from this tax are estimated to be approximately \$180,000. There are no restrictions on how the county may use the revenues generated by this tax, but the County proposes to devote the revenues to those services potentially impacted by marijuana sales and usage such as County Code enforcement, law enforcement, juvenile and adult dependency and addiction, and public health and safety services.

Under Measure 91, adopted by Oregon voters in November 2014, codified in ORS chapter 475B and amended by the Legislature in 2015 and 2016, the Oregon Liquor Control Commission must license the retail sale of recreational marijuana. ORS 475B.345 provides that a county governing body may adopt an ordinance imposing up to a three percent tax on the sale of marijuana items (which include marijuana concentrates, extracts, edibles, and other products intended for human consumption and use) by retail licensees in the unincorporated areas of the County, but the ordinance must be referred to the county voters at a statewide general election. If the measure is approved by the voters, the governing body will adopt an ordinance imposing a three percent tax on the sale of marijuana items by a retail licensee in the unincorporated areas of the county. The tax will become effective 90 days after adoption of the ordinance.