

MEMORANDUM

TO: Mayor and City Council

FROM: Roberta Likens, Finance Director

SUBJECT: ORDINANCE NO. 3069, AN ORDINANCE AMENDING CHAPTER 5.40 OF THE COTTAGE GROVE MUNICIPAL CODE, SECOND READING.

DATE: December 7, 2016

Background

At the November 28, 2016 City Council meeting, the City Council adopted Resolution No. 1917, setting the marijuana tax rate at 3% on the sales of recreational marijuana items, including marijuana, marijuana products, and marijuana extracts, by recreational marijuana retailers licensed by the Oregon Liquor Control Commission, and located within the City of Cottage Grove.

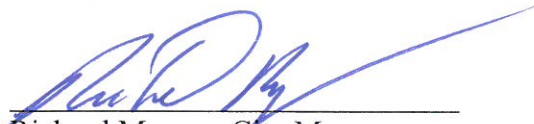
The Council at the same meeting held the first vote on Ordinance No 3069, amending Chapter 5.40 of the Municipal Code to allow the City to enter into an intergovernmental agreement (IGA) for the collection of the recreational marijuana tax.

Recommendation

That the City Council hold the second vote to adopt Ordinance No. 3069.

Cost

No cost.


Richard Meyers, City Manager


Roberta Likens, Finance Director

ORDINANCE NO. 3069
AN ORDINANCE AMENDING CHAPTER 5.40 OF THE
COTTAGE GROVE MUNICIPAL CODE

WHEREAS, Section 4 of the Charter of the City of Cottage Grove provides that the City has all powers that the constitutions, statutes and common law of the United States and Oregon expressly or impliedly grant or allow the City, as fully as though this charter specifically enumerated each of those powers; and

WHEREAS, ORS 475B.345 allows the City of Cottage Grove to impose a local tax of up to 3% on retail sales of recreational marijuana items within the City if the local tax is approved by the voters of the City at general election; and

WHEREAS, the Cottage Grove City Council referred Ordinance No. 3068, an ordinance imposing a local tax on retail sales of recreational marijuana items within the City and adding Chapter 5.40 to the Cottage Grove Municipal Code, to the voters of Cottage Grove at the November, 2016 general election; and

WHEREAS, on November 8, 2016, the voters of the City of Cottage Grove approved Ordinance No. 3068; and

WHEREAS, on November 28, 2016, the Cottage Grove City Council adopted a resolution setting rate of the local marijuana tax at 3%; and

WHEREAS, the Cottage Grove City Council wants to ensure both that the City can administer its local marijuana tax if need be, but that the City also has the flexibility to contract with another agency or entity to administer the tax;

NOW THEREFORE, THE CITY OF COTTAGE GROVE ORDAINS AS FOLLOWS:

SECTION 1. Title 5, Chapter 5.40 of the Cottage Grove Municipal Code is amended to add the following section:

5.40.070 INTERGOVERNMENTAL AGREEMENT FOR COLLECTION OF TAX

Notwithstanding any other provision of this Chapter, the City may enter into an intergovernmental agreement authorized by ORS 190.010, ORS 190.110, or ORS 305.620 for collection of the tax imposed by section 5.40.020 of this Code. The City Council shall authorize an intergovernmental agreement entered into pursuant to this section 5.40.070 by resolution, after making a finding that any collection, enforcement, appeal, or refund procedures authorized by the intergovernmental agreement are comparable to, or provide greater protections to marijuana retailers and to the public, than the procedures set out in sections 5.40.040 through 5.40.060 of this Code. If an intergovernmental agreement entered into pursuant to this section 5.40.070 is approved by Council resolution, the tax collection and enforcement procedures authorized by the

intergovernmental agreement shall govern collection of the tax imposed by section 5.40.020 of this Code as provided in the intergovernmental agreement.

SECTION 2. SEVERABILITY. Any provision of this Ordinance which proves to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Ordinance, and the remaining provisions of this Ordinance shall remain in full force and effect.

SECTION 3. EFFECTIVE DATE. This ordinance shall take effect on the 30th day after its adoption by the Cottage Grove City Council.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 12TH DAY OF DECEMBER, 2016.

Thomas C. Munroe, Mayor

Dated: _____

ATTEST:

Richard Meyers, City Manager

Dated: _____