

**CITY OF COOS BAY CITY COUNCIL**  
**Agenda Staff Report**

<b>MEETING DATE</b> July 19, 2016	<b>AGENDA ITEM NUMBER</b>
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TO: Mayor Shoji and City Councilors

FROM: Susanne Baker, Finance Director

THROUGH: Rodger Craddock, City Manager

ISSUE Resolution 16-11 and 16-17 Marijuana Activities and Tax Ballot Measures

**BACKGROUND**

At the June 7, 2016 City Council meeting, staff was directed to prepare the documents to file ballot measures for the November 8, 2016 election. At the subsequent July 5<sup>th</sup> Council meeting, the City Attorney was asked to provide more information in the summary section of the SEL 802 regarding what marijuana activities would be permitted. The following is the revised summary section:

Currently, the City’s business license requirements prohibit any type of business which violates Federal, State, or local laws. While Oregon law allows for marijuana dispensaries and other marijuana related activities, the use and sale of marijuana remains illegal under Federal law. An affirmative vote on this measure would amend the City’s business license requirements to permit the establishment of state – registered and licensed medical and recreational marijuana *businesses* in the City that are *in compliance with local land use ordinances*, despite Federal law prohibiting the use and sale of marijuana.

**ADVANTAGES**

Following this process will place the two questions on the November 8, 2016 ballot.

**DISADVANTAGES**

Not adopting the resolutions will result in the questions not being placed on the ballot.

**BUDGET**

Including the questions on the General election ballot in November will not result in a cost to the City other than advertising.

**RECOMMENDATION**

If the City Council would like these measures to appear on the November ballot, adopt Resolution 16-11 to submit to the electors, “should the business license ordinance be amended to allow state registered and licensed marijuana businesses operate within the City” (SEL 802); and Resolution 16-17, “should Coos Bay impose a three percent tax on sales of marijuana items by recreational marijuana retailers in the City” (SEL 802).

**RESOLUTION NO 16-11**

**A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, CALLING A MEASURE ELECTION TO SUBMIT TO THE ELECTORS OF THE CITY THE QUESTION OF WHETHER STATE LICENSED MARIJUANA BUSINESS BE ALLOWED WITHIN THE CITY.**

WHEREAS, the City Council of the City of Coos Bay, Coos County, Oregon (the "City"), has approved a summary of the ballot measure:

Currently, the City's business license requirements prohibit any type of business which violates Federal, State, or local laws. While Oregon law allows for marijuana dispensaries and other marijuana related activities, the use and sale of marijuana remains illegal under Federal law. An affirmative vote on this measure would amend the City's business license requirements to permit the establishment of state – registered and licensed medical and recreational marijuana businesses in the City that are in compliance with local land use ordinances, despite Federal law prohibiting the use and sale of marijuana.

BE IT RESOLVED by the City Council of the City of Coos Bay, Coos County, Oregon, that:

- A. A measure election is hereby called for the purpose of submitting to the electors of the City the question of should the business license ordinance be amended to allow state registered and licensed marijuana businesses to operate within the city.
- B. The measure election hereby called shall be held on the 8<sup>th</sup> day of November 2016.
- C. The City authorizes the City Manager, Finance Director, or the designee of either of those officials (each an "Authorized Representative") to act on behalf of the City and to take such further action as is necessary to carry out the intent and purposes herein in compliance with the applicable provisions of law.
- D. Pursuant to ORS 250.275(5) and 250.296, the City Elections official shall publish the ballot title, by July 28, 2016, in The World or in some other newspaper of general distribution within the City, a notice of receipt of the ballot title including notice that a dissatisfied registered voter may file a petition with the Circuit Court for review of the ballot title not later than the seventh business day after the ballot title is filed in substantially the form of Exhibit B.
- E. Pursuant to ORS 254.095, the City Elections official will deliver a Notice of City Measure Election in substantially the form of Exhibit A to the Coos County Elections Office.
- F. This resolution shall take effect immediately upon its adoption by the City Council.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Coos County, Oregon this 19<sup>th</sup> day of July 2016.

\_\_\_\_\_  
Crystal Shoji, Mayor

ATTEST:

\_\_\_\_\_  
Susanne Baker, City Recorder

# Notice of Measure Election

EXHIBIT A

SEL 802

rev 01/16 ORS 250.035, 250.041,  
250.275, 250.285, 254.095, 254.465

City

## Notice

**Date of Notice**

August 1, 2016

**Name of City or Cities**

City of Coos Bay

**Date of Election**

November 8, 2016

**Final Ballot Title** The following is the final ballot title of the measure to be submitted to the city's voters. The ballot title notice has been published and the ballot title challenge process has been completed.

**Caption** 10 words which reasonably identifies the subject of the measure.

Shall state licensed marijuana business be allowed within the city.

**Question** 20 words which plainly phrases the chief purpose of the measure.

Should the business license ordinance be amended to allow state registered and licensed marijuana businesses to operate within the city?

**Summary** 175 words which concisely and impartially summarizes the measure and its major effect.

Currently, the City's business license requirements prohibit any type of business which violates Federal, State, or local laws. While Oregon law allows for marijuana dispensaries and other marijuana related activities, the use and sale of marijuana remains illegal under Federal law. An affirmative vote on this measure would amend the City's business license requirements to permit the establishment of state – registered and licensed medical and recreational marijuana businesses in the City that are in compliance with local land use ordinances, despite Federal law prohibiting the use and sale of marijuana.

**Explanatory Statement** 500 words that impartially explains the measure and its effect.

If the county is producing a voters' pamphlet an explanatory statement must be drafted and attached to this form for:

- any measure referred by the city governing body; **or**
- any initiative or referendum, if required by local ordinance.

**Explanatory Statement Attached?**

Yes

No

**Authorized City Official** Not required to be notarized.

**Name**

Rodger Craddock

**Title**

City Manager

**Mailing Address**

500 Central Ave, Coos Bay, Oregon, 97420

**Contact Phone**

541-269-8915

*By signing this document:*

- I hereby state that I am authorized by the city to submit this Notice of Measure Election; **and**
- I certify that notice of receipt of ballot title has been published and the ballot title challenge process for this measure completed.

Signature

Date Signed

Agenda #9

**EXHIBIT B**

**NOTICE OF RECEIPT OF BALLOT TITLE**

Notice is hereby given that a ballot title for a measure referred by the City has been filed with the City Recorder on July 19, 2016. The ballot title caption is shall state licensed marijuana business be allowed within the City. An elector may file a petition for review of this ballot title in Coos County Circuit Court no later than 5:00 p.m., July 28, 2016 (seven (7) business days after filing of this notice with the City Recorder) under ORS 250.296.

\_\_\_\_\_  
Signature of authorized City Elections Officer

\_\_\_\_\_  
Date signed

Susanne Baker  
Printed name of authorized City Election Authority

City Recorder  
Title

This legal notice is to be published by the City Recorder in The World, Coos Bay, Oregon, or in another newspaper of general distribution within the City.

**RESOLUTION 16-17**

**A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, CALLING A MEASURE ELECTION TO SUBMIT TO THE ELECTORS OF THE CITY THE QUESTION OF WHETHER COOS BAY SHALL IMPOSE A THREE PERCENT TAX ON SALES OF MARIJUANA ITEMS BY RECREATIONAL MARIJUANA RETAILERS IN THE CITY?**

WHEREAS, the City Council of the City of Coos Bay, Coos County, Oregon (the "City"), has approved a summary of the ballot measure:

If adopted by the voters, this measure would impose a three percent sales tax on sales of 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 Coos Bay. The tax would be collected by the recreational marijuana retailer at the point of sale. The recreational marijuana retailer would remit the three percent tax to the City. The three percent City tax would be imposed in addition to any state taxes on the sale of marijuana items by a recreational marijuana retailer. The three percent City tax would not be imposed on medical marijuana sales. The three percent City tax would not be imposed on sales of recreational marijuana to anyone other than a consumer.

BE IT RESOLVED by the City Council of the City of Coos Bay, Coos County, Oregon, that:

- A. A measure election is hereby called for the purpose of submitting to the electors of the City the question of whether Coos Bay shall impose a three percent tax on sales of marijuana items by recreational marijuana retailers in the City.
- B. The measure election hereby called shall be held on the 8<sup>th</sup> day of November 2016.
- C. The City authorizes the City Manager, Finance Director, or the designee of either of those officials (each an "Authorized Representative") to act on behalf of the City and to take such further action as is necessary to carry out the intent and purposes herein in compliance with the applicable provisions of law.
- D. Pursuant to ORS 250.275(5) and 250.296 the City Elections official shall publish the ballot title, by July 28, 2016, in The World or in some other newspaper of general distribution within the City, a notice of receipt of the ballot title including notice that a dissatisfied registered voter may file a petition with the Circuit Court for review of the ballot title not later than the seventh business day after the ballot title is filed in substantially the form of Exhibit B.
- E. Pursuant to ORS 254.095, the City Elections official will deliver a Notice of City Measure Election in substantially the form of Exhibit A to the Coos County Elections Office.
- F. This resolution shall take effect immediately upon its adoption by the City Council.

The foregoing resolution was duly adopted by the City Council of the City of Coos Bay, Coos County, Oregon this 19<sup>th</sup> day of July 2016.

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Crystal Shoji, Mayor

ATTEST:

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Susanne Baker, City Recorder

# Notice of Measure Election

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**Caption** 10 words which reasonably identifies the subject of the measure.

City tax on recreational marijuana retailers' sale of marijuana items

**Question** 20 words which plainly phrases the chief purpose of the measure.

Shall Coos Bay impose a three percent tax on sales of marijuana items by recreational marijuana retailers in the city?

**Summary** 175 words which concisely and impartially summarizes the measure and its major effect.

If adopted by the voters, this measure would impose a three percent sales tax on sales of 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 Coos Bay. The tax would be collected by the recreational marijuana retailer at the point of sale. The recreational marijuana retailer would remit the three percent tax to the City. The three percent City tax would be imposed in addition to any state taxes on the sale of marijuana items by a recreational marijuana retailer. The three percent City tax would not be imposed on medical marijuana sales. The three percent City tax would not be imposed on sales of recreational marijuana to anyone other than a consumer.

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City Manager

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Signature of authorized City Elections Officer

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Date signed

Susanne Baker  
Printed name of authorized City Election Authority

City Recorder  
Title

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