

AN ORDINANCE RELATING TO THE CITY TAX ON THE SALE OF MARIJUANA
ITEMS; AMENDING SRC 32.025 and 32.065; AND DECLARING AN EMERGENCY.

Section 1. SRC 32.025 is amended to read as follows:

(a) Interest shall be added to the overall tax amount due at the same rate established under ORS 305.220 for each month, or fraction of a month, from the time the return was originally required to be filed by the marijuana retailer to the time of payment. Any seller who fails to remit any portion of any tax imposed by this Chapter within the time required shall pay a penalty of ten percent (10%) of the amount of the tax, in addition to the amount of the tax.

(b) If a marijuana retailer fails to file a return or pay the tax as required, a penalty shall be imposed upon the marijuana retailer in the same manner and amount as provided under ORS 314.400. Any seller who fails to remit any delinquent remittance on or before a period of 60 days following the date on which the remittance first became delinquent, shall pay a second delinquency penalty of ten percent (10%) of the amount of the tax, in addition to the amount of the tax and the penalty first imposed.

(c) Every penalty imposed, and any interest that accrues, becomes a part of the financial obligation required to be paid and remitted by the marijuana retailer. If the Director determines that the nonpayment of any remittance due under this Chapter is due to fraud, a penalty of twenty five percent (25%) of the amount of the tax shall be added hereto, in addition to the penalties stated in subsections (a) and (b) of this section.

(d) In addition to the Director, if at any time a marijuana retailer fails to remit any amount owed in taxes, interest or penalties, the Oregon Department of Revenue is authorized to enforce collection on behalf of the City of the amount owed in accordance with ORS 475B.700 to 475B.755, any applicable administrative rules adopted by the Oregon Department of Revenue, pursuant to any agreement between the Oregon Department of Revenue and the City of Salem under ORS 305.620. In addition to the penalties imposed, any seller who fails to remit any tax imposed by

1 this Chapter shall pay interest at the rate of nine percent (9%) per month or fraction
2 thereof on the amount of the tax, exclusive of penalties, from the date on which the
3 remittance first became due.

4 ~~(e) Every penalty imposed, and such interest as accrues under the provisions of this~~
5 ~~section, shall become a part of the tax required to be paid.~~

6 ~~(ef) Notwithstanding SRC 32.020(c), all sums collected pursuant to the penalty~~
7 ~~provisions in subsection (a), (b), or (c), or the interest provision in subsection (d) of~~
8 this section shall be distributed to the City of Salem General Fund to offset the costs
9 of auditing and enforcement of this tax.

10 ~~(g) Waiver of Penalties. A seller may petition the Director for waiver and refund of the~~
11 ~~penalty or any portion thereof. The petition must be in writing and submitted to the~~
12 ~~Director within 90 days of the remittance due date. The Director shall make a~~
13 ~~determination within 30 days of receiving the petition.~~

14 **Section 2.** SRC 32.065 is amended as to read as follows:

15 **32.065. Forms and Regulations.** The Director is hereby authorized to enter into agreements
16 relating to the administration of this Chapter, including intergovernmental agreements with the
17 State of Oregon as provided in ORS 305.620; to prescribe forms and promulgate rules, policies,
18 and regulations to aid in the making of returns, the ascertainment, assessment, and collection of
19 the tax, interest, and penalties due and payable under this Chapter; and to provide for: prescribe
20 forms and promulgate rules and regulations to aid in the making of returns and the ascertainment,
21 assessment, and collection of the tax imposed by this Chapter. In particular, and without limiting
22 the general language of this section, the Director shall provide for;

23 (a) A form of report on sales and purchases to be supplied to all sellers; and

24 (b) The types of records which sellers providing marijuana items are to keep concerning
25 the tax imposed by this Chapter.

26 **Section 3. Codification.** In preparing this ordinance for publication and distribution, the City
27 Recorder shall not alter the sense, meaning, effect or substance of this ordinance, but within such
28 limitations, may:

29 (a) Renumber sections and parts of sections of the ordinance;

30 (b) Rearrange sections;

- 1 (c) Change reference numbers to agree with renumbered chapters, sections or other parts;
- 2 (d) Delete references to repealed sections;
- 3 (e) Substitute the proper subsection, section or chapter, or other division numbers;
- 4 (f) Change capitalization and spelling for the purpose of uniformity;
- 5 (g) Add headings for purposes of grouping like sections together for ease of reference;
- 6 and
- 7 (h) Correct manifest clerical, grammatical or typographical errors.

8 **Section 4. Severability.** Each section of this ordinance, and any part thereof, is severable, and
9 if any part of this ordinance is held invalid by a court of competent jurisdiction, the remainder of
10 this ordinance shall remain in full force and effect.

11 **Section 5. Emergency Clause.** This act being necessary for the immediate preservation of the
12 public peace, health and safety, an emergency is declared to exist, and this ordinance shall be in
13 full force and effect from and after the date of its passage.

14 PASSED by the City Council this _____ day of _____, 2017.

15 ATTEST:

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18 City Recorder

19 Approved by City Attorney: _____

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21 Checked by: D. Lacy

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