

**BEFORE THE CITY COUNCIL FOR THE CITY OF  
LAFAYETTE, OREGON**

An Ordinance Amending Lafayette Municipal Code Section 7.960 – 7.990, Relating to Marijuana Retail Sales, Regulations and Taxes )  
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)

**ORDINANCE No. 648**

**THE CITY COUNCIL (the “Council”) OF THE CITY OF LAFAYETTE, OREGON (the “City”)** sat for the transaction of City business on November 14, 2024 at 6:30 p.m. in the Council Chambers at City Hall and considered and conducted the first reading of the following Ordinance and on December 12, 2024 at 6:30 p.m. conducted the second reading of the Ordinance.

**WHEREAS**, on April 14, 2016, the City adopted Ordinance 631 to establish regulations on the siting of marijuana facilities within the city limits of Lafayette; and

**WHEREAS**, on June 9, 2016, the City adopted Ordinance 632 imposing a 3% tax on the sale of marijuana items, and this tax was referred to and approved by the electors of Lafayette at the November 8, 2016 general election; and

**WHEREAS**, the Council desires to modify the regulations for administration and collection of the marijuana tax, in compliance with State of Oregon laws.

**NOW THEREFORE, THE CITY OF LAFAYETTE, OREGON, ORDAINS AS FOLLOWS:**

**Section 1.** Lafayette Municipal Code section 7.960 through 7.990 is amended to read as follows:

**MARIJUANA FACILITIES**

**7.960 Purpose.** To protect public health, safety, and welfare of existing and future residents and businesses of the City through reasonable time, place, and manner regulations of Marijuana Facilities. **Every person who sells marijuana items in the city of Lafayette is exercising a taxable privilege. The tax shall be imposed upon the sale of marijuana items by a marijuana retailer regulated under Oregon Laws; but shall not be imposed on marijuana sold by medical marijuana dispensaries registered under ORS 475B.450.**

**7.965 Definitions.** As used in the sections 7.960-7.995, the following words and phrases shall have the meaning given to them in this section:

**Administrator.** The City Administrator for the City of Lafayette or his/her designee.

**Consumer.** A person who purchases, acquires, owns, holds, or uses marijuana items other than for the purpose of resale.

**Gross Sales.** The total amount received in money, credits, property or other consideration from sales of marijuana, medical marijuana and marijuana-infused products that is subject to the tax imposed by this chapter.

**Marijuana.** All parts of the plant of the Cannabis Moraceae, whether growing or not, the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its resin, as may be defined by Oregon Revised Statutes or as they currently exist or may from time to time be amended. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or predation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.

**Marijuana Facility or Facilities.** Recreational marijuana producers, recreational marijuana processors, recreational marijuana retailers, recreational marijuana wholesalers and medical marijuana dispensaries, medical marijuana grow sites, and medical marijuana processors.

**Marijuana Items.** Marijuana, cannabinoid products, cannabinoid concentrates, cannabinoid edibles, and cannabinoid extracts.

**Marijuana Processor.** A person who processes marijuana items in this state and is licensed by the Oregon Liquor Control Commission (OLCC).

**Marijuana Retailer.** A person who sells marijuana to a consumer in Oregon is licensed by the OLCC.

**Marijuana Wholesaler.** A person who purchases marijuana items in Oregon for resale to a person other than a consumer and is licensed by the OLCC.

**Medical Marijuana.** All parts of marijuana plants that may be used to treat or alleviate a Medical Marijuana Qualifying Patient's debilitating medical condition or symptoms associated with the patient's debilitating medical condition.

**Medical Marijuana Facility or Facilities.** A Medical Marijuana Facility that is registered by the Oregon Health Authority under ORS 475.300-475.346 and that sells, distributes, transmits, gives, dispenses or otherwise provides Medical Marijuana to qualifying patients.

**Medical Marijuana Grow Site.** A specific location registered by the OHA used by a medical marijuana grower to manufacture, plant, cultivate, grow, or harvest marijuana or dry marijuana leaves or flowers for medical use by a medical marijuana qualifying patient.

**Medical Marijuana Qualifying Patient.** A registry identification cardholder (Person who has been diagnosed by a physician as having a debilitating medical condition) as further defined by ORS 475.302(3) or the designated primary caregiver of the cardholder is defined by ORS 475.302(5).

**Person.** Natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, trust, organization, or any group or combination acting as a unit, including the United States of America, the State of Oregon and any political subdivision thereof, or the Administrator, lessee, agent, servant, officer or employee of any of them.

**Premises.** A location registered by the State of Oregon as a Marijuana Facility and includes all areas at the location that are used in the business operated at the location, including offices, kitchens, restrooms, storerooms, and including all public and private areas where individuals are permitted to be present.

**Public Property.** All City of Lafayette parks, and any real property zoned Public.

**Purchase or Sale.** The acquisition or furnishing for consideration by any person of marijuana or marijuana-infused product within the City.

**Registry Identification Cardholder.** A person who has been diagnosed by an attending physician with a debilitating medical condition and for whom the use of medical marijuana may mitigate the symptoms or effects of the person's debilitating medical condition, and who has been issued a registry identification card by the Oregon Health Authority.

**Retail Sale Price.** The price paid for a marijuana item, excluding tax, to a marijuana retailer by or on behalf of a consumer of the marijuana item.

**Seller.** Any person who is required to be licensed or has been licensed by the State of Oregon to provide marijuana or marijuana-infused products to purchasers for money, credit, property or other consideration.

**Tax.** Either the tax payable by the seller or the aggregate amount of taxes due from a seller during the period for which the seller is required to report collections under this chapter.

**Taxpayer.** Any person obligated to account to the Administrator of Finance for taxes collected or to be collected, or from whom a tax is due, under the terms of this chapter.

**7.970 Business License Required.** The Operator of any Marijuana Facility in the City must possess a valid City Business License and must comply with all provisions of Chapter 7 of the Lafayette Municipal Code. Failure to comply with any provisions of Chapter 7 may result in the revocation of the City Business License and/or a civil penalty.

**7.98575 Tax Imposed.** As described in section 34a of House Bill 3400 (2015), the City of Lafayette hereby imposes a tax of three (3) percent on the retail sale price of marijuana items by a marijuana retailer ~~located in the City of Lafayette~~ **in the area subject to the city's jurisdiction. The tax imposed by this section is a direct tax on the consumer; the retail seller shall collect the tax at the point of sale of a marijuana item.**

1. The following deductions shall be allowed against sales received by the seller providing marijuana:
  - a. Refunds of sales actually returned to any purchaser;
  - b. Any adjustments in sales which amount to a refund to a purchaser, providing such adjustment pertains to the actual sale of marijuana and does not include any adjustments for other services furnished by a seller. [Ord. 806 § 1, 2016].

**7.980 Tax Collection.**

1. The provisions of code sections 7.980 through 7.990 shall be used by the City for the purpose of collecting the tax imposed by 7.975.
2. Notwithstanding the provisions set forth in subsection 1 of this section, the City may contract with the State of Oregon for the purpose of collecting the tax imposed by code section 7.975, and the provisions of any such contract shall be used for the purpose of imposing such tax.
3. Except as otherwise provided in this chapter, the tax imposed upon the consumer shall be collected at the point of sale and remitted by each marijuana seller that engages in the retail sale of marijuana items. The tax is considered a tax upon the marijuana seller that is required to collect the tax, and the marijuana seller is considered a taxpayer. The marijuana seller shall remit the tax to the City; if tax collection is administered by the State of Oregon, the seller shall remit tax to the State.
  - a. Every seller shall, on or before the last day of the month following the end of each calendar quarter (in the months of April, July, October and January) make a return to the Administrator, on forms provided by the City, specifying the total sales subject to this chapter and the amount of tax collected under this chapter. The seller may request or the Administrator may establish shorter reporting periods for any seller if the seller or Administrator deems it necessary in order to ensure collection of the tax and the Administrator may require further information in the return relevant to payment of the tax. A return shall not be considered filed until it is actually received by the Administrator.
  - b. At the time the return is filed, the full amount of the tax collected shall be remitted to the Administrator. Payments received by the Administrator for application against existing liabilities will be credited toward the period designated by the taxpayer under conditions that are not prejudicial to the interest of the City. A condition considered prejudicial is the imminent expiration of the statute of limitations for a period or periods.

**7.985 Administration and Records.**

1. Every marijuana retailer shall keep accounting books, invoices, accounts, and other records. These records shall be retained for three years and six months after they come into being.

2. The City Administrator or their designee may examine, during normal business hours, the books, papers and accounting records relating the marijuana retailer's liable for the tax, after notification to the marijuana retailer, and may investigate the business of the marijuana retailer in order to verify the accuracy of any return made, or if no return is made by the marijuana retailer, to ascertain and determine the amount required to be paid.
3. Except as otherwise required by law, it shall be unlawful for any officer, employee, or agent of the City to divulge, release, or make known in any manner any financial information submitted or disclosed to the City under the terms of the chapter. Nothing in this section shall be construed to prohibit:
  - a. The disclosure to, or the examination of, financial records by City officers, employees, or agents for the purpose of administering or enforcing the terms of this chapter, or collecting taxes imposed under the terms of the chapter;
  - b. The disclosure to the marijuana retailer or his/her authorized representative of financial information, including amounts of marijuana tax, penalties, or interest, after filing of a written request by the marijuana retailer or his/her authorized representative and approval of the request by the City Administrator or their designee;
  - c. The disclosure of the names and addresses of any person to who this chapter applies;
  - d. The disclosure of general statistics in a form which would prevent the identification of financial information regarding any particular marijuana retailer's return or application; or
  - e. The disclosure of financial information to the City Attorney or other legal representative of the City to the extent the City Administrator deems disclosure or access necessary for the performance of the duties of advising or representing the finance department or the City.

**7.990 Penalties and Interest.** A penalty will be imposed on a marijuana retailer who mails or hand delivers the return and the tax payment after the due date.

**1. Collection by City**

- a. The penalty is ten (10) percent of the unpaid tax. If the marijuana retailer files and/or pays more than 30 days after the due date, an additional fifteen (15) percent penalty will be added to the unpaid tax.
- b. Interest at the rate of five (5) percent per month will be imposed on any unpaid tax from the due date until the date payment in full is received by the finance department.

**2. Collection by the State of Oregon**

- 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 to the Oregon Department of Revenue was originally required to be filed by the marijuana retailer to the time of payment.
- b. If a marijuana retailer fails to file a return with the Oregon Department of Revenue or pay the tax as required, a penalty shall be imposed upon the marijuana retailer in the same manner and amount provided under ORS 314.400.
- c. Every penalty imposed, and any interest that accrues, becomes a part of the financial obligation required to be paid by the marijuana retailer and remitted to the Oregon Department of Revenue.

- d. Taxes, interest, and penalties transferred to Lafayette by the Oregon Department of Revenue will be distributed to the City.
  - e. 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 owed amount in accordance with ORS 475B.700 to 475B.760, any agreement between the Oregon Department of Revenue and City of Lafayette under ORS 305.620 and any applicable administrative rules adopted by the Oregon Department of Revenue.
3. The remedies provided by this section are not exclusive and shall not prevent the City from exercising any other remedy available under the law, nor shall the provisions of this ordinance prohibit or restrict the City or other appropriate prosecutor from pursuing criminal charges under state law or City ordinance.

~~7.990 Collection.~~ The tax shall be collected at the point of sale of any marijuana item by a marijuana retailer at the time at which the retail sale occurs and remitted by each marijuana retailer that engages in the retail sale of marijuana items.

~~7.995 Penalty.~~ Any violation of any provision of sections 7.960 to 7.990 shall constitute a Class A Violation, which shall not exceed \$500 per violation per day the violation exists.

*[Sections 7.965 to 7.995 Amended by Ord. 632 on November 28, 2016. Amended by Ord. 645 on February 8, 2024.]*


**Section 2.** This ordinance will take effect January 1, 2025.

**ADOPTED** by the City Council for the City of Lafayette on the 12th day of December, 2024

VOTE:      Ayes: 5      Nays: 0      Abstentions: 0      Absent: 0

CERTIFIED:

ATTEST:

  
Hilary Malcomson, Mayor

  
Kenhedee Richardson, City Recorder