

**ORDINANCE NO. 2039**

**An Ordinance Amending Title 5 (Business Taxes, Licenses and Regulations) of the Hood River Municipal Code, by Amending Chapter 5.40 (Marijuana Tax) Section .060 (Penalties and Interest) defining costs for delinquent tax payment enforceable by the Oregon Department of Revenue.**

The Hood River City Council adopts the following findings:

**WHEREAS**, the City of Hood River is an Oregon home-rule charter municipal corporation with a City Charter that grants it all the powers and authority that the constitution, statutes and common law of the United States and this State expressly or impliedly grant or allow as though each such power was specifically enumerated; and

**WHEREAS**, at the November 8, 2016 general election, the electors of Hood River approved the imposition of a 3% excise tax by the City on the retail sale of marijuana and marijuana-infused products sold in the City; and


**WHEREAS**, the City desires the Oregon Department of Revenue to administer, collect, and enforce the 3% excise tax of marijuana and marijuana-infused products sold in the City; and

**WHEREAS**, the attached amendment aligns the City's delinquent retail marijuana tax interest and penalties with state-wide language necessary for enforcement by the Oregon Department of Revenue,

**NOW THEREFORE**, the City Council for the City of Hood River ordains as follows:

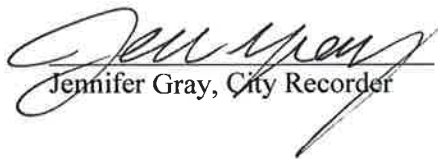
**Section 1. Amendment.** Title 5 (Business Taxes, Licenses and Regulations) of the Hood River Municipal Code is hereby amended by adding as a new chapter, Chapter 5.40 (Marijuana Tax) the provisions set forth in Exhibit A, attached hereto and incorporated herein by this reference.

**READ FOR THE FIRST and SECOND TIME** and adopted this 22 day of May 2017. This Ordinance shall take effect on June 20, 2017.

  
\_\_\_\_\_  
Paul Blackburn, Mayor

ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jennifer Gray, City Recorder  
\_\_\_\_\_  
Daniel Kearns, City Attorney

---

EXHIBIT A  
Chapter 5.40 – Marijuana Tax

5.40.060 Penalties and Interest.

- 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 the City of Hood River by the Oregon Department of Revenue will be distributed to the City's General Fund.**
- 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.755, any agreement between the Oregon Department of Revenue and the City of Hood River under ORS 305.620 and any applicable administrative rules adopted by the Oregon Department of Revenue.**
- ~~A. Any seller who fails to remit any portion of any tax imposed by this chapter within the time required shall be subject to and liable for payment of a penalty of 10% of the amount of the tax, in addition to the amount of the tax.~~
- ~~B. If any seller fails to remit any delinquent remittance on or before a period of 60 days following the date on which the remittance first became delinquent, the seller must pay a second delinquency penalty of 10% of the amount of the tax in addition to the amount of the tax and the penalty first imposed.~~
- ~~C. If the Manager determines that the nonpayment or underpayment of any tax that is required to be paid under this chapter is due to fraud, a penalty of 25% of the amount of the tax will be added thereto in addition to the penalties stated in subparagraphs A and B of this section, as applicable.~~
- ~~D. In addition to the penalties imposed, any seller who fails to remit any tax imposed by this chapter must pay interest at the rate one percent (1%) per month or fraction thereof on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.~~
- ~~E. Every penalty imposed, and any interest as accrues under the provisions of this section, becomes a part of the tax required to be paid.~~
- ~~F. All sums collected pursuant to the penalty provisions in paragraphs A through C of this section will be distributed to the City's General Fund.~~

~~G. Waiver of Penalties. Penalties for late tax payments may be waived or reduced within the sole discretion of the Manager; however, nothing in this subsection requires the Manager to reduce or waive any penalties that are otherwise due.—~~