BILL 2023-2

Second/Final Reading

Agenda Item

TO: Mayor and City Council

FROM: Zachary Johnson, Director of Utilities

DATE: January 17, 2023

RE: Sales Tax on Non-Medical Marijuana

Purpose

The following Ordinance would call for a general municipal election on April 4, 2023 regarding a sales tax on non-medical marijuana. The ballot language would read as follows:

> "Shall the City of Cameron, Missouri impose a sales tax of three percent (3%) on the retail sale of adult use non-medical marijuana?"

The Missouri Municipal League estimates each dispensary could generate up to $150,000 in additional sales tax revenue. This is average based on total monthly projected revenues state-wide and the total number of dispensaries.

Recommendation

Staff recommends the following ordinance be passed and approved calling for a general election to be held on April 4, 2023 regarding a sales tax on non-medical marijuana.

Bill 2023-2

AN ORDINANCE IMPOSING A SALES TAX AT A RATE OF THREE PERCENT ON ALL TANGIBLE PERSONAL PROPERTY RETAIL SALES OF ADULT USE NON-MEDICAL MARIJUANA SOLD WITHIN THE CITY OF CAMERON, MISSOURI, PURSUANT TO ARTICLE XIV, SECTION 2.6(5) OF THE MISSOURI CONSTITUTION SUBJECT TO THE APPROVAL BY THE VOTERS OF THE CITY AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON APRIL 4, 2023; DESIGNATING THE FORM OF BALLOT; AND DIRECTING THE CITY CLERK TO PROVIDE NOTICE OF SAID ELECTION

WHEREAS, on November 8, 2022, the electors of the State of Missouri approved Amendment 3 to the Missouri Constitution enacting Section 2 of Article XIV of the Missouri Constitution effective December 8, 2022; and

WHEREAS, the newly enacted Article XIV, section 2.6(5) of the Missouri Constitution authorizes the City of Cameron, Missouri ("City") to impose, by ordinance, an additional sales tax in amount not to exceed three percent on all tangible personal property retail sales of adult use non-medical marijuana sold in such political subdivision subject to approval by voters of the City; and

WHEREAS, the City Council finds that it is in the best interests of the citizens of the City to impose a sales tax of three percent on all tangible personal property retail sales of adult use non-medical marijuana sold in the City and to submit the same to the voters of the City for approval by a majority of those voting at the general municipal election to be held on April 4, 2023.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, MISSOURI AS FOLLOWS:

Section 1 – CITY SALES TAX**.** A sales tax at the rate of three percent on all tangible personal property retail sales of adult use non-medical marijuana sold in the City of Cameron, Missouri, as authorized by Article XIV, section 2.6(5) of the Missouri Constitution, is hereby imposed.

Section 2 – EFFECTIVE UPON VOTER APPROVAL**.** The sales tax imposed by this Ordinance shall not be effective unless approved by a majority of the votes cast by the qualified voters voting thereon at the General Municipal Election to be held on April 4, 2023, at which election a question on whether to impose the tax herein provided for shall be submitted to the voters of the City.

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Section 3 – FORM OF BALLOT**.** The ballot to be used in such election shall contain the following question:

Question 1

"Shall the City of Cameron, Missouri impose a sales tax of three percent (3%) on the retail sale of adult use non-medical marijuana?"

☐ Yes ☐ No

Section 4 – NOTICE OF ELECTION**.** The City Clerk is hereby directed to notify the election authorities in Clinton and DeKalb Counties of the enactment of this Ordinance no later than 5:00 p.m. on Tuesday, January 24, 2023, in accordance with the Comprehensive Election Act, Chapter 115 of the Revised Statutes of Missouri, as amended.

Section 5 – FURTHER AUTHORITY**.** The City Manager, City Clerk, and other appropriate City officials are hereby authorized and directed to take such actions as may be necessary or desirable to cause this matter to be submitted to the qualified voters of the City.

Section 6 – EFFECTIVE DATE**.** This Ordinance shall be in full force and effect from and after the date of its passage and approval.

Passed and approved on first reading this 3rd day of January 2023.

Passed and approved on second/final reading this 17th day of January 2023.

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Mayor Roy Estes

ATTEST:

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City Clerk

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