

# CITY OF COOS BAY CITY COUNCIL

## Agenda Staff Report

<b>MEETING DATE</b> August 1, 2017	<b>AGENDA ITEM NUMBER</b> 5.
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TO: Mayor Benetti and City Councilors

FROM: Rodger Craddock, City Manager

THROUGH:

**ISSUE:** Approval of Designating Marijuana Tax Resources for South Coast Interagency Narcotics Team (SCINT) - Approval Will Require Adoption of Resolution 17-16

### **SUMMARY:**

In the near future, the City of Coos Bay will be receiving revenue derived from the taxation of recreational marijuana related sales from both a state imposed tax and a city imposed tax. Currently, the State is assessing a 17% sales tax and the City a 3% sales tax on recreational marijuana related sales. The amount of funds to be received is yet unknown. Both Coos Bay and Coos County have expressed a desire to use up to 50% of the proceeds to help support the drug enforcement activities provided by the South Coast Interagency Narcotics Team (SCINT). Based on a consensus of the Council when this topic was discussed at its work session on July 11, 2017, staff has prepared the attached resolution for your consideration.

### **ACTION REQUESTED:**

If it pleases the Council, adopt Resolution 17-16 designating marijuana tax resources.

### **BACKGROUND:**

Given that many of the law enforcement agencies on the Southern Oregon Coast are small and do not have the adequate resources to conduct investigations into organized distribution and the trafficking of illegal drugs, the South Coast Interagency Narcotics Team (SCINT) was formed several decades ago. It has been serving the citizens of Coos, Curry, and Western Douglas Counties. The team has traditionally been made up of loaned officers from local city and tribal police departments, Coos and Curry Sherriff's Offices, and the Oregon State Police (OSP). Funding for the organization was initially obtained through forfeiture of seized assets which were a product of unlawful drug activity. In addition, grant funding has been a main staple in funding for SCINT operations. Over the years, the seizure laws have changed which has resulted in fewer dollars being made available to organizations like SCINT; and the use of those funds have been restricted. In addition, federal grant opportunities have ebbed and flowed over the years. In 2012, the City of Coos Bay assigned Capt. Mitts to serve as the

Director of SCINT. Up until last year, the City has been reimbursed for Capt. Mitts' salary costs. Given that some key federal grants were not renewed, SCINT has not had sufficient funds to reimburse the City for Capt. Mitts' services. Over the last year, there have been several discussions with Coos County and SCINT officials regarding dedicating a portion of marijuana tax revenues towards the funding of SCINT.

**BUDGET IMPLICATIONS:**

Unknown at this time. Given that marijuana dispensaries are relatively new in Coos Bay, it's hard to anticipate the amount of annual revenue the City will receive from the City's 3% tax on the sales of marijuana for recreational use as well as the portion of the state tax which will be shared with the City at some point in the future.

**ATTACHMENT(S):**

- July 11th Work Session Staff Agenda Report
- Resolution 17-16

**CITY OF COOS BAY  
JOINT CITY COUNCIL / URA WORK SESSION  
Agenda Staff Report**

<b>MEETING DATE</b> July 11, 2017	<b>AGENDA ITEM NUMBER</b>
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TO: Mayor Benetti and City Councilors  
FROM: Rodger Craddock, City Manager  
ISSUE: Funding for the South Coast Interagency Narcotic Team (SCINT)

**BACKGROUND:**

Given that many of the law enforcement agencies on the Southern Oregon Coast are small and do not have the adequate resources to conduct investigations into organized distribution and the trafficking of illegal drugs, the South Coast Interagency Narcotics Team (SCINT) was formed several decades ago. It has been serving the citizens of Coos, Curry, and Western Douglas Counties. The team has traditionally been made up of loaned officers from local city and tribal police departments, Coos and Curry Sherriff's Offices, and the Oregon State Police (OSP).

Funding for the organization was initially obtained through forfeiture of seized assets which were a product of unlawful drug activity. In addition, grant funding has been a main staple in funding for SCINT operations. Over the years, the seizure laws have changed which has resulted in fewer dollars being made available to organizations like SCINT; and the use of those funds have been restricted. In addition, federal grant opportunities have ebbed and flowed over the years.

In 2012, the City of Coos Bay assigned Capt. Mitts to serve as the Director of SCINT. Up until last year, the City has been reimbursed for Capt. Mitts' salary costs. Given that some key federal grants were not renewed, SCINT has not had sufficient funds to reimburse the City for Capt. Mitts' services. Over the last year, there have been several discussions with Coos County and SCINT officials regarding dedicating a portion of marijuana tax revenues towards the funding of SCINT.

**ADVANTAGES:**

The obvious advantages of combining law enforcement resources is due to the fact that no one agency has the personnel or funding sources to effectively combat the issues involved in trafficking, manufacturing, distribution and crimes associated with illegal narcotics. Providing some dedicated funding to help augment available seizure and grant funds is imperative for the continued existence of the organization.

**DISADVANTAGES:**

None

**BUDGET IMPLICATIONS:**

Unknown at this time. Given that marijuana dispensaries are relatively new in Coos Bay, it's hard to anticipate the amount of annual revenue the City will receive from the City's 3% tax on the sales of marijuana for recreational use as well as the portion of the state tax which will be shared with the City at some point in the future.

**ACTION REQUESTED:**

This matter is being brought before the Council for discussion and input.

**City of Coos Bay**

**Resolution 17-16**

**A RESOLUTION OF THE CITY OF COOS BAY, COOS COUNTY, OREGON, DESIGNATING MARIJUANA TAX RESOURCES AND A SUPPLEMENTAL BUDGET FOR APPROPRIATION AUTHORITY.**

WHEREAS, the City of Coos Bay supports the South Coast Interagency Narcotics Team (SCINT) and has provided personnel to serve as the Director; and

WHEREAS, SCINT was formed through the combined support of local cities and tribal police departments, Coos and Curry Sherriff's Offices, and the Oregon State Police (OSP); and

WHEREAS, funding was initially obtained through forfeiture of seized assets as a result of unlawful drug activity and grant funding which no longer are able to fully fund SCINT; and

WHEREAS, the implementation of local and state marijuana tax provides a resource to support SCINT; and

WHEREAS, the City of Coos Bay proposes to support SCINT by dedicating fifty percent (50%) of all marijuana tax receipts to SCINT; and

WHEREAS, the City of Coos Bay does not have a history of marijuana tax receipts; and

WHEREAS, the City of Coos Bay did not budget marijuana tax receipts nor expenditure of those resources in the FYE 18 budget and have estimated budget authority herein through this supplemental budget; and

WHEREAS, the City of Coos Bay has complied with the provisions of ORS 294.471 to appropriate funds to adjust one fund's expenditures by less than 10% of the fund's adopted expenditure total; the governing body at a regularly scheduled meeting shall adopt a supplemental budget by resolution stating the need, purpose, and amount of the appropriation; provide notice of the meeting by publishing not less than five days before the meeting noting a supplemental budget will be considered; and

**General Fund**

Resources	Revenue	\$25,000
Requirements	Material & Services	25,000
	New Total General Governmental	\$1,439,110
	New Total General Fund Requirements	12,919,158

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Coos Bay, Coos County Oregon hereby appropriates the funds as aforementioned. The foregoing resolution was duly adopted by the City of Coos Bay, Coos County, Oregon this 1st day of August, 2017.

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Joe Benetti, Mayor

ATTEST:

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Susanne Baker, City Recorder