

**ITEM 7 ATTACHMENT
RESOLUTION NO. 2021-1710**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CALABASAS, CALIFORNIA, ESTABLISHING GENERAL
BUSINESS LICENSE TAX RATES ON CANNABIS
BUSINESS ACTIVITY.**

WHEREAS, California voters approved Proposition 215 (Health & Safety Code Section 11362.5), entitled the Compassionate Use Act (CUA), in 1996, which exempts patients and their primary caregivers from criminal prosecution or sanctions under H&S Code Sections 11357 and 11358 for qualified use and cultivation of medical cannabis; and

WHEREAS, the California Legislature passed Senate Bill 420 (H&S Code Sections 11362.7 et seq.) in 2003 to create the Medical Marijuana Program (MMPA), which established a voluntary program for the issuance of medical cannabis identification cards for qualified patients, set limits on the amount of cannabis any individual could possess, and provided an exemption from state criminal liability for persons “who associate within the State of California in order to collectively or cooperatively cultivate marijuana for medical purposes”; and

WHEREAS, the Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”) was passed by California voters on November 8, 2016, as Proposition 64; and

WHEREAS, many of the AUMA’s provisions took effect on November 9, 2016; and

WHEREAS, among other effects, the AUMA authorizes the adult use of cannabis by persons aged 21 years or older, and regulates personal and commercial activities related to adult cannabis use; and

WHEREAS, on June 27, 2017, the Governor signed into law Senate Bill 94 creating a single regulatory mechanism for both medical and adult use cannabis – the “Medicinal and Adult Use Cannabis Regulation and Safety Act” (MAUCRSA). Under MAUCRSA, local governments retain broad authority over most cannabis activity and businesses; and

WHEREAS, AUMA and MAUCRSA do not preempt local taxation of cannabis operations; and

WHEREAS, on July 15, 2020, the City Council of the City of Calabasas adopted Resolution 2020-1693 to present to voters at the General Election on

November 3, 2020, Measure C, an ordinance imposing a City of Calabasas tax of up to 10% on cannabis businesses, without changing the City’s existing prohibition on cannabis dispensaries, raising up to \$10,000 each year until voters decide otherwise, with additional revenue of up to \$300,000 per dispensary expected if the state or City ever allow cannabis dispensaries to operate in the City, to fund general City services; and

WHEREAS, on November 3, 2020, Measure C, a Cannabis Business License Tax on Cannabis Business Activity was approved by 61.12% of voters; and

WHEREAS, Measure C became effective ten days after the certification, by the City Council on December 9, 2020, of its approval by a simple majority of the City’s voters at the November 3, 2020 General Municipal Election; and

WHEREAS, the City Council intends to adopt this Resolution to set the Cannabis Business License tax rate at ten (10%) percent of gross revenues, as defined in Measure C.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CALABASAS, CALIFORNIA DOES ORDAIN AS FOLLOWS:

SECTION 1. Findings. The City Council hereby determines that the foregoing findings are true and correct and incorporate them herein by reference.

SECTION 2. Cannabis Business License Tax rates. The voters of the City of Ojai approved the cannabis business tax, and the following Cannabis Business General Tax Rates are hereby set:

- (a) Rates. The following gross receipts cannabis business license tax rates shall apply to every person engaged in the operation of each type of cannabis business, as further specified in Calabasas Municipal Code, Title 3, Chapter 56, Section 3.56, Cannabis Business General Tax as follows:

Commercial Cannabis Activity	Gross Receipts Tax Rate
Retail and Delivery Sales	Ten percent of gross receipts
Distribution	Ten percent of gross receipts
Manufacturing	Ten percent of gross receipts

- (b) The tax rates set by this Resolution shall be effective immediately.

SECTION 3. Environmental Determination. The City Council determines this Resolution is exempt from review under the California Environmental Quality Act (CEQA). Pursuant to section 15061(b)(3) of the CEQA Guidelines, CEQA applies only to projects which have the potential for causing a significant effect on the

environment. This resolution setting cannabis business license tax rates is a funding mechanism that is not earmarked for any specific project and thus will not result in a significant foreseeable environmental impact.

SECTION 4. The City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED, AND ADOPTED this 13th day of January 2021.

James R. Bozajian, Mayor

ATTEST:

APPROVED AS TO FORM:

Maricela Hernandez, City Clerk
Master Municipal Clerk
California Professional Municipal Clerk

Scott H. Howard
Colantuono, Highsmith & Whatley, PC
City Attorney