

CITY OF OJAI

RESOLUTION NO. 21-43

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF OJAI REAFFIRMING (OR MODIFYING) TAX RATES
FOR CANNABIS BUSINESS ACTIVITY**

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, on May 28, 2019, the City Council voted to submit a proposed cannabis business license tax on the privilege of conducting business relating to cannabis in the City to the voters for approval; and

WHEREAS, the revenue generated from this cannabis tax is to be spent for general City services purposes, including public safety, road and transportation purposes, and parks and recreation purposes; and

WHEREAS, the tax ordinance provides that the tax rates for all cannabis businesses shall be imposed on the gross receipts of such businesses up to a maximum of ten percent (10%) of the cannabis business’ gross receipts;

WHEREAS, the proposed tax ordinance allows the City Council to, by resolution, establish differing tax rates for each of different categories of cannabis business activities, within the proposed ten percent (10%) maximum rate; and

WHEREAS, on June 11, 2020, the City Council adopted Resolution 19-28, setting the Cannabis Business General tax rate for each category at three percent (3%); and

WHEREAS, on November 3, 2020, Measure “G” (The Ojai Cannabis Tax) was approved by 69.20% of the voters; and 2

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WHEREAS, Measure “G” became effective immediately after the certification of its approval by a simple majority of the City’s voters at the November 3, 2020 General Municipal Election; and

WHEREAS, on December 15, 2020, the City Council adopted Resolution Number 20-60, setting the Cannabis General tax rate at 3%percent;

WHEREAS, on August 10, 2021, the City Council adopted Resolution Number ____, setting the Cannabis General tax rate at ____ percent;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OJAI CALIFORNIA HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The City Council hereby determines that the above set forth recitals are true and correct.

SECTION 2. Cannabis Business General 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 Ojai Municipal Code, Title 8, Chapter 1, Article 7, Cannabis Business General Tax, as follows:

Commercial Cannabis Activity	Gross Receipts Tax Rate
Retail and Delivery Sales	3 percent of gross receipts
Distribution	3 percent of gross receipts
Manufacturing	3 percent of gross receipts
Testing Laboratories	3 percent of gross receipts

(b) The tax rates set by this Resolution shall be effective upon the effective date of the proposed cannabis business license tax ordinance approved for submission to the voters of the City of Ojai on August 10, 2021.

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

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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.

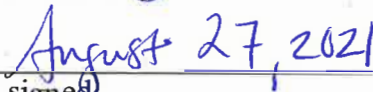
PASSED, APPROVED and ADOPTED this 10th day of August 2021 by the following vote:

AYES: Blatz, Francina, Haney, Stix, Weirick
NOES: None
ABSENT: None
ABSTAIN: None

CITY OF OJAI, CALIFORNIA



Betsy Stix, Mayor



Date signed

ATTEST:



Gail Davis, Deputy City Clerk

APPROVED AS TO FORM:



Matthew T. Summers, City Attorney