

CITY OF OJAI

RESOLUTION NO. 19-28

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF OJAI ESTABLISHING 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;

WHEREAS, the proposed 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;

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. If the voters of the City of Ojai approve the proposed cannabis business tax, then 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	Three (3%) percent of gross receipts
Distribution	Three (3%) percent of gross receipts
Manufacturing	Three (3%) percent of gross receipts
Testing Laboratories	Three (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 June 11, 2019.

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.

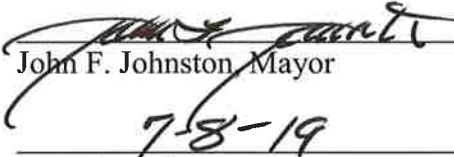
SECTION 4. The City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

City of Ojai
City Council Resolution No. 19-28

PASSED, APPROVED AND ADOPTED this 11th day of June 2019 by the following vote:

Ayes: Blatz, Francina, Johnston, Weirick
Noes: Haney
Abstain: None
Absent: None

STATE OF CALIFORNIA



John F. Johnston, Mayor

7-8-19

Date signed

ATTEST:



Gail Davis, Deputy City Clerk

Approved as to Form



Matthew Summers, City Attorney