

RESOLUTION NO. RES-2019-114

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA EXTENDING
CANNABIS INDUSTRY TAX RATES

WHEREAS, on June 6, 2017, a Special Municipal Election was held in the City of Santa Rosa which included a measure that was approved by the voters authorizing adoption of Ordinance ORD-2017-015 adding Chapter 6-10 to the Santa Rosa City Code, and amending Chapter 6-4 of the Santa Rosa City Code to impose a Cannabis Industry Tax on cannabis businesses operating in Santa Rosa; and

WHEREAS, pursuant to Resolution No. RES-2017-121, the City Clerk certified that the Cannabis Industry Tax was approved by the voters; and

WHEREAS, pursuant to Resolution No. RES-2017-035, the City Council set initial Cannabis Industry Tax Rates for a term of two years; and

WHEREAS, the initial Cannabis Industry Tax Rates set by Resolution RES-2017-035 are as follows:

- a. Cultivation Initial Rate: 2% of gross receipts or \$5.00 per square foot of cannabis cultivation area at taxpayer's election;
- b. Manufacturing Initial Rate: 1% of gross receipts;
- c. Distribution Initial Rate: 0% (instead subject to standard city business tax under Santa Rosa City Code Chapter 6-04); and
- d. Dispensaries: 3% of gross receipts (recreational only and only after state and local regulations are in place); and

WHEREAS, Chapter 6-10.050 Subsection (A) (2) and Chapter 6-10.050 Subsection (B) (2) state that, "Tax rates shall be set for a minimum of a two-year term," consistent with Ordinance ORD-2017-015; and

WHEREAS, the Council's intent in adopting Resolution RES 2017-015 was to enact Tax Rates for a minimum two-year term, consistent with Ordinance ORD-2017-015; and

WHEREAS, Resolution RES 2017-015 inadvertently omitted the word "minimum" when establishing the minimum two-year term and referred instead to a "term of 2 years"; and

WHEREAS, the initial Cannabis Industry Tax Rates have been in effect for two years; and

WHEREAS, the council would like to ensure that the initial Cannabis Industry Tax Rates, remain in effect, until such time as the council takes future action to establish different rates.

NOW, THEREFORE, BE IT RESOLVED that the initial Cannabis Industry Tax Rates established by Resolution RES-2017-035 shall remain in effect until such time as the council takes future action to establish different rates.

IN COUNCIL DULY PASSED this 23rd day of July, 2019.

AYES: (4) Vice Mayor Rogers, Council Members Fleming, Olivares, Tibbetts

NOES: (0)

ABSENT: (3) Mayor Schwedhelm, Council Members Combs, Sawyer

ABSTAIN:

ATTEST: _____ APPROVED: _____
Acting City Clerk Vice Mayor

APPROVED AS TO FORM:

City Attorney