

Resolution No.

STOCKTON CITY COUNCIL

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STOCKTON TO SET THE BUSINESS LICENSE TAX RATE FOR MEDICAL CANNABIS BUSINESSES OPERATING IN THE CITY PURSUANT TO CHAPTER 5.98 OF THE STOCKTON MUNICIPAL CODE

The City of Stockton ("City") City Council ("Council") approved placing two ballot measures on the November 8, 2016, general election ballot that would overturn the City's ban on medical cannabis dispensaries, allow medical cannabis cultivation businesses within the City, and allow for the increase of business license taxes on medical cannabis-related businesses; and

Council approved placing both measures, Measure P and Measure Q, on the ballot by a vote of 7-0, adopting Resolutions 2016-06-28-1503-01 and 2016-06-28-1503-02; and

Measure P was approved by 55.35 percent of City voters voting at the November 8, 2016 general election, which lifted the ban on and expanded the number of medical marijuana dispensaries authorized to operate in the City and authorized certain medical marijuana cultivation locations; and

Measure Q was approved by 63.79 percent of City voters voting at the November 8, 2016 general election, which, among other things, amended Stockton Municipal Code ("SMC") Chapter 5.98 to increase the rate of the medical cannabis business license tax to a minimum of \$35 up to a maximum of \$50 for each \$1,000 of gross receipts per year on or after January 1, 2017; and

Pursuant to SMC section 5.98.030, as amended by Measure Q and approved by the voters, Council is authorized to set the business license tax rate applicable to medical cannabis businesses by ordinance or resolution; and

Council therefore desires to set the annual business license tax rate for medical cannabis businesses operating in the City by and through this resolution; now, therefore,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

SECTION 1. FINDINGS. The Council hereby finds and declares that the above recitals are true and shall be incorporated into this resolution as though set forth herein. The Council further finds that Measure Q was approved by a majority of voters voting on

the measure at the November 8, 2016 general election, as required by Article XIII C of the California Constitution and Government Code section 53723.

SECTION 2. TAX RATE. Pursuant to the authority granted by Government Code section 53739 and SMC section 5.98.030(B), as amended by Measure Q and approved by the voters at the November 8, 2016 general election, the Council hereby authorizes the imposition of an annual business license tax on medical cannabis businesses operating in the City pursuant to SMC Chapter 5.98, in the amount of fifty dollars (\$50) for each one-thousand dollars (\$1,000) of gross receipts or fractional part thereof. "Medical Cannabis," "Medical Cannabis Business" and "Gross receipts" shall have the same meanings as those set forth in SMC section 5.98.020.

SECTION 3. FUTURE ADJUSTMENT. Pursuant to SMC section 5.98.030(C), the Council may, at any time by future ordinance or resolution, adjust the general business license tax rate set forth herein to implement a lower tax rate it deems appropriate, and may increase such tax rate from time to time, not to exceed the maximum tax rate of \$50 per each \$1,000 of gross receipts per year set forth in this resolution.

SECTION 4. SCOPE. Nothing in this resolution authorizes any personal, medical or commercial cannabis activity or use in any zone in the City. Nothing in this resolution authorizes or permits medical cannabis businesses to operate in the City. This resolution solely establishes the tax rate applicable to medical cannabis businesses which may be permitted or prohibited through other action of the City or the Council.

SECTION 5. SEVERABILITY. If any provision of this resolution or the application thereof to any person, entity or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution that can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable.

SECTION 6. SUPERSEDE. This resolution supersedes all prior ordinances, resolutions and other Council actions that may conflict with or be contrary to this resolution.

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SECTION 7. EFFECTIVE DATE. This resolution shall become effective immediately upon its adoption. Pursuant to Government Code section 36936.1, this resolution shall be published in the same manner and within the same time as ordinances. To this end, the City Clerk is directed to publish this resolution, or a summary of this resolution, at least once in a newspaper of general circulation in the City within fifteen (15) days of its passage.

PASSED, APPROVED AND ADOPTED January 24, 2017.

MICHAEL D. TUBBS
Mayor of the City of Stockton

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton