

**RESOLUTION NO. 2018- 32**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WILLITS, CALIFORNIA APPROVING BALLOT MEASURE TEXT TO BE SUBMITTED TO THE VOTERS OF THE CITY IMPOSING A CANNABIS INDUSTRY TAX; REQUESTING THE ASSISTANCE OF THE COUNTY OF MENDOCINO IN CONNECTION WITH THAT ELECTION; AND REQUESTING CONSOLIDATION OF THAT ELECTION WITH ANY OTHER ELECTION HELD ON THAT DATE**

**WHEREAS**, Sections 37101 and 37100.5 of the California Government Code authorize the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

**WHEREAS**, as a result of recent voter-approved changes to state law, there has been a very strong interest by cannabis businesses to open in the City; and

**WHEREAS**, cannabis businesses are likely to create demands upon City services, and the City does not currently impose any taxes upon cannabis businesses, aside from generally applicable municipal taxes;

**WHEREAS**, the City Council desires to seek to impose a license tax upon cannabis businesses, to be known as the "Cannabis Industry Tax"; and

**WHEREAS**, the Cannabis Industry Tax cannot be imposed without voter approval; and

**WHEREAS**, the City Council desires to submit a Cannabis Industry Tax measure to the voters of the City at the General Municipal Election to be held on Tuesday, November 6, 2018, and to be consolidated with any other election to be held on that date; and

**WHEREAS**, the proposed Cannabis Industry Tax is more completely described in the ordinance attached hereto as Attachment "A" and incorporated herein by reference (the "Tax Ordinance").

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

**Section 1. Recitals.** The City Council hereby finds and determines that the foregoing recitals are true and correct.

**Section 2. Proposal.** The City Council hereby proposes the Cannabis Industry Tax.

**Section 3. Election.** The City Council hereby calls a General Municipal Election for Tuesday November 6, 2018 (the "Election") and orders, pursuant to Section 9222 of the Elections Code, that the Tax Ordinance and ballot question be submitted to the voters at that election.

To fund general municipal expenses such as police, fire, roads and recreation, shall the City of Willits tax cannabis (marijuana) businesses at annual rates not to exceed \$10 per canopy square foot for cultivation (adjustable for inflation), 6% of gross receipts for retail cannabis businesses, and 4% for all other cannabis businesses; which is expected to generate an estimated \$250,000 to \$400,000 annually and will be levied until repealed by the voters or the City Council?	YES	
	NO	

**Section 4. Ballot Question.** The question submitted to the voters by Section 3 of this Resolution shall appear on the ballot as follows:

**Section 5. Approval.** Pursuant to Article XIII C of the Constitution, this measure requires approval by a majority of those casting ballots on the measure.

**Section 6. Consolidation.** Pursuant Section 10400 et seq. of the Elections Code, the Board of Supervisors of Mendocino County is requested to consolidate the Election with other elections held on the same day in the same territory or in the territory that is in part the same.

**Section 7. Canvass.** The Board of Supervisors is authorized to canvass the returns of the Election pursuant to Section 10411 of the Elections Code.

**Section 8. Conduct of Election.** Pursuant to Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Clerk to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the City agrees to reimburse the County, in accordance with current County pro-rations and allocation procedures.


**Section 9. Filing with County.** The City Clerk shall file a certified copy of this Resolution with the County Clerk.

**Section 10. Analysis and Argument.** The City Attorney shall prepare an impartial analysis of the measure. The Council hereby authorizes the Mayor to prepare a written argument in support of the Measure, subject to City Council review and approval. Any person or persons may file an argument either for or against the ballot measure. An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure, or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. Rebuttal arguments shall be permitted pursuant to applicable law.

**Section 11. Effective Date.** This Resolution shall be effective immediately upon adoption. **APPROVED and ADOPTED** this 13<sup>th</sup> day of June, 2018.

ATTEST:

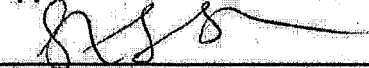
  
CATHY MOORHEAD, City Clerk

  
MADGE STRONG, Mayor of the City of  
Willits, California

Approved as to Form:

  
JAMES LANCE, City Attorney

Approved as to Content:

  
STEPHANIE GARRABRANT-SIERRA,  
City Manager

## **EXHIBIT A**