



Legislation Text

File #: 19-288, **Version:** 1

A resolution adjusting the cannabis business license tax rate set forth in Section 6.16.037 of the South San Francisco Municipal Code, consistent with the authority granted by the voter approved Ordinance No. 1556.

WHEREAS, on November 7, 2018, a majority of the City's voters approved Ordinance No. 1556 imposing an excise tax on the privilege of conducting business within the City pursuant to Article XIIC, section 2(b) of the California Constitution; and

WHEREAS, revenues from the cannabis business tax will be for unrestricted general revenue purposes and go into the City's general fund and can be used for any legitimate government purpose; and

WHEREAS, the ordinance established a minimum rate of one percent (1%) of gross receipts for all commercial cannabis operations; and

WHEREAS, the ordinance established varying maximum rates of two and half percent (2.5%) of gross receipts for testing, three percent (3%) of gross receipts for distribution, four percent (4%) of gross receipts for cultivation, and five percent (5%) of gross receipts for manufacturing, delivery-only, and all other commercial cannabis operations; and

WHEREAS, the ordinance adopted Section 6.16.037 of the South San Francisco Municipal Code which authorizes City Council to adjust by resolution or ordinance the cannabis business license tax rates; and

WHEREAS, the City Council desires to adjust the cannabis business license tax for the privilege of operating within the City consistent with the recommendation of the City consultant and within the authorized rates granted by the voter approved ordinance; and

WHEREAS, based on all of the information presented at the June 26, 2019 City Council meeting, both written and oral, including without limitation the staff reports, minutes, and other relevant materials (hereafter the "Record"), the City Council finds that under CEQA Guidelines 15060(c)(2) and 15378(b)(4), this tax does not constitute a project under CEQA and therefore review under CEQA is not required.

NOW, THEREFORE, BE IT RESOLVED that the City Council of South San Francisco hereby RESOLVES as follows:

1. The foregoing recitals are true and correct and incorporated herein as part of this Resolution.
2. The proposed actions in this Resolution are consistent with the voter approved Ordinance No. 1556, which adopted the cannabis business license tax set forth in Section 6.16.037 of the South San Francisco

Municipal Code.

3. The cannabis business license tax shall be adjusted as follows and is hereby approved:
 - One percent (1%) of gross receipts for cannabis testing operations;
 - Two percent (2%) of gross receipts for cannabis cultivation and distribution operations;
 - Three percent (3%) of gross receipts for cannabis manufacturing operations; and
 - Three percent (3%) of gross receipts for cannabis delivery-only operations and all other commercial cannabis business.
4. The City Manager, or his designee, is authorized to execute any necessary related documents.
5. The City Manager, or his designee, is authorized take any and all other actions necessary to implement this intent of this Resolution, subject to approval as to form by the City Attorney.

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