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RESOLUTION NO. 2019 -120

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUISUN CITY, CALIFORNIA, SETTING THE TAX RATE TO BE IMPOSED UPON COMMERCIAL CANNABIS BUSINESSES PURSUANT TO CHAPTER 3.44 (COMMERCIAL CANNABIS REGULATORY TAX) OF TITLE 3 (REVENUE AND FINANCE) OF THE SUISUN CITY MUNICIPAL CODE

WHEREAS, on May 29, 2018, the City Council of the City of Suisun City adopted Ordinance No. 750, adding Chapter 18.49 to the Suisun City Code and thereby establishing a commercial cannabis regulatory program in the City, as authorized by the Compassionate Use Act of 1996, the Medical Marijuana Program Act of 2003, the Medical Cannabis Regulation and Safety Act, and the Control, Regulate and Tax Adult Use of Marijuana Tax.

WHEREAS, Chapter 18.49, authorizes commercial cannabis cultivation (except outdoor cultivation), manufacturing, distribution, testing, and retail sales businesses (delivery businesses and one storefront dispensary business) to operate in the City, subject to issuance of the requisite State license and City-issued commercial cannabis business permit, and to continuing compliance with Chapter 18.49 and other applicable state and local laws and regulations.

WHEREAS, a General Municipal Election was held in the City of Suisun City, California, at which a ballot measure was submitted to the voters concerning the adoption of a proposed ordinance for the imposition of commercial cannabis receipts tax of up to 15% of the proceeds on all commercial cannabis businesses; and a tax of up to \$25 per square foot of space used for commercial cannabis activities, per fiscal year, and as may be increased annually by increases in the consumer price index, which is codified as Chapter 3.44 (Commercial Cannabis Tax) of Title 3 (Revenue and Finance) of the Suisun City Municipal Code (“Measure C”).

WHEREAS, Measure C was approved by the voters on November 6, 2018.

WHEREAS, Chapter 3.44 of the Suisun Municipal Code permits the City Council to set by resolution the rate at which the gross receipts of all commercial cannabis businesses are to be taxed provided that such rate does not exceed the maximum set by Measure C. Absent

1 action by the City Council, the rate is automatically set at the maximum allowed by Measure
2 C.

3 **WHEREAS**, the City Council now desires to set the rate at which the receipts of
4 commercial cannabis businesses are to be taxed, and to set the rate per square foot of space used
5 for commercial cannabis activities pursuant to Chapter 3.44 of the Suisun City Municipal Code.

6 **NOW, THEREFORE, BE IT RESOLVED, THE CITY OF SUISUN CITY DOES**
7 **HERBY RESOLVE AS FOLLOWS:**

8 Section 1. The recitals set forth above are true and correct and incorporated herein by this
9 reference.

10 Section 2. All terms used in this Resolution shall have the same meaning as those terms are
11 defined in Chapters 3.44 (Commercial Cannabis Tax) and 18.49 (Cannabis
12 Regulatory Program).

13 Section 3. Pursuant to Section 3.44.020(C) of the Suisun City Municipal Code, the City
14 Council hereby establishes the tax rate imposed upon cannabis businesses as
15 follows:

16 Cannabis Retailer/Dispensary (including delivery only)

17 Cannabis receipts tax:

18 7% (seven percent) Gross Receipts; State Medical
19 Identification card will be exempt from tax.

20 Tax per square foot of space:

21 \$2 (two dollars) per square foot per year

22 Commercial cannabis activities other than Cannabis Retailer/Dispensary

23 Cannabis receipts tax:

24 5% (five percent) Gross Receipts.

25 Tax per square foot of space:

26 \$5 (five dollars) per square foot per year
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Section 4. Pursuant to Section 3.44.050 of the Suisun City Municipal Code, the rate of penalties for failure to pay the cannabis taxes imposed in accordance with this Resolution remains at the maximum rate provided for in Section 3.44.050.

Section 5. That City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED at a Regular Meeting of said City of Suisun City duly held on Tuesday, the 26th day of November 2019, by the following vote:

AYES:	Councilmembers:	<u>Adams, Williams, Mayor Wilson</u>
NOES:	Councilmembers:	<u>Day, Segala</u>
ABSENT:	Councilmembers:	<u>None</u>
ABSTAIN:	Councilmembers:	<u>None</u>

WITNESS my hand and the seal of said City this 26th day of November 2019.



 Donna Pock, CMC
 Deputy City Clerk