

CITY OF SHASTA LAKE MEASURE C

MEASURE C

"To provide funding for general City services, shall an ordinance be adopted to impose a tax at a rate initially set at 6%, and not to exceed 10%, of gross receipts on Medical Marijuana Collectives and Cooperatives operating in the City of Shasta Lake?"

Yes

No

EXHIBIT A

ORDINANCE NO. 14-_____

AN ORDINANCE OF THE PEOPLE OF THE CITY OF SHASTA LAKE, CALIFORNIA, ADDING CHAPTER 3.17 TO THE CITY OF SHASTA LAKE MUNICIPAL CODE, APPROVING AND IMPLEMENTING A GENERAL BUSINESS TAX OF UP TO 10 CENTS PER \$1.00 ON PROCEEDS (GROSS RECEIPTS) OF MEDICAL MARIJUANA COLLECTIVES/COOPERATIVES OPERATING IN THE CITY

THE PEOPLE OF THE CITY OF SHASTA LAKE ORDAINS:

SECTION 1. Chapter 3.17 is added to the City of Shasta Lake Municipal Code to read:

MEDICAL MARIJUANA COLLECTIVE/COOPERATIVE BUSINESS TAX

- 3.17.010 Imposition of Tax.
- 3.17.020 Definitions.
- 3.17.030 Payment Obligation.
- 3.17.040 City Council Authorization to Adjust rates.
- 3.17.050 Payment of Tax Does Not Authorize Activity.
- 3.17.060 Medical Marijuana Collective/Cooperative Business Tax is not a Sales Tax.
- 3.17.070 Amendments and Administration.

3.17.010 Imposition of Tax.

Every person engaged in operating or conducting a medical marijuana collective/cooperative shall possess a business license as provided by Section 5.04.010 and pay a business tax at a rate of up to ten percent (10%) of Gross Receipts. The tax shall be initially set at a rate of six percent (6%). The tax under this Chapter shall not be increased on marijuana businesses unless and until the City Council, by Resolution takes action, and the tax rate shall not exceed ten percent (10%) of Gross Receipts.

3.17.020 Definitions

For purposes of this Chapter.

A. A "medical marijuana collective or cooperative" means any activity regulated or allowed by Chapter 17.82 of this Code, or California Health and Safety Code sections 11362.5, et seq., as may be amended from time to time.

B. "Proceeds" means gross receipts of any kind, including without limitation, membership dues; the value of in-kind contributions; reimbursements provided by members regardless of form; any payments made; and anything else of value obtained by a medical marijuana collective/cooperative.

3.17.030 Payment Obligation.

All taxpayers subject to this Chapter must pay the full tax imposed by this Chapter regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in this Code, except as required by California or Federal Law. Failure to pay the tax shall be subject to penalties, interest charges, and assessments as the City Council may establish and the City may use any or all other code enforcement remedies provided in this Code. No provision in this Code can lower the tax rate set forth in this Section or

otherwise reduce the amount of taxes paid hereunder unless the provision specifically states that the reduction applies.

3.17.040. City Council Authorization to Adjust Rates.

The City Council may impose the tax authorized by this Chapter at a lower rate and may establish exemptions, incentives, or other reductions, and penalties and interest charges or assessments for failure to pay the tax in a timely manner, as otherwise allowed by California law. No action by the Council under this Section shall prevent it from later increasing the tax or removing any exemption, incentive, or reduction, and restoring the maximum tax specified in this Chapter.

3.17.050. Application of Provisions.

No business license permit issued under the provisions of this Chapter, or the payment of any tax required under the provisions of this Chapter shall be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this section implies or authorizes that any activity connected with the distribution or possession of marijuana is legal unless otherwise authorized and allowed by California and federal law. Nothing in this section shall be applied or construed as authorizing the sale of marijuana.

3.17.060. Medical Marijuana Collective/Cooperative Business Tax is not a Sales Tax.

The Tax provided for under the provisions of this Chapter is not a Sales or Use Tax and shall not be calculated or assessed as such. The Tax shall not be separately identified or otherwise specifically assessed or charged to any member, patient, or caretaker. The taxes required by this Chapter are solely for the purpose of obtaining revenue and are not regulatory permit fees.

3.17.070. Amendments and Administration.

A. This Chapter was submitted to the voters for approval. Any amendment to Section 3.17.010 to increase the Tax above the rate expressly provided in such Section shall not become effective until such amendment is approved by the voters. The voters expressly authorize the City Council to amend, modify, change, or revise any other provision of this Chapter as the City Council deems in the best interest of the City.

B. The City manager or the City manager's designee shall promulgate rules, regulations, and procedures to implement and administer this Chapter to ensure the efficient and timely collection of the tax imposed by this Chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the tax as provided.

C. The City Manager or the City Manager's designee shall annually audit the medical marijuana collective/cooperative business taxes imposed by this Chapter to verify that tax revenues have been properly expended in accordance with the law. The City Manager's agent shall have the right to examine and audit all the books, business records and tax returns to verify that tax revenues have been properly reported and paid.

SECTION 2. This Ordinance shall become effective upon adoption by a majority of the voters casting votes at the general municipal election on November 4, 2014.

PASSED, APPROVED, AND ADOPTED BY THE PEOPLE OF THE CITY OF SHASTA LAKE AT THE REGULAR MUNICIPAL ELECTION HELD THE _____ DAY OF _____, 2014.

/s/ PAMELYN ANNE MORGAN,
MAYOR

ATTEST:

/s/ TONI M. COATES, CMC
CITY CLERK

CERTIFICATION

STATE OF CALIFORNIA)

ss.

COUNTY OF SHASTA)

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I, Toni M. Coates, City Clerk of the City of Shasta Lake, California, do hereby certify that Ordinance No. _____ is a full, true and correct copy, and was adopted by a majority vote of the People of the City of Shasta Lake, at the Regular Municipal Election held the _____ day of _____, 2014, as appears by the official returns of said election, and the Statement of Votes Cast as declared by the City Council, Resolution No. _____, adopted the _____ day of _____, 2014.

/s/ TONI M. COATES, CMC
CITY CLERK

IMPARTIAL ANALYSIS BY CITY ATTORNEY OF MEASURE C

If approved by a majority of the voters this Measure would add Chapter 3.17 to the City of Shasta Lake Municipal Code ("Chapter"). The Chapter would impose upon marijuana collectives and cooperatives operating in the City of Shasta Lake a business tax of six-percent (6%) on the gross receipts of each collective or cooperative. This would be in addition to the sales taxes already paid by the collectives and cooperatives. In addition, each collective or cooperative would be required to have a business license. The Chapter would allow the City Council to lower the business tax or increase the business tax to an amount not to exceed ten-percent (10%) of the gross receipts. The Measure would authorize the City Council to amend, modify, change, or revise the Chapter as the City Council deems in the best interest of the City. The City Council, however, would not have authority to increase the tax to more than ten-percent (10%). The measure authorizes the City Manager to promulgate rules, regulations and procedures to implement and administer the Chapter to ensure efficient and timely collection of taxes imposed. The Measure also gives to the City Manager the right to examine and audit all of the books, business records and tax returns of collectives and cooperatives to verify the proper collection of taxes. The revenues collected by the City would constitute general revenues to be used for the general benefit of the City and its citizens.

/s/ John S. Kenny, City Attorney
City of Shasta Lake

NO ARGUMENT IN FAVOR OF OR AGAINST MEASURE C SUBMITTED
