



RESOLUTION NO. 140-2019

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

RESOLUTION ESTABLISHING TAX RATES FOR EL DORADO COUNTY COMMERCIAL CANNABIS PROGRAM

WHEREAS, Section 2 of Article XIII C of the Constitution of the State of California, Government Code Section 53723, and Elections Code Section 9140 authorize the County to impose a general tax upon approval by a majority of the electorate voting in the election on the issue; and

WHEREAS, pursuant to Government Code Section 53739, an ordinance was presented for voter approval, which stated a range of rates or amounts for any independently authorized commercial cannabis activities; and

WHEREAS, in accordance with Sections 324 and 1000 of the California Elections Code, the State of California held a statewide general election on November 6, 2018 in which El Dorado County placed five commercial cannabis ballot measures N, P, Q, R, and S that were passed by a majority of the El Dorado County voters including the commercial cannabis activity tax in Measure N; and

WHEREAS, this resolution does not authorize any commercial cannabis activity, but establishes general excise taxes in the event that any commercial cannabis activity is permitted in El Dorado County; and

WHEREAS, Revenue and Taxation Code Section 34021.5, subdivisions (a)(1) and (a)(2) authorize the County to “impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing cannabis or cannabis products by a licensee operating under Division 10 (commencing with Section 26000) of the Business and Professions Code;” and

WHEREAS, the Commercial Cannabis Activities Tax is a general tax enacted solely for general governmental purposes of the County and not for specific purposes. The tax revenue raised shall be placed in the County’s general fund and used for unrestricted general revenue purposes; and

WHEREAS, pursuant to Measure N each person engaged in any commercial cannabis activity in the unincorporated area of the County, regardless if the person has been issued a permit to operate lawfully in the County or is operating unlawfully, shall pay an annual Commercial Cannabis Activities Tax. Said tax shall be imposed upon any and all commercial cannabis activities, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous; and

WHEREAS, the County Board of Supervisors may, in its discretion, at any time by resolution or ordinance, set the initial rate and/or adjust the tax rate for all persons engaged in any commercial cannabis activity in the unincorporated area of the County subject to the minimum and maximum rates enacted by the voters in Measure N and provided for in Government Code Section 53739, subdivision (a). As provided for in Measure N, the Board may establish different tax rates for each commercial cannabis activity type, state license type, or subset of activity within each type of commercial cannabis activity and establish different tax rates for medicinal and recreational adult use cannabis.

NOW, THEREFORE, BE IT RESOLVED the El Dorado County Board of Supervisors establishes the rates of the Commercial Cannabis Activities Tax for the unincorporated portion of El Dorado County shown in the attached Exhibit A; which is incorporated herein by reference.

BE IT FURTHER RESOLVED that the Commercial Cannabis Activities Tax rates established herein shall be administered and collected in accordance with Measure N, as amended from time to time by the Board of Supervisors.

BE IT FURTHER RESOLVED that these rates shall be codified in the Commercial Cannabis Activities Tax.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the day of August 27th, 2019, by the following vote of said Board:

Ayes: Frentzen, Veerkamp, Parlin, Hidahl, Novasel

Noes: None

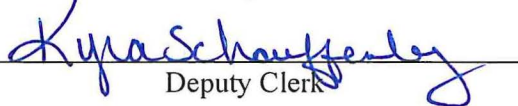
Absent: None

Attest:

Kim Dawson

Clerk of the Board of Supervisors

By:


Deputy Clerk


Vice-chair, Board of Supervisors
Brian K. Veerkamp

COMMERCIAL CANNABIS PROGRAM TAX RATE SCHEDULE

Outdoor Cultivation – \$2 per square foot

Mixed Light Cultivation – \$4 per square foot

Indoor Cultivation – \$7 per square foot

Nursery – 4% on gross receipts

Manufacturing – Level 1 – 2.5% on gross receipts

Manufacturing – Level 2 – 0.0% on gross receipts

Retail – 4% on gross receipts

Distributor – 2.0% on gross receipts

Testing Laboratories – .5% on gross receipts

