



## RESOLUTION NO. xxx-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 \_\_\_\_\_, 20\_\_\_\_, by the following vote of said Board:

Attest:  
Kim Dawson  
Clerk of the Board of Supervisors

Ayes:  
Noes:  
Absent:

By: \_\_\_\_\_  
Deputy Clerk

\_\_\_\_\_ Chair, Board of Supervisors

**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**

