



staff report

TO: Honorable Mayor and Members of the City Council

FROM: Jeffrey L. Stewart, City Manager
Mayra Ochiqui, City Clerk

SUBJECT: Consideration and possible action to 1) read by title only, waive further reading, and introduce Ordinance No. 13XX – An Ordinance adding Chapter 3.37 to Title 3 of the Bellflower Municipal Code entitled “Cannabis Tax” and imposing a tax on various cannabis-related businesses; and 2) add a ballot measure to the previously called March 7, 2017, General Municipal Election and adopt the following resolutions necessary to place such measures on the consolidated March 7, 2017, ballot:

Resolution No. 16-XX – A Resolution adding a proposition to the ballot for the March 7, 2017, General Municipal Election pursuant to Elections Code § 9222, for the submission to the voters a proposition which would impose a new tax upon cannabis-related businesses;

Resolution No. 16-XX – A Resolution requesting the Board of Supervisors of the County of Los Angeles to add one measure contests to the previously consolidated General Municipal Election to be held on March 7, 2017, with the Special Countywide Election to be held on that date pursuant to Election Code § 10403;

Resolution No. 16-XX – A Resolution directing the City Attorney to prepare an impartial analyses of the proposition regarding imposition of the Cannabis Tax upon cannabis-related businesses within the City of Bellflower; and

Resolution No. 16-XX – A Resolution establishing requirements for ballot arguments filed with the City Clerk to be included with voter information for a general municipal election on March 7, 2017.

DATE: November 28, 2016

EXECUTIVE SUMMARY

The November 8, 2016, election results currently show 56.5% voter approval for Proposition 64, Control, Regulate and Tax Adult Use of Marijuana Act (“AUMA”). Portions of Proposition 64 became effective November 9, 2016 (personal cultivation); other parts become law effective January 1, 2017, with the Secretary of State’s release of the Statement of Vote (“SOV”), which contains the official results from each county, by the statutory deadline of December 15, 2016. With this election result, staff has prepared the draft documents to promptly carry out the Council’s direction on October 10, 2016, to add a ballot measure, “Cannabis Tax,” to the March 7, 2017, General Municipal Election.

BACKGROUND

Effective January 1, 2017, AUMA will allow for the recreational use of marijuana (and marijuana products) by adults in California and impose a 15% statewide excise tax on retail sales and certain other taxes for marijuana cultivation (\$9.25 per dry-weight ounce of marijuana flowers and \$2.75 per dry-weight ounce of marijuana leaves). These taxes are in addition to the statewide sales and use tax.

AUMA also allows for the local jurisdictions to determine whether or not to permit the sale and operation of cannabis businesses within their jurisdictions, and if a local jurisdiction were to permit such activity, it may adopt local regulations for such businesses and impose local taxes.

In consideration of AUMA, at the April 26, 2016, Special Meeting, the City Council directed staff to prepare documents that, if adopted, would implement a program allowing for cannabis businesses to operate within the City and impose a tax upon such businesses. In addition, following the October 10, 2016, Council Study Session, the City Council took action on the same night at the regular Council Meeting to introduce Ordinance No. 1323 establishing marijuana business permit regulations and directed staff to prepare a cannabis tax measure for the March 7, 2017, General Municipal Election.

One of the Council's concerns expressed at the Study Session was that cannabis operations are primarily cash businesses, and therefore, the City will have to take necessary steps to ensure that the operators comply with the tax ordinance to the fullest extent. To address this concern, staff recommends the following preliminary measures at the present time:

1. Regular periodic compliance and forensic financial audits at inception.
The proposed tax ordinance allows for the City to audit the books and records of permitted marijuana businesses. The ordinance also requires the operators to provide to the City other taxing agencies' audits of their businesses within five working days.
2. Impose conditions/safeguards to the Cannabis Operations Permit.
Staff is researching with the consultants what conditions and safeguards may be added to the operations permits for the marijuana businesses. Such measures may include requirements to use an electronic cash register and cash receipts for all sales transactions, posting of signage for the customers that all sales require a cash receipt being issued and any sale without cash receipts should be reported to the City, and other conditions and safeguards that may be deemed necessary.

Staff also recommends and has included in the current version of the Cannabis Tax Ordinance a flat tax rate of \$1,500/year for the transportation businesses, instead of the previously proposed gross receipts based tax, to simplify taxation and to avoid the need for periodic audits for this segment of businesses.

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If approved by the voters at the March 7, 2017, General Municipal Election, the Cannabis Tax will generate revenue for the City's General Fund in an approximate annual amount of \$1.8 million (cannabis tax and sales tax) in the first full year of issuing 12 cannabis business permits. The tax rates will increase from July 1, 2020, and by July 1, 2023, the tax rates will be fully phased-in (prior to subsequent CPI adjustments), and at that time, the projected annual revenue is \$3.4 million.

Cannabis Operations Permit

If a CUP is secured, qualified persons could apply for a Cannabis Operations Permit. Resolution No. 16-72, establishes minimum qualifications a person would need to obtain a Permit. In addition to having a state permit under AUMA (which, among other things, would require applicants to clear a criminal background check), applicants for a Permit would be required to demonstrate adequate finances; business acumen (which would be supported by a business plan); and good moral character.

Election:

The proposed Cannabis Tax is a general tax, meaning that revenue derived from the tax can be used for any municipal purpose. With certain exceptions, a general tax can only be considered during a general municipal election. The next election that the measure can be voted upon is the March 7, 2017, General Municipal Election (proposed to be consolidated with the Special Countywide Election). In order to ensure it is placed on the ballot, the City Council must approve a Resolution and submit a request to Los Angeles County not later than December 9, 2016. To become effective, the Cannabis Tax would require a simple majority of voters to approve it.

The City Council has the authority to place a measure on the ballot up until eighty-eight (88) days before the election (December 9, 2016) (EC § 9222). Pursuant to Elections Code § 9280, the City Council has the discretion to direct the City Clerk to transmit the measure to the City Attorney, and per that same section the City Attorney may be directed to prepare impartial analyses of the measure for inclusion in the Sample Ballot and Voters Information Pamphlet. **(Attachment E)**

The City Council also has the discretion of authorizing its membership, by majority vote, to file written argument(s) regarding the measure and to adopt provisions to provide for the filing of rebuttal arguments. **(Attachment F)**

The following persons may write an argument, not exceeding 300 words, for or against the measure:

1. The City Council;
2. Councilmembers authorized by the City Council;
3. Voters eligible to vote on the measure (i.e., a registered voter in the city);
4. A bona fide citizens' association; or
5. Any combination of voters and associations.

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An argument cannot be accepted unless it is accompanied by the name(s) of the person(s) submitting it. If an organization submits an argument, it must include the organization's name and the name of at least one principal officer.¹ Only the first five signatures appearing with an argument will be printed on the sample ballot.²

The City Clerk must select a reasonable deadline for submitting arguments, taking into account that voters must be allowed to examine the elections material for at least 10 calendar days before printing.³

When submitted, one argument for the measure and one argument against the measure must be printed on the sample ballot.⁴ If there is more than one argument submitted, the City Clerk must select from among them.⁵ The City Clerk must give preference and priority to arguments in the following order:

1. The City Council, or Councilmembers authorized by the City Council.
2. A bona fide association of citizens.
3. Individual voters eligible to vote on the measure.

If the City Council adopts the provisions in Elections Code § 9285(a) by majority vote before the election, rebuttal arguments may be included on the sample ballot. If the Council adopts provisions of that section, the following rules apply:⁶

- The City Clerk must send copies of the argument supporting the measure to opponents of the measure, and must send copies of the argument against the measure to measure proponents. Each side is then entitled to submit a rebuttal argument, not exceeding 250 words.⁷
- Rebuttal arguments must be submitted within ten (10) days after the deadline for filing direct arguments. Each rebuttal argument must be printed immediately following the direct argument it seeks to rebut.⁸

1 Elec. Code §9283.

2 *Id.*

3 Elec. Code §§ 9286 and 9295.

4 Elec. Code §9282.

5 Elec. Code §9287.

6 Elec. Code § 9285(b).

7 Elec. Code § 9285.

8 *Id.*

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Proposed Timeline and Los Angeles County Election Deadlines

If the City Council places the measure on the March 7, 2017 ballot, the following timeline would apply:

November 28, 2016	Approve adding measure to the March 7, 2017, ballot
November 29, 2016	Post Notice of Deadline for Filing Arguments
December 8, 2016	Last day to publish/post Notice of Deadline for Filing Arguments
December 9, 2016	Last day to file a resolution with Board of Supervisors and County elections official requesting consolidation for a ballot measure
December 9, 2016	Last day to file a resolution with the County elections official and the Board of Supervisors to amend/withdraw a measure previously submitted for placement on the ballot
December 16, 2016	Last day to file Arguments and City Attorney's Impartial Analyses
December 17 - 27, 2016	10-calendar-day public examination period
December 27, 2016	Last day to file Rebuttal Arguments
December 28, 2016 - January 6, 2017	10-calendar-day public examination period
March 7, 2017	Election Day

ATTACHMENTS

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Estimated Marijuana Business Tax Revenue

CPI: 7/1/2024

<u>Cultivation</u>	Est. 1st Full Year							
			Eff. 7/1/2018	Eff. 7/1/2019	Eff. 7/1/2020	Eff. 7/1/2021	Eff. 7/1/2022	Eff. 7/1/2023
	S.F. Per Permit	No. of Permits	Annual Tax @ \$15/s.f. Nursery @ \$2/s.f.	Annual Tax @ \$15/s.f. Nursery @ \$2/s.f.	Annual Tax @ \$17.50/s.f. Nursery @ \$3.50/s.f.	Annual Tax @ \$20/s.f. Nursery @ \$5/s.f.	Annual Tax @ \$22.50/s.f. Nursery @ \$5/s.f.	Annual Tax @ \$25/s.f. Nursery @ \$5/s.f.
Type 1	5,000	1	\$ 69,000	\$ 69,000	\$ 81,000	\$ 93,000	\$ 104,000	\$ 115,000
Type 2	10,000	2	274,000	274,000	322,000	370,000	415,000	460,000
Type 3	22,000	1	301,000	301,000	354,000	407,000	457,000	506,000
Total	47,000	4	\$ 600,000	\$ 600,000	\$ 800,000	\$ 900,000	\$ 1,000,000	\$ 1,100,000

Manufacturing:

	S.F. Per Permit	No. of Permits	Annual Tax @ 5%	Annual Tax @ 5%	Annual Tax @ 7.5%	Annual Tax @ 10%	Annual Tax @ 10%	Annual Tax @ 10%
Type 6	2,500	2	\$ 170,000	\$ 170,000	\$ 255,000	\$ 340,000	\$ 340,000	\$ 340,000
Type 7	5,000	2	330,000	330,000	495,000	660,000	660,000	660,000
Total	15,000	4	\$ 500,000	\$ 500,000	\$ 750,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Approx. Per S.F.			<u>\$ 33</u>	<u>\$ 33</u>	<u>\$ 50</u>	<u>\$ 67</u>	<u>\$ 67</u>	<u>\$ 67</u>

Dispensaries:

	S.F. Per Permit	No. of Permits	Annual Tax @ 5%	Annual Tax @ 5%	Annual Tax @ 7.5%	Annual Tax @ 10%	Annual Tax @ 10%	Annual Tax @ 10%
Type 10	2,500	2	\$ 200,000	\$ 200,000	\$ 300,000	\$ 400,000	\$ 400,000	\$ 400,000
Type 10	5,000	2	400,000	400,000	600,000	800,000	800,000	800,000
Total	15,000	4	\$ 600,000	\$ 600,000	\$ 900,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Approx. Per S.F.			<u>\$ 40</u>	<u>\$ 40</u>	<u>\$ 60</u>	<u>\$ 80</u>	<u>\$ 80</u>	<u>\$ 80</u>

Sales Tax - 1% local			\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
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Grand Total	12	\$ 1,800,000	\$ 1,800,000	\$ 2,550,000	\$ 3,200,000	\$ 3,300,000	\$ 3,400,000
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CITY OF BELLFLOWER

ORDINANCE NO. 13XX

AN ORDINANCE ADDING CHAPTER 3.37 TO TITLE 3 OF THE BELLFLOWER MUNICIPAL CODE ENTITLED “CANNABIS TAX” AND IMPOSING A TAX ON VARIOUS CANNABIS-RELATED BUSINESSES

THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. A new Chapter 3.37, entitled “*Cannabis tax*” and consisting of §§ 3.37.100 to 3.37.260, is added to Title 3 of the Bellflower Municipal Code (“BMC”) to read as follows:

“Chapter 3.37

CANNABIS TAX

ARTICLE I – CANNABIS TAX GENERALLY

§ 3.37.010 PURPOSE.

This chapter is adopted pursuant to Government Code §§ 53723 and 53724 for the purpose of raising revenue for the city’s general governmental purposes.

§ 3.37.020 DEFINITIONS.

Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this chapter. Words and phrases not defined by this chapter will have the meanings stated elsewhere in this Code, or under the California Government Code.

- A. “Administrator” means the city manager, or designee.
- B. “Affiliated corporation” means a corporation where:
 - 1. The voting and non-voting stock of which is owned at least eighty percent by such other corporation with which such transaction is had; or
 - 2. Which owns at least eighty percent of the voting and non-voting stock of such other corporation; or
 - 3. At least eighty percent of the voting and non-voting stock of which is owned by a common parent corporation which also has such ownership of the corporation with which such transaction is had.

- C. “Business” includes all activities engaged in or caused to be engaged in within the City, including any commercial or industrial enterprise, trade, profession, occupation, vocation, calling, or livelihood, whether or not carried on for gain or profit, but does not include the services rendered by an employee to his or her employer.
- D. “Cannabis” means all parts of the plant *Cannabis sativa* Linnaeus, *Cannabis indica*, or *Cannabis ruderalis*, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. “Cannabis” also means the separated resin, whether crude or purified, obtained from cannabis. “Cannabis” also means marijuana as defined by Health and Safety Code Section 11018 and is not limited to medical cannabis.
- E. “Cannabis product” means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate, an edible product, or a topical product. “Cannabis product” also means marijuana products as defined by Health and Safety Code Section 11018.1 and is not limited to medical cannabis products.
- F. “Canopy” means all areas occupied by any portion of a cannabis plant, inclusive of all vertical planes, whether contiguous or noncontiguous on any one site. The plant canopy does not need to be continuous on any premise in determining the total square footage which will be subject to tax.
- G. “Cannabis business” or “Commercial cannabis business” means any commercial business activity relating to cannabis including, without limitation, cultivating, transporting, distributing, manufacturing, compounding, converting, processing, preparing, storing, packaging, delivering, and selling (wholesale and/or retail sales) of cannabis and any ancillary products and accessories in the City, whether or not carried on for gain or profit.
- H. “Commercial cannabis cultivation” means cultivation conducted by, for, as part of a commercial cannabis business.
- I. “City permit” means a permit issued pursuant to this Code authorizing a person to operate or engage in a commercial cannabis business.
- J. “Cultivation” means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis.
- K. “Delivery” means the commercial transfer of cannabis or cannabis products from a dispensary.

- L. “Dispensary” means a facility where cannabis, cannabis products, or devices for the use of cannabis or cannabis products are offered, either individually or in any combination, for retail sale, including an establishment that delivers cannabis and cannabis products as part of a retail sale.
- M. “Distributor” or “distribution” or “distribution facility” means a person or facility involved in the procurement, sale, and/or transport of cannabis and cannabis products between permitted or licensed entities.
- N. “Employee” means each and every person engaged in the operation or conduct of any business, whether as owner, member of the owner's family, partner, associate, agent, manager or solicitor, and each and every other person employed or working in such business for a wage, salary, commission, barter or any other form of compensation.
- O. “Engaged in business” means the commencing, conducting, operating, managing or carrying on of a cannabis business and the exercise of corporate or franchise powers, whether done as owner, or by means of an officer, agent, manager, employee, or otherwise, whether operating from a fixed location in the City or coming into the City from an outside location to engage in such activities. A person is deemed engaged in business within the City if, and without limitation:
 - 1. Such person or person’s employee maintains a fixed place of business within the City for the benefit or partial benefit of such person;
 - 2. Such person or person’s employee owns or leases real property within the City for business purposes;
 - 3. Such person or person’s employee regularly maintains a stock of tangible personal property in the City for sale in the ordinary course of business;
 - 4. Such person or person’s employee regularly conducts solicitation of business within the City;
 - 5. Such person or person’s employee performs work or renders services in the City; and
 - 6. Such person or person’s employee utilizes the streets within the City in connection with the operation of motor vehicles for business purposes.

- P. "Evidence of doing business" means evidence such as, without limitation, use of signs, circulars, cards or any other advertising media, including the use of internet or telephone solicitation, or representation to a government agency or to the public that such person is engaged in a marijuana business in the City.
- Q. "Fiscal year" means July 1 through June 30 of the following calendar year.
- R. "Gross Receipts," except as otherwise specifically provided, means the total amount actually received or receivable from all sales; the total amount or compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise; discounts, rents, royalties, fees, commissions, dividends, and gains realized from trading in stocks or bonds, however designated. Included in "gross receipts" is all receipts, cash, credits and property of any kind or nature, without any deduction there from on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following is excluded:
1. Cash discounts where allowed and taken on sales;
 2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price is included as gross receipts;
 3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
 4. Such part of the sale price of any property returned by purchasers to the seller as refunded by the seller by way of cash or credit allowances or return of refundable deposits previously included in gross receipts;
 5. Receipts from investments where the holder of the investment receives only interest and/or dividends, royalties, annuities and gains from the sale or exchange of stock or securities solely for a person's own account, not derived in the ordinary course of a business;
 6. Receipts derived from the occasional sale of used, obsolete or surplus trade fixtures, machinery or other equipment used by the taxpayer in the regular course of the taxpayer's business;

7. Whenever there are included within the gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectible in a subsequent year, those amounts may be excluded from the gross receipts in the year they prove to be uncollectible; provided, however, if the whole or portion of such amounts excluded as uncollectible are subsequently collected they is included in the amount of gross receipts for the period when they are recovered;
 8. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business must not be excluded when in excess of one dollar;
 9. Amounts collected for others where the business is acting as an agent or trustee and to the extent that such amounts are paid to those for whom collected. These agents or trustees must provide the finance department with the names and the addresses of the others and the amounts paid to them. This exclusion does not apply to any fees, percentages, or other payments retained by the agent or trustees.
- S. “Manufacturer” means a person that conducts the production, preparation, propagation, or compounding of cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, that holds a valid City permit.
- T. “Nursery” means a person that produces only clones, immature plants, seeds, and other agricultural products used specifically for the planting, propagation, and cultivation of cannabis.
- U. “Person” means, without limitation, any natural individual, firm, trust, common law trust, estate, partnerships of every kind, association, syndicate, club, joint stock company, joint venture, limited liability company, corporation (including foreign, domestic, and non-profit), municipal corporation (other than the City), municipal district, cooperative, or receiver, trustee, guardian or other representative appointed by court.
- V. “Personal medical cannabis cultivation” means cultivation by a qualified patient who cultivates 100 square feet total canopy area or less of cannabis exclusively for his or her personal medical use but who does not provide, donate, sell, or distribute cannabis to any other person. “Personal medical cannabis cultivation” also includes cultivation by a primary caregiver who cultivates 100 square feet total canopy area or

less of cannabis exclusively for the personal medical purposes of no more than five specified qualified patients for whom he or she is the primary caregiver, but who does not receive remuneration for these activities except for compensation in full compliance with Health and Safety Code Section 11362.765, as amended.

- W. “Sale” means and includes any sale, exchange, or barter.
- X. “Square foot” or “square footage” means the maximum amount of canopy for commercial cannabis cultivation authorized by a City permit issued to a person engaging in commercial cannabis business, or by a state license in the absence of a City permit or license, not deducting for unutilized square footage, and is the basis for the tax base for cultivation.
- Y. “State license,” “license,” or “registration” means a state license issued pursuant to Business & Professions Code Sections 19300, *et seq.* or other applicable state law.
- Z. “Tax,” “cannabis tax,” “business tax,” or “commercial marijuana tax” means the tax due pursuant to this chapter for engaging in commercial cannabis business in the City.
- AA. “Testing laboratory” means a facility, entity, or site in the state that offers or performs testing of cannabis or cannabis products and that is both of the following:
 - 1. Accredited by an accrediting body that is independent from all other persons involved in the cannabis industry in the state; and
 - 2. Registered with the California State Department of Public Health.
- BB. “Transport” means the transfer of cannabis or cannabis products from the permitted business location of one permittee or licensee to the permitted business location of another permittee or licensee, for the purposes of conducting commercial cannabis activity authorized pursuant to state law.
- CC. “Transporter” means a person issued all required state and City permits to transport cannabis or cannabis products between permitted facilities.

§ 3.37.030 PAYMENT OF TAX DOES NOT AUTHORIZE UNLAWFUL BUSINESS.

- A. Paying the tax required by this chapter, and its acceptance by the City, does not entitle any person to carry on any cannabis business unless the person has complied with all of the requirements of this Code and all other applicable state laws.

- B. Taxes paid pursuant to this chapter do not authorize the conduct of any business. Monies collected from the tax imposed by this chapter is solely for revenue and not for regulation.

ARTICLE II – VOTER APPROVED TAX*

§ 3.37.040 VOTER APPROVAL REQUIRED.

This Article II of Chapter 3.37 of the Bellflower Municipal Code must be approved by voters in accordance with applicable law.

§ 3.37.050 TAX IMPOSED.

There is established and imposed, beginning July 1, 2017, a cannabis tax in the manner and rates set forth in this chapter.

§ 3.37.060 CANNABIS TAX.

- A. Tax on commercial cannabis cultivation except nurseries.
 - 1. Every person who is engaged in commercial cannabis cultivation in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 for commercial cannabis cultivation, excluding nurseries, is set at \$15.00 per fiscal year, per square foot of canopy space authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case can canopy square footage which is authorized by the permit or license, but not utilized for cultivation, be deducted for the purpose of determining the tax for cultivation unless duly authorized in writing by the administrator.
 - 2. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by \$2.50 per square foot of authorized canopy. Except as otherwise provided, the maximum tax rate is \$25.00 per square foot.
- B. Tax on cultivation of cannabis as a nursery.

* Pursuant to Article XIII C, § 2 of the California Constitution, this Article II of BMC Chapter 3.37 is effective only if approved by a majority of voters at a municipal election.

3. Every person who is engaged in cultivation of cannabis as a nursery as defined in this chapter in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 is set at \$2.00 per square foot of canopy authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for cultivation of cannabis as a nursery, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for cultivation of cannabis as a nursery allowed by the state license type. In no case must canopy square footage which is authorized by the permit or license but not utilized for cultivation as a nursery be deducted for the purpose of determining the tax for cultivation as a nursery unless duly authorized in writing by the administrator.
4. Beginning on July 1, 2020, such tax rate will automatically increase each fiscal year by \$1.50 per square foot of canopy utilized for cannabis cultivation as a nursery. Except as otherwise provided, the maximum tax rate is \$5.00 per square foot per annum.

C. Tax on transportation businesses.

Every person who is engaged in a cannabis transportation business must pay an annual Cannabis tax of \$1,500.00 per year effective July 1, 2017.

D. Tax on all other commercial cannabis businesses.

1. Every person who is engaged in business as a dispensary, manufacturer, testing laboratory, or distribution facility, or engaging in delivery of cannabis in the City must pay an annual commercial Cannabis tax. The initial tax rate effective July 1, 2017 is set at 5% of the gross receipts per fiscal year.
2. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by 2.5%. Except as otherwise provided, the maximum tax rate is 10% per fiscal year on gross receipts.

§ 3.37.070 AUTOMATIC TAX INCREASE.

- A. Beginning on July 1, 2024, non-gross receipts based taxes imposed by this chapter will be increased annually each July 1st on a percentage basis using the percentage increase in the consumer price index ("CPI") for all urban consumers as calculated by the United States Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Riverside-Orange County area, for the 12 months ending March 31st of each year.

- B. Notwithstanding any other provisions of this code, the tax imposed in this chapter will be increased by a minimum of one cent (\$0.01) every year for square footage-based or other non-gross receipts based taxes.

§ 3.37.080 REPORTING AND REMITTANCE OF TAX.

- A. Each person required by this chapter to remit a tax must file a return to the administrator on forms approved by the administrator on or before the due date. The full amount of the tax owed must be included with the return and filed with the administrator. The administrator is authorized to require such additional information as deemed necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Pursuant to Revenue and Tax Code § 7284.6, the administrator, and its agents, must maintain such filing returns as confidential information, and not subject to the California Public Records Act.
- B. The Cannabis tax imposed by this chapter is imposed on a fiscal year basis and is due and payable in quarterly installments as follows:
 - 1. Each person or business owing a Cannabis tax must, on or before the last day of the month following the close of each fiscal year quarter remit to the administrator the tax due. The tax due is no less than the quarterly installment due, but the taxpayer may at any time pay the tax due for the entire fiscal year.
 - 2. If the Cannabis tax is owed on commercial cannabis cultivation, the square footage tax due is paid based on the square footage of cultivation authorized by the City permit. The tax will not be prorated or adjusted for any reduction in the square footage authorized but not utilized for cultivation unless duly authorized in writing by the administrator. If the cultivation begins in the middle of a fiscal year, the administrator must prorate, in daily increments, the amount due for the fiscal year.
- C. Tax statements and payments for all outstanding taxes owed the City are immediately due to the administrator upon cessation of business for any reason.
- D. The administrator may establish shorter reporting and payment periods for any taxpayer as the administrator deems necessary to ensure collection of the tax.
- E. The administrator may, as part of administering the tax, modify the form of payment and take such other administrative actions as needed to facilitate collection of the tax.

§ 3.37.090 CONSTITUTIONAL EXEMPTIONS.

- A. The tax imposed by this chapter does not apply to:
 - 1. Any person or service when imposition of the tax upon that person or service would violate a federal or state statute, the Constitution of the United States, or the Constitution of the state of California;
 - 2. The city.
- B. Except as otherwise provided, any person that is exempt from the tax imposed by this chapter must file an application with the administrator for an exemption. The application for a Tax exemption must be made upon a form approved by the administrator and state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and include the names of all utility service providers serving that person. If deemed exempt by the administrator, such person must give the administrator timely written notice of any change in utility service providers so that the administrator can properly notify the new utility service provider of the person's Tax exempt status.
- C. A person failing to comply with this section is not entitled to a refund of Tax remitted to the administrator from such person as a result of such non-compliance.

§ 3.37.100 SUSPENSION OR REDUCTION.

Nothing in this chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

§ 3.37.110 CITY COUNCIL AUTHORITY TO AMEND.

Unless voter approval is required by the California Constitution or applicable law, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in addition, adopt by ordinance or resolution such additional regulations that may be necessary to implement the purposes of this chapter.

ARTICLE III – ADMINISTRATION OF CANNABIS TAX

§ 3.37.120 ADMINISTRATION BY ADMINISTRATOR.

- A. The administrator is authorized to administer this chapter. Such authority includes, without limitation, the ability to promulgate administrative rules and regulations consistent with the provisions of this code as needed to enforce and administer this chapter. Rules and regulations adopted by the administrator require City Council approval.
- B. The administrator has the power and duty to enforce each and all of the provisions of this chapter including, without limitation, the rules and regulations promulgated in accordance with the chapter.
- C. For good cause, the administrator may enter into agreements to vary the strict requirements of this chapter in order to avoid a hardship where the administrative costs of collection and remittance greatly outweigh the tax benefit. Such agreements must be on file in the administrator's office and may be voided by the administrator or the City at any time.
- D. The administrator will determine the eligibility of any person who asserts a right to exemption from the tax imposed by this chapter.

§ 3.37.130 SEGREGATION OF BOOKS AND RECORDS.

If a business subject to the tax is operating both within and outside the City, the person operating the business must maintain separate books and records and if permitted by law, bank accounts, for business operations within and outside of the City at all times.

§ 3.37.140 INTEREST AND PENALTY.

- A. Taxes collected from a person, or owed by a person which are not received by the administrator on or before the due dates provided in this chapter are delinquent and are subject to penalties and interest. Should the due date occur on a weekend or legal holiday, the return must be received by the administrator on the first regular working day following a Saturday/Sunday or legal holiday. A direct deposit, including electronic fund transfers and other similar methods of electronically exchanging monies between financial accounts, made by a person in satisfaction of its obligations under this subsection is considered timely if the transfer is initiated on or before the due date, and the transfer settles into the city's account on or before the following business day.

- B. If the person required to remit the tax fails to remit the tax, the administrator will attach a penalty for such delinquencies or deficiencies at the rate of 5% of the total tax that is delinquent or deficient in the remittance, and if not remitted within two working days after the date of the delinquency, will pay a total penalty of 20% of the amount of tax owed.
- C. The administrator has the power to impose additional penalties upon persons required to remit Taxes under the provisions of this chapter for fraud or gross negligence in reporting or remitting at the rate of 50% of the amount of the tax required to be remitted, or as recomputed by the administrator.
- D. In addition to any other penalties imposed by this chapter, any person required to remit any tax imposed by the provisions of this chapter who fails to remit the tax must pay interest at the rate of three-quarters of one percent (0.75%) per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid.
- E. No penalty or interest will be applied if delinquencies are the result of natural disasters or other phenomena beyond the control of the person charged with remitting the tax, provided the person being delinquent notifies the administrator as soon as normal communications permit.

§ 3.37.150 ASSESSMENTS AND APPEAL.

The administrator may make an assessment for tax not paid or remitted by a person required to pay or remit. The administrator must mail a notice of such assessment, which refers briefly to the amount of the tax, penalties and interest imposed and the time and place where the assessment may be contested, to the person and/or the person at least ten days before the date of the hearing and post such notice for at least five continuous days before the date of the hearing. A penalty of 25% of the amount of the tax set forth in the notice must be imposed, along with interest at the rate of three-quarters of one percent (0.75%) per month, or any fraction thereof, on the amount of the tax, exclusive of penalties, from the date on which the remittance first became delinquent, until paid. Any interested party having any objections may appear and be heard at the hearing provided his or her objection is filed in writing with the administrator before the time of the hearing. At the time fixed for considering such assessment, the administrator will hear the same, together with any objections filed as provided in this subsection, and thereupon may confirm or modify such assessment.

§ 3.37.160 RECORDS.

- A. It is the duty of every person required to remit to the City any tax imposed by this chapter to keep and preserve, for a period of at least three years, all records as may be necessary to determine the amount of such tax as he or she may have been liable for remittance to the administrator, which records the administrator, or the administrator's designated representative, must have the right to inspect at a reasonable time.
- B. The administrator may issue a legislative subpoena, in a form approved by the city attorney, to compel a person to deliver to the administrator, copies of all records deemed necessary by the administrator to establish compliance with this chapter, including the delivery of records in a common electronic format on readily available media if such records are kept electronically by the person in the usual and ordinary course of business. As an alternative to delivering the subpoenaed records to the administrator on or before the due date provided in the administrative subpoena, such person may provide access to such records outside the city on or before the due date, provided that such person must reimburse the city for all reasonable travel expenses incurred by the city to inspect those records, including travel, lodging, meals, and other similar expenses, but excluding the normal salary or hourly wages of those persons designated by the city to conduct the inspection.
- C. The administrator is authorized to execute a non-disclosure agreement approved by the city attorney to protect the confidentiality of person information pursuant to Revenue and Tax Code §§ 7284.6 and 7284.7.
- D. If a person uses a billing agent or billing aggregator to bill, collect, and/or remit the tax, the person must:
 - 1. Provide to the administrator the name, address and telephone number of each billing agent and billing aggregator currently authorized by the person to bill, collect, and/or remit the tax to the city; and
 - 2. Upon request of the administrator, deliver, or effect the delivery of, any information or records in the possession of such billing agent or billing aggregator that, in the opinion of the administrator, is necessary to verify the proper application, calculation, collection and/or remittance of such Tax to the city.

- E. If any person subject to record-keeping under this section unreasonably denies the administrator access to such records, or fails to produce the information requested in a legislative subpoena within the time specified, the administrator may impose a penalty of \$500 on such person for each day following:
 - 1. The initial date that the person refuses to provide such access; or
 - 2. The due date for production of records as set forth in the legislative subpoena. This penalty is in addition to any other penalty imposed under this chapter.

- F. If any person subject to the gross receipts based tax and the record-keeping requirements under this section is being audited by the Internal Revenue Service, Franchise Tax Board, Board of Equalization, or any other similar taxing and regulatory entities, the person must submit all audit notices, findings, adjustments, and determination letters to the administrator within five working days.

§ 3.37.170 REFUNDS.

- A. Whenever the amount of any tax is overpaid, paid more than once, or was erroneously collected or received by the administrator under this chapter it may be refunded as provided in this section.

- B. The administrator may refund any tax that was overpaid, paid more than once, or erroneously collected or received by the administrator under this chapter, provided that no refund will be paid under the provisions of this section unless the claimant or his or her guardian, conservator, executor or administrator submits a written claim to the administrator within one year of the overpayment or erroneous or illegal collection of said tax. Such claim must clearly establish claimant's right to the refund by written records showing entitlement thereto. Nothing herein permits the filing of a claim on behalf of a class or group of taxpayers. Where the amount of any individual refund claim is in excess of \$25,000, city council approval is required in addition to approval by the administrator.

- C. The administrator, or the city council where the claim is in excess of \$25,000 and the administrator has approved the claim, must act upon the refund claim within 45 days of the initial receipt of the refund claim. Said decision is the city's final decision. If the administrator/city council fails or refuses to act on a refund claim within the 45 day period, the claim is deemed rejected by the administrator/City Council on the 45th day. The administrator will give notice of the action in a form which substantially complies with that set forth in Government Code § 913.

- D. The filing of a written claim is a prerequisite to any lawsuit. Any action brought against the city pursuant to this chapter is subject to the provisions of Government Code §§ 945.6 and 946.
- E. Notwithstanding anything to the contrary, a person is entitled to take any overpayment as a credit against an underpayment whenever such overpayment was received by the city within the three years next preceding a notice of tax deficiency or assessment by the administrator, or during any year for which the person, at the request of the administrator, executed a waiver of the defense of the statute of limitations with regard to any claim the city may have for a tax. Under no circumstances may an overpayment taken as a credit against an underpayment pursuant to this subsection qualify a person for a refund to which it would not otherwise be entitled under the written claim requirements of this chapter.

§ 3.37.180 APPEALS.

- A. The provisions of this section apply to any assessment, decision or administrative ruling of the administrator, other than a decision relating to a refund. Any person aggrieved by any assessment, decision or administrative ruling of the administrator, other than a decision relating to a refund, is required to comply with the appeals procedure of this section. Compliance with this section is a prerequisite to a lawsuit. Nothing permits the filing of a claim or action on behalf of a class or group of taxpayers.
- B. If any person is aggrieved by any assessment, decision or administrative ruling of the administrator, other than a decision relating to a refund; or with the failure of the administrator to grant an exemption as provided for under this chapter; he or she may appeal to the city council by filing a notice of appeal with the city clerk within fourteen days of the date of the assessment, decision or administrative ruling of the administrator which aggrieved the person or person.
- C. The matter will be set for hearing not more than 30 days from the receipt of the appeal. The appellant will be served with notice of the time and place of the hearing, as well as any relevant materials, at least five calendar days before the hearing. The hearing may be continued from time to time upon mutual consent. At the time of the hearing, the appealing party, the administrator, and any other interested person may present such relevant evidence as he or she may have relating to the determination from which the appeal is taken.

- D. Based upon the submission of such evidence and the review of the city's files, the city council will issue a written notice and order upholding, modifying or reversing the determination from which the appeal is taken. The notice must be given within fourteen days after the conclusion of the hearing and must state the reasons for the decision. The notice will specify that the decision is final and that any petition for judicial review must be filed within 90 days from the date of the decision in accordance with Code of Civil Procedure § 1094.6. If the City Council fails or refuses to act on a refund claim within the fourteen day period after the assessment, decision or administrative ruling, the claim is deemed to have been rejected by the City Council on the fourteenth day. The action of the City Council is final and conclusive.
- E. No injunction or writ of mandate or other legal or equitable process may issue in any suit, action, or proceeding in any court against this City or against any officer of the City to prevent or enjoin the collection under this chapter of any tax or any amount of tax required to be remitted.

§ 3.37.190 APPROPRIATIONS LIMIT.

The City's appropriations limit established under Article XIII B of the California Constitution will be increased by the amount collected by the levy of the tax in accordance with the applicable requirements of California law.

ARTICLE IV – ENFORCEMENT

§ 3.37.200 MISDEMEANOR; TAX STILL OWED.

- A. Violations of this chapter are unlawful and constitute a misdemeanor.
- B. Conviction for violating this chapter does not relieve persons from paying the tax or prevent the City from filing a civil action for the tax debt unpaid at the time of such conviction.

§ 3.37.210 TAX AS CIVIL DEBT.

Any tax required to be paid pursuant to this chapter:

- A. Which is collected by a person and has not been paid to the city in the time prescribed by this chapter, is a civil debt owed by the person to the City; and
- B. By a person, which tax is not collected for any reason by the person whether or not charges are collected by the person from the person, the amount of such tax is a civil debt owed by the person and person to the City.

§ 3.37.220 ACTIONS TO COLLECT.

Any person owing money to the city under the provisions of this chapter is liable in an action brought in the name of the city for the recovery of such amount, along with any collection costs incurred by the City as a result of the person's noncompliance with this chapter, including, without limitation, reasonable attorney's fees.

§ 3.37.230 ENFORCEMENT COSTS.

Where a civil action is filed, the prevailing party is entitled to reasonable attorneys' fees, but is limited by the amount of attorneys' fees claimed by the city. If the court issues an order in favor of the city, the court will also award the city its actual costs of enforcement, including, without limitation, reasonable attorneys' fees incurred by the city in such judicial proceeding.

§ 3.37.240 REMEDIES CUMULATIVE.

All remedies and penalties prescribed by this chapter or which are available under any other provision of this code, in law, or in equity, including, without limitation, the California False Claims Act (Government Code § 12650, et seq.), are cumulative. The use of one or more remedies by the City will not bar the use of any other remedy for the purpose of enforcing the provisions of this chapter.

§ 3.37.250 RECORDING OF A CERTIFICATE OF LIEN.

If any tax is not paid when due, the administrator may record with the County Recorder(s) of such counties as the administrator may determine, a Certificate which specifies the amount of tax due and the name and address of the person owing the tax. The Certificate must include a statement that the administrator has complied with all legal requirements in the determination of the tax owed and a legal description of the real property of the owner. Upon recording of the Certificate, the tax constitutes a lien upon all real property owned or thereafter acquired by the person. The lien has the force, effect and priority of a judgment lien.

§ 3.37.260 STATEMENT OF TAX NOT CONCLUSIVE ON CITY.

- A. No reports or statements of a person is conclusive as to any matter affected by this chapter nor is the city precluded from collecting any sum actually due and payable. Each report or statement and each of the items therein are subject to audit and verification by an auditor appointed by the city.

- B. The administrator may require any person, upon reasonable written notice, to provide the administrator with access to all of the person's books and records relating to the person's operation of the utility that are subject to a Tax pursuant to this chapter. If, as a result of any such audit, it is determined that a return required to be filed by such person is inaccurate and did not include and report the correct amount of Tax due pursuant to this chapter, the person must forthwith pay to the city all Taxes which are shown to be due as a result of such audit.
- C. Every person must keep and preserve for a period of not less than five years all records as may be necessary to determine the tax, which records must be made available upon demand of the city at all reasonable times. Such person must permit an examination of such books and records at a location within the city's jurisdiction.
- D. If an audit conducted pursuant to the provisions of this section reflects that in any tax reporting and remittance period there was under-reporting of Taxes due by five percent or more, which under-reporting was not corrected by the person before the commencement of the audit, all costs associated with the audit will be borne by the person and the cost is subject to collection as a civil debt by the City."

SECTION 2. *Environmental Analysis.* This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, *et seq.*, "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (*see specifically* 14 CCR § 15378(b)(4-5)).

SECTION 3. *Reliance on Record.* Each and every finding and determination in this Ordinance is based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project, and reflect the independent judgment of the City Council. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

SECTION 4. *Continuity.* Repeal of any provision of the Bellflower Municipal Code does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 5. Savings Clause. Repeal of any provision of the BMC or any other regulation by this Ordinance does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before, this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

SECTION 6. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 7. Validity of Previous Code Sections. If this the entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal of the BMC or other regulation by this Ordinance will be rendered void and cause such BMC provision or other regulation to remain in full force and effect for all purposes.

SECTION 8. Effective Date. This Ordinance will become effective on the 31st day following its passage and adoption.

SECTION 9. The City Clerk must certify as to the adoption of this ordinance and cause the summary thereof to be published within fifteen calendar (15) days of the adoption and post a certified copy of this ordinance, including the vote for and against the same, in the office of the City Clerk, in accordance with Government Code § 36993, for the City of Bellflower.

ORDINANCE NO. 13XX HAD ITS FIRST READING ON _____, ITS SECOND READING ON _____, AND WAS DULY PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER AT ITS REGULAR MEETING OF _____.

Dan Koops, Mayor

Attest:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

CITY OF BELLFLOWER

RESOLUTION NO. 16-XX

A RESOLUTION ADDING A PROPOSITION TO THE BALLOT FOR THE PREVIOUSLY CALLED MARCH 7, 2017, GENERAL MUNICIPAL ELECTION PURSUANT TO ELECTIONS CODE § 9222, FOR THE SUBMISSION TO THE VOTERS A PROPOSITION WHICH WOULD IMPOSE A NEW TAX UPON CANNABIS-RELATED BUSINESSES

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Elections Code § 9222, the City Council places a proposition on the ballot for the regular municipal election scheduled for Tuesday, March 7, 2017, as previously established and implemented by City Council Resolution Nos. 16-76, 16-77, and 16-78 adopted on October 24, 2016.

SECTION 2. A copy of the proposition to be considered by the voters is attached as Exhibit "A," and incorporated by reference.

SECTION 3. Pursuant to Elections Code §§ 9222, 9603, and 13119, the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

CANNABIS TAX Shall the proposition imposing a tax on cannabis related businesses operating within the City of Bellflower be adopted?	YES
	NO

SECTION 4. The City Clerk must certify to the passage and adoption of this Resolution; enter the same in the book of original Resolutions; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 5. The Mayor, or presiding officer, is hereby authorized to affix a signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 6. This Resolution will become effective immediately upon adoption.

**PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE
CITY OF BELLFLOWER ON THIS ____ DAY OF _____, 2016.**

Dan Koops, Mayor

Attest:

Mayra Ochiqi, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Attachment:

Exhibit A – Full Text of the Ballot Measure

**EXHIBIT A
FULL TEXT OF THE BALLOT MEASURE**

CITY OF BELLFLOWER

ORDINANCE NO. 1324

A PROPOSITION ADOPTING AN ORDINANCE TO APPROVE ARTICLE II OF CHAPTER 3.37 TO TITLE 3 OF THE BELLFLOWER MUNICIPAL CODE ENTITLED “CANNABIS TAX” AND IMPOSING A TAX ON VARIOUS CANNABIS RELATED BUSINESSES.

THE PEOPLE OF THE CITY OF BELLFLOWER DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article II of Chapter 3.37 in Title 3 of the Bellflower Municipal Code (“BMC”) , entitled “*Cannabis tax*,” is approved to read as follows:

“ARTICLE II – VOTER APPROVED TAX

§ 3.37.040 VOTER APPROVAL REQUIRED.

This Article II of Chapter 3.37 of the Bellflower Municipal Code must be approved by voters in accordance with applicable law.

§ 3.37.050 TAX IMPOSED.

There is established and imposed, beginning July 1, 2017, a cannabis tax in the manner and rates set forth in this chapter.

§ 3.37.060 CANNABIS TAX.

A. Tax on commercial cannabis cultivation except nurseries.

1. Every person who is engaged in commercial cannabis cultivation in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 for commercial cannabis cultivation, excluding nurseries, is set at \$15.00 per fiscal year, per square foot of canopy space authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case can canopy square footage which is authorized by the permit or license, but not utilized for cultivation, be deducted for the purpose of determining the tax for cultivation unless duly authorized in writing by the administrator.

2. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by \$2.50 per square foot of authorized canopy. Except as otherwise provided, the maximum tax rate is \$25.00 per square foot.

B. Tax on cultivation of cannabis as a nursery.

1. Every person who is engaged in cultivation of cannabis as a nursery as defined in this chapter in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 is set at \$2.00 per square foot of canopy authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for cultivation of cannabis as a nursery, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for cultivation of cannabis as a nursery allowed by the state license type. In no case must canopy square footage which is authorized by the permit or license but not utilized for cultivation as a nursery be deducted for the purpose of determining the tax for cultivation as a nursery unless duly authorized in writing by the administrator.
2. Beginning on July 1, 2020, such tax rate will automatically increase each fiscal year by \$1.50 per square foot of canopy utilized for cannabis cultivation as a nursery. Except as otherwise provided, the maximum tax rate is \$5.00 per square foot per annum.

C. Tax on transportation businesses.

Every person who is engaged in a cannabis transportation business must pay an annual Cannabis tax of \$1,500.00 per year effective July 1, 2017.

D. Tax on all other commercial cannabis businesses.

1. Every person who is engaged in business as a dispensary, manufacturer, testing laboratory, or distribution facility, or engaging in delivery of cannabis in the City must pay an annual commercial Cannabis tax. The initial tax rate effective July 1, 2017 is set at 5% of the gross receipts per fiscal year.
2. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by 2.5%. Except as otherwise provided, the maximum tax rate is 10% per fiscal year on gross receipts.

§ 3.37.070 AUTOMATIC TAX INCREASE.

- A. Beginning on July 1, 2024, non-gross receipts based taxes imposed by this chapter will be increased annually each July 1st on a percentage basis using the percentage increase in the consumer price index (“CPI”) for all urban consumers as calculated by the United States Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Riverside-Orange County area, for the 12 months ending March 31st of each year.
- B. Notwithstanding any other provisions of this code, the tax imposed in this chapter will be increased by a minimum of one cent (\$0.01) every year for square footage-based or other non-gross receipts based taxes.

§ 3.37.080 REPORTING AND REMITTANCE OF TAX.

- A. Each person required by this chapter to remit a tax must file a return to the administrator on forms approved by the administrator on or before the due date. The full amount of the tax owed must be included with the return and filed with the administrator. The administrator is authorized to require such additional information as deemed necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Pursuant to Revenue and Tax Code § 7284.6, the administrator, and its agents, must maintain such filing returns as confidential information, and not subject to the California Public Records Act.
- B. The Cannabis tax imposed by this chapter is imposed on a fiscal year basis and is due and payable in quarterly installments as follows:
 - 1. Each person or business owing a Cannabis tax must, on or before the last day of the month following the close of each fiscal year quarter remit to the administrator the tax due. The tax due is no less than the quarterly installment due, but the taxpayer may at any time pay the tax due for the entire fiscal year.
 - 2. If the Cannabis tax is owed on commercial cannabis cultivation, the square footage tax due is paid based on the square footage of cultivation authorized by the City permit. The tax will not be prorated or adjusted for any reduction in the square footage authorized but not utilized for cultivation unless duly authorized in writing by the administrator. If the cultivation begins in the middle of a fiscal year, the administrator must prorate, in daily increments, the amount due for the fiscal year.
- C. Tax statements and payments for all outstanding taxes owed the City are immediately due to the administrator upon cessation of business for any reason.

- D. The administrator may establish shorter reporting and payment periods for any taxpayer as the administrator deems necessary to ensure collection of the tax.
- E. The administrator may, as part of administering the tax, modify the form of payment and take such other administrative actions as needed to facilitate collection of the tax.

§ 3.37.090 CONSTITUTIONAL EXEMPTIONS.

- A. The tax imposed by this chapter does not apply to:
 - 1. Any person or service when imposition of the tax upon that person or service would violate a federal or state statute, the Constitution of the United States, or the Constitution of the state of California;
 - 2. The city.
- B. Except as otherwise provided, any person that is exempt from the tax imposed by this chapter must file an application with the administrator for an exemption. The application for a Tax exemption must be made upon a form approved by the administrator and state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and include the names of all utility service providers serving that person. If deemed exempt by the administrator, such person must give the administrator timely written notice of any change in utility service providers so that the administrator can properly notify the new utility service provider of the person's Tax exempt status.
- C. A person failing to comply with this section is not entitled to a refund of Tax remitted to the administrator from such person as a result of such non-compliance.

§ 3.37.100 SUSPENSION OR REDUCTION.

Nothing in this chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

§ 3.37.110 CITY COUNCIL AUTHORITY TO AMEND.

Unless voter is approval is required by the California Constitution or applicable law, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in addition, adopt by ordinance or resolution such additional regulations that may be necessary to implement the purposes of this chapter.”

SECTION 2. *Environmental Analysis.* This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, *et seq.*, “CEQA”) and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a “project” that requires environmental review (*see specifically* 14 CCR § 15378(b)(4-5)).

SECTION 3. *Interpretation.* This Proposition must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

SECTION 4. *Severability.* If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, the remainder of the Proposition and the application of such provision to other persons or circumstances will not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to allow imposition of the tax.

SECTION 5. *Construction.* This Proposition must be broadly construed in order to achieve the purposes stated in this Proposition. It is the intent of the voters that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 6. *Effective Date.* This Proposition will enact and impose a general tax. Accordingly, it will be submitted to a general election on March 7, 2017 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding ten days after the date that the City Council certifies the election results in accordance with Elections Code § 9217.

SECTION 7. *City Council Authority.* BMC Chapter 3.37 may be repealed or amended by a majority of the City Council without voter approval. However, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Proposition as required by California Constitution Article XIII C. Should the provisions of Government Code § 53720, *et seq.* or California Constitution Article XIII C be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Proposition, then this Proposition will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION 8. *Effective Date.* The Mayor will sign this Proposition and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City's general election on March 7, 2017 approve the Proposition.

I HEREBY CERTIFY MEASURE __ (ORDINANCE NO. 1324) WAS PASSED, APPROVED, AND ADOPTED BY THE VOTE OF THE PEOPLE OF THE CITY OF BELLFLOWER ON _____.

Mayor

Attest:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF BELLFLOWER

RESOLUTION NO. 16-XX

A RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO ADD A MEASURE CONTEST TO THE PREVIOUSLY CONSOLIDATED GENERAL MUNICIPAL ELECTION TO BE HELD ON MARCH 7, 2017, WITH THE SPECIAL COUNTYWIDE ELECTION TO BE HELD ON THAT DATE PURSUANT TO ELECTIONS CODE § 10403

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. The City Council finds as follows:

A. The City Council called a general municipal election to be held on March 7, 2017, for the purpose of electing two (2) members of the City Council for a full term of four (4) years and obtained consent from the Board of Supervisors of the County of Los Angeles to consolidate such election to be held with the Special Countywide Election on that same date.

B. The City Council now desires to add a measure contest to the previously called and consolidated general municipal election to be held on March 7, 2017.

SECTION 2. Pursuant to the requirements of California Elections Code section 10403, the Board of Supervisors of the County of Los Angeles is hereby requested to consent and agree to the consolidation of a measure contest on the ballot for the General Municipal Election consolidated with the Special Countywide Election on Tuesday, March 7, 2017.

SECTION 3. A measure is to appear on the ballot as follows:

CANNABIS TAX Shall the proposition imposing a tax on cannabis-related businesses operating within the City of Bellflower be adopted?	YES
	NO

SECTION 4. The complete text of the proposed ballot measure to be submitted to the voters is attached as Exhibit A, Full Text of the Ballot Measure (Ordinance No. 1324).

SECTION 5. The vote requirement for the proposed ballot measure to pass is a majority (50% + 1) of the votes cast.

SECTION 6. The County election department is authorized to canvass the returns of the general municipal election. The election shall be held in all respects as if there were only one election and only one form of ballot shall be used. The election will be held and conducted in accordance with the provisions of law regulating the statewide or special election.

SECTION 7. The Board of Supervisors is requested to issue instructions to the County election department to take any and all steps necessary for the holding of the consolidated election.

SECTION 8. The City of Bellflower recognizes that additional costs will be incurred by the County by reason of this consolidation and agrees to reimburse the County for any costs.

SECTION 9. The City Clerk is hereby directed to file a certified copy of this Resolution with the Board of Supervisors and the County election department of the County of Los Angeles.

SECTION 10. The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 11. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 12. This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS ____ DAY OF _____, 2016.

Dan Koops, Mayor

Attest:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

Attachment:

Exhibit A – Full Text of the Ballot Measure (Ordinance No. 1324)

**EXHIBIT A
FULL TEXT OF THE BALLOT MEASURE**

CITY OF BELLFLOWER

ORDINANCE NO. 1324

**A PROPOSITION ADOPTING AN ORDINANCE TO APPROVE
ARTICLE II OF CHAPTER 3.37 TO TITLE 3 OF THE BELLFLOWER
MUNICIPAL CODE ENTITLED “CANNABIS TAX” AND IMPOSING A
TAX ON VARIOUS CANNABIS-RELATED BUSINESSES**

**THE PEOPLE OF THE CITY OF BELLFLOWER DO HEREBY ORDAIN AS
FOLLOWS:**

SECTION 1. Article II of Chapter 3.37 in Title 3 of the Bellflower Municipal Code (“BMC”), entitled “*Cannabis tax*,” is approved to read as follows:

“ARTICLE II – VOTER APPROVED TAX

§ 3.37.040 VOTER APPROVAL REQUIRED.

This Article II of Chapter 3.37 of the Bellflower Municipal Code must be approved by voters in accordance with applicable law.

§ 3.37.050 TAX IMPOSED.

There is established and imposed, beginning July 1, 2017, a cannabis tax in the manner and rates set forth in this chapter.

§ 3.37.060 CANNABIS TAX.

A. Tax on commercial cannabis cultivation except nurseries.

1. Every person who is engaged in commercial cannabis cultivation in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 for commercial cannabis cultivation, excluding nurseries, is set at \$15.00 per fiscal year, per square foot of canopy space authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for commercial cannabis cultivation, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for commercial cannabis cultivation allowed by the state license type. In no case can canopy square footage which is authorized by the permit or license, but not utilized for cultivation, be deducted for the purpose of determining the tax for cultivation unless duly authorized in writing by the administrator.

1. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by \$2.50 per square foot of authorized canopy. Except as otherwise provided, the maximum tax rate is \$25.00 per square foot.
- B. Tax on cultivation of cannabis as a nursery.
2. Every person who is engaged in cultivation of cannabis as a nursery as defined in this chapter in the City must pay an annual Cannabis tax. The initial tax rate effective July 1, 2017 is set at \$2.00 per square foot of canopy authorized by each City permit, or by each state license in the absence of a City permit, not deducting for unutilized square footage. The square footage is the maximum square footage of canopy allowed by the City permit for cultivation of cannabis as a nursery, or, in the absence of a City permit, the square footage is the maximum square footage of canopy for cultivation of cannabis as a nursery allowed by the state license type. In no case must canopy square footage which is authorized by the permit or license but not utilized for cultivation as a nursery be deducted for the purpose of determining the tax for cultivation as a nursery unless duly authorized in writing by the administrator.
 1. Beginning on July 1, 2020, such tax rate will automatically increase each fiscal year by \$1.50 per square foot of canopy utilized for cannabis cultivation as a nursery. Except as otherwise provided, the maximum tax rate is \$5.00 per square foot per annum.
- C. Tax on transportation businesses.
- Every person who is engaged in a cannabis transportation business must pay an annual Cannabis tax of \$1,500.00 per year effective July 1, 2017.
- D. Tax on all other commercial cannabis businesses.
3. Every person who is engaged in business as a dispensary, manufacturer, testing laboratory, or distribution facility, or engaging in delivery of cannabis in the City must pay an annual commercial Cannabis tax. The initial tax rate effective July 1, 2017 is set at 5% of the gross receipts per fiscal year.
 1. Beginning on July 1, 2020, the tax rate will automatically increase each fiscal year by 2.5%. Except as otherwise provided, the maximum tax rate is 10% per fiscal year on gross receipts.

§ 3.37.070 AUTOMATIC TAX INCREASE.

- A. Beginning on July 1, 2024, non-gross receipts based taxes imposed by this chapter will be increased annually each July 1st on a percentage basis using the percentage increase in the consumer price index ("CPI") for all urban consumers as calculated by the United States Department of Labor, Bureau of Labor Statistics, for the Los Angeles-Riverside-Orange County area, for the 12 months ending March 31st of each year.
- B. Notwithstanding any other provisions of this code, the tax imposed in this chapter will be increased by a minimum of one cent (\$0.01) every year for square footage-based or other non-gross receipts based taxes.

§ 3.37.080 REPORTING AND REMITTANCE OF TAX.

- A. Each person required by this chapter to remit a tax must file a return to the administrator on forms approved by the administrator on or before the due date. The full amount of the tax owed must be included with the return and filed with the administrator. The administrator is authorized to require such additional information as deemed necessary to determine if the tax is being levied, collected, and remitted in accordance with this chapter. Pursuant to Revenue and Tax Code § 7284.6, the administrator, and its agents, must maintain such filing returns as confidential information, and not subject to the California Public Records Act.
- B. The Cannabis tax imposed by this chapter is imposed on a fiscal year basis and is due and payable in quarterly installments as follows:
 - 4. Each person or business owing a Cannabis tax must, on or before the last day of the month following the close of each fiscal year quarter remit to the administrator the tax due. The tax due is no less than the quarterly installment due, but the taxpayer may at any time pay the tax due for the entire fiscal year.
 - 1. If the Cannabis tax is owed on commercial cannabis cultivation, the square footage tax due is paid based on the square footage of cultivation authorized by the City permit. The tax will not be prorated or adjusted for any reduction in the square footage authorized but not utilized for cultivation unless duly authorized in writing by the administrator. If the cultivation begins in the middle of a fiscal year, the administrator must prorate, in daily increments, the amount due for the fiscal year.
- C. Tax statements and payments for all outstanding taxes owed the City are immediately due to the administrator upon cessation of business for any reason.

- D. The administrator may establish shorter reporting and payment periods for any taxpayer as the administrator deems necessary to ensure collection of the tax.
- E. The administrator may, as part of administering the tax, modify the form of payment and take such other administrative actions as needed to facilitate collection of the tax.

§ 3.37.090 CONSTITUTIONAL EXEMPTIONS.

- A. The tax imposed by this chapter does not apply to:
 - 5. Any person or service when imposition of the tax upon that person or service would violate a federal or state statute, the Constitution of the United States, or the Constitution of the state of California;
 - 6. The city.
- B. Except as otherwise provided, any person that is exempt from the tax imposed by this chapter must file an application with the administrator for an exemption. The application for a Tax exemption must be made upon a form approved by the administrator and state those facts, declared under penalty of perjury, which qualify the applicant for an exemption, and include the names of all utility service providers serving that person. If deemed exempt by the administrator, such person must give the administrator timely written notice of any change in utility service providers so that the administrator can properly notify the new utility service provider of the person's Tax exempt status.
- C. A person failing to comply with this section is not entitled to a refund of Tax remitted to the administrator from such person as a result of such non-compliance.

§ 3.37.100 SUSPENSION OR REDUCTION.

Nothing in this chapter requires the City Council to collect a tax; the city council may suspend or reduce tax rates imposed by this chapter by resolution after a public hearing.

§ 3.37.110 CITY COUNCIL AUTHORITY TO AMEND.

Unless voter approval is required by the California Constitution or applicable law, the City Council may exercise all applicable powers set forth in the Government Code including, without limitation, amending this chapter by ordinance upon three affirmative votes by its members. It may, in addition, adopt by ordinance or resolution such additional regulations that may be necessary to implement the purposes of this chapter.”

SECTION 2. *Environmental Analysis.* This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 2100, *et seq.*, “CEQA”) and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a “project” that requires environmental review (*see specifically* 14 CCR § 15378(b)(4-5)).

SECTION 3. *Interpretation.* This Proposition must be interpreted so as to be consistent with all federal and state laws, rules, and regulations. If any section, sub-section, sentence, clause, phrase, part, or portion of this Proposition is held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this Proposition. The voters declare that this Proposition, and each section, sub-section, sentence, clause, phrase, part, or portion thereof, would have been adopted or passed irrespective of the fact that any one or more sections, sub-sections, sentences, clauses, phrases, part, or portion is found to be invalid. If any provision of this Proposition is held invalid as applied to any person or circumstance, such invalidity does not affect any application of this Proposition that can be given effect without the invalid application.

SECTION 4. *Severability.* If any portion of this Proposition is held by a court of competent jurisdiction to be invalid, the remainder of the Proposition and the application of such provision to other persons or circumstances will not be affected thereby. We the People indicate our strong desire that: (i) the City Council use its best efforts to sustain and reenact that portion, and (ii) the City Council implement this Proposition by taking all steps possible to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Proposition, and then adopting or reenacting such portion as necessary or desirable to allow imposition of the tax.

SECTION 5. *Construction.* This Proposition must be broadly construed in order to achieve the purposes stated in this Proposition. It is the intent of the voters that the provisions of this Proposition be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Proposition.

SECTION 6. *Effective Date.* This Proposition will enact and impose a general tax. Accordingly, it will be submitted to a general election on March 7, 2017 for voter approval. If a majority of voters vote in favor of this Proposition, it will become valid and binding ten days after the date that the City Council certifies the election results in accordance with Elections Code § 9217.

SECTION 7. *City Council Authority.* BMC Chapter 3.37 may be repealed or amended by a majority of the City Council without voter approval. However, voter approval is required for any amendment that would increase the rate of any tax levied pursuant to this Proposition as required by California Constitution Article XIII C. Should the provisions of Government Code § 53720, *et seq.* or California Constitution Article XIII C be repealed or amended, or interpreted by the courts so that voter approval is not required for enacting this Proposition, then this Proposition will take effect as provided for all other City ordinances and may be amended in the same manner as all other City ordinances.

SECTION 8. *Effective Date.* The Mayor will sign this Proposition and the City Clerk will attest and certify to the passage and adoption of this Ordinance if a majority of the voters voting in the City's general election on March 7, 2017 approve the Proposition.

I HEREBY CERTIFY MEASURE __ (ORDINANCE NO. 1324) WAS PASSED, APPROVED, AND ADOPTED BY THE VOTE OF THE PEOPLE OF THE CITY OF BELLFLOWER ON _____.

Mayor

Attest:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF BELLFLOWER

RESOLUTION NO. 16-XX

A RESOLUTION DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS OF THE PROPOSITION REGARDING IMPOSITION OF THE CANNABIS TAX UPON CANNABIS-RELATED BUSINESSES WITHIN THE CITY OF BELLFLOWER

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Elections Code § 9280, the City Clerk is directed to transmit a copy of the ballot measure imposing a cannabis tax upon cannabis-related businesses within the City of Bellflower to the City Attorney for an impartial analysis.

SECTION 2. Upon receiving the ballot measure, the City Attorney is directed to prepare an impartial analysis of the proposed ballot measure showing its effect, if any, on existing law and the operation of the measure. Such analysis must not be more than 500 words.

SECTION 3. The impartial analysis must include a statement indicating whether the proposed measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the City.

SECTION 4. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the sample ballot, there must be printed immediately below the impartial analysis, in not less than 10 point bold type, the City Clerk should have the following language printed: "The above statement is an impartial analysis of the proposed ballot measure (Ordinance No. 1324). If you desire a copy of the legislation affected by this measure, please call the City Clerk's office at (562) 804-1424, extension 2222, and a copy will be mailed at no cost to you."

SECTION 5. The impartial analysis of the proposed ballot measure must be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 6. Pursuant to 52 U.S.C.A. § 10503, the City Clerk will:

- A. Translate the City Attorney's analysis into Spanish, Korean, Tagalog, and Khmer; and
- B. Make copies of the translations of the City Attorney's analysis publicly available.

SECTION 7. The City Clerk will certify to the passage and adoption of this Resolution; enter the same in the book of original Resolutions; and make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

**City of Bellflower
Resolution No. 16-XX
Page 2 of 2**

SECTION 8. The Mayor, or presiding officer, is authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 9. This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS ___ DAY OF _____, 2016.

Dan Koops, Mayor

Attest:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney

CITY OF BELLFLOWER

RESOLUTION NO. 16-XX

A RESOLUTION ESTABLISHING REQUIREMENTS FOR BALLOT ARGUMENTS FILED WITH THE CITY CLERK TO BE INCLUDED WITH VOTER INFORMATION FOR A GENERAL MUNICIPAL ELECTION ON MARCH 7, 2017

THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1. Pursuant to Elections Code § 9281, qualified voters may submit arguments for and against the ballot measure, in addition to rebuttal arguments, for the March 7, 2017, General Municipal Election on forms provided by the City Clerk.

SECTION 2. Arguments filed in accordance with this Resolution must comply with the following requirements in accordance with Elections Code §§ 9282, 9283, 9285, and 9286:

- A. Arguments must be in writing and not exceed three hundred (300) words except for rebuttal argument which may not exceed two hundred and fifty (250) words;
- B. Arguments may be submitted by the City Council; any councilmember authorized to submit an argument by the City Council; any individual voter eligible to vote on the measures; any bona fide association of citizens; or any combination of voters and associations;
- C. Arguments must be typewritten in at least a 12 point font;
- D. Arguments may not include underlining, italics, asterisks, or other, similar, type of formatting;
- E. Arguments must be accompanied by the printed name and signature or printed names and signatures of the person or persons submitting it, or, if submitted on behalf of an organization, the name of the organization and the printed name and signature of at least one of its principal officers.
- F. If more than five (5) signatures accompany an argument, only the first five (5) will be printed.
- G. Arguments for or against the ballot measure must be received in the City Clerk's office not later than December 16, 2016. Rebuttal arguments must be received not later than December 27, 2016 [10 days after initial arguments].

SECTION 3. Pursuant to 52 U.S.C.A. § 10503, the City Clerk will:

- A. Translate the ballot arguments into Spanish, Korean, Tagalog, and Khmer;
and
- B. Make translated copies of ballot arguments publicly available.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions; and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council in the minutes of the meeting at which the same is passed and adopted.

SECTION 5. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Bellflower, and the City Clerk, or her duly appointed deputy, is directed to attest thereto.

SECTION 6. This Resolution will become effective immediately upon adoption.

PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF BELLFLOWER ON THIS ___ DAY OF _____, 2016.

Dan Koops, Mayor

Attest:

Mayra Ochiqui, City Clerk

APPROVED AS TO FORM:

Karl H. Berger, City Attorney