

CITY OF HEALDSBURG

RESOLUTION NO. 61-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HEALDSBURG SETTING THE PREVIOUSLY APPROVED CANNABIS BUSINESS TAX AT THE RATE OF 4% FOR RECREATIONAL RETAIL SALES, 2% FOR MANUFACTURING, 2% FOR LAB TESTING, AND NO TAX FOR DISTRIBUTION, AND THE SAME RATES FOR MICROBUSINESSES AT THE CANNABIS TAX RATE APPLICABLE FOR EACH COMPONENT OF BUSINESS ACTIVITY

WHEREAS, on June 27, 2017, the Medical and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) was signed into law, which provided a comprehensive regulatory framework for licensing, control, and taxation of medical and adult-use cannabis-related businesses in California; and

WHEREAS, on April 17, 2023, the City Council adopted an ordinance amending the Healdsburg Municipal Code to allow Cannabis business to operate within the City of Healdsburg; and

WHEREAS, on November 8th, 2022, voters of the City of Healdsburg adopted a Cannabis Business Tax with 72.5% voter approval; and

WHEREAS, the approved general tax measure allows the City Council to implement, by Resolution, a tax of up to 8% on the gross receipts of the cannabis businesses in the City; and

WHEREAS, at the April 3rd City Council Meeting, the City Council provided direction to staff to return with a resolution establishing cannabis business tax rates; and

WHEREAS, the City Council now desires to impose the Cannabis Business Tax, pursuant to Healdsburg Municipal Code section 3.32.050(C), at the rate of 4% for recreational retail sales, 2% for Manufacturing, 2% for Laboratory Testing, and no tax for Distribution; and

WHEREAS, at the May 1st City Council Meeting, the City Council determined that it did not wish to impose any Cannabis Business Tax on medicinal retail sales; and

WHEREAS, the setting of the previously approved cannabis business tax, Pursuant to California Environmental Quality Act (“CEQA”) and Title 14, the California Code of Regulations Section 15378(b)(2), is an administrative action and does not qualify as a “Project”. Therefore, no further CEQA or environmental review is required.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HEALDSBURG DOES HEREBY:

- 1) Impose a cannabis business tax at the following rates:
 - a. Recreational Retail Sales: 4%
 - b. Manufacturing: 2%
 - c. Laboratory Testing: 2%
 - d. Distribution: 0%
 - e. Microbusinesses: Same rates for each individual component

- 2) Finds that pursuant to California Environmental Quality Act ("CEQA") and Title 14, the California Code of Regulations Section 15378(b)(2), that the setting of the previously approved cannabis business tax, does not qualify as a "Project". Therefore, no further CEQA or environmental review is required.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Healdsburg this 1st day of May 2023, by the following vote:

AYES: Councilmembers: (4) Edwards, Herrod, Mitchell and Mayor Kelley

NOES: Councilmembers: (0) None

ABSENT: Councilmembers: (1) Vice Mayor Hagele

ABSTAINING: Councilmembers: (0) None

SO ORDERED:

ATTEST:


Ariel Kelley, Mayor


Raina Allan, City Clerk

I, RAINA ALLAN, City Clerk of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 61-2023 adopted by the City Council of the City of Healdsburg on the 1st day of May, 2023.


Raina Allan, City Clerk

