

RESOLUTION NO. 17-093, SERIES 2017

**RESOLUTION SETTING THE BUSINESS LICENSE TAX RATES
FOR CANNABIS BUSINESSES**

WHEREAS, Davis voters approved a tax up to 10% of gross receipts on non-medical (recreational) cannabis businesses in June 2016, by a margin of 79% in favor and 21% opposed; and

WHEREAS, the voters of the State of California legalized adult recreational use in November 2016, to become effective January 1, 2018; and

WHEREAS, Article 40.26B defines cannabis manufacturing, cannabis laboratories and research, and cannabis distribution facilities; and

WHEREAS, the City Council needs to determine the exact tax rates for each type of cannabis business.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Davis does hereby set the tax rates for cannabis businesses according to the following schedule:

Business Type	Rate (Percent of Gross Receipts)
All cannabis businesses, including retail (non-medical), distribution, cultivation, and other cannabis businesses not expressly listed elsewhere	10%
Cannabis manufacturing, cannabis research and development, and cannabis testing	5% for receipts from \$0-\$50,000/month 4% for receipts from \$50,001 to \$100,000/month 3% for receipts over \$100,001/month

BE IT FURTHER RESOLVED that the Finance Director will determine the business tax based on the business type, which is based on the state or local license category. Any business who desires an appeal of the decision may appeal to the City Manager.

PASSED AND ADOPTED by the City Council of the City of Davis this 20th day of June, 2017, by the following vote:

AYES: Arnold, Frerichs, Lee, Davis

NOES: None

ABSENT: Swanson

Robb Davis
Mayor

ATTEST:

Zoe S. Mirabile, CMC
City Clerk