

RESOLUTION NO. 18-1052

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A RESOLUTION OF THE CITY COUNCIL OF THE COUNTY OF SANTA BARBARA, CITY OF SOLVANG, CALIFORNIA, ORDERING THE CLERK OF THE CITY OF SUPERVISORS SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF SUPERVISORS A CERTAIN MEASURE RELATING TO TAXATION OF CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF SOLVANG AT THE GENERAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 6, 2018, AS CALLED BY CITY OF SOLVANG RESOLUTION NO. 18-1043

WHEREAS, a General Election on Tuesday, November 6, 2018 has been called by Resolution No. 18-1043 adopted by the Solvang City Council on April 23, 2018; and

WHEREAS, the City Council desires to consolidate this measure with the Statewide General Election and requests that the County of Santa Barbara provide such services as outlined in the Request for Consolidated Election Services submitted to the Elections Division on May 1, 2018; and

WHEREAS, the City Council also desires to submit to the voters at the election a question relating to Taxation of Cannabis Businesses within the City of Solvang.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question(s):

SHALL AN ORDINANCE BE ADOPTED ESTABLISHING A CANNABIS BUSINESS TAX ON GROSS RECEIPTS OF CANNABIS BUSINESSES FROM THE SALE OF CANNABIS AND CANNABIS PRODUCTS, AT A RATE NOT TO EXCEED 10%, WITH INITIAL RATE OF 5% AND A MAXIMUM ANNUAL INCREASE OF 1% UP TO THE MAXIMUM RATE, TO FUND GENERAL MUNICIPAL SERVICES SUCH AS STREET REPAIR, PARKS, AND LAW ENFORCEMENT, UNTIL ENDED BY VOTERS?	YES
	NO

SECTION 2. That the proposed measure submitted to the voters is attached as Exhibit A.

SECTION 3. That the vote requirement for the measure to pass is a majority (50%+1) of the votes cast.

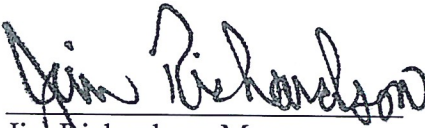
SECTION 4. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 5. That notice of the time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 6. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the Santa Barbara County Elections Division.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 2nd day of July, 2018.


Jim Richardson, Mayor

ATTEST:


Lisa S. Martin, City Clerk

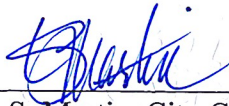
I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Solvang at a Special meeting held on the 2nd day of July, 2018, by the following vote of the Council:

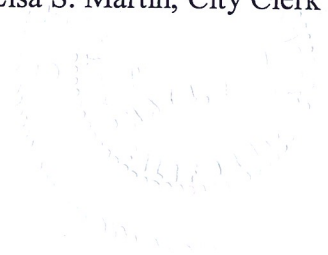
AYES: Council Members Jamieson, Toussaint, and Waite

NOES: Mayor Richardson

ABSTAIN:

ABSENT: Council Member Zimmerman


Lisa S. Martin, City Clerk



ORDINANCE NO. 18-_____

MEASURE “ ____ ”

AN ORDINANCE OF THE PEOPLE OF THE CHARTERED CITY OF SOLVANG, CALIFORNIA, ADDING CHAPTER FIVE TO TITLE 3 (REVENUE AND FINANCE) OF THE SOLVANG MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF SOLVANG

THE PEOPLE OF THE CHARTERED CITY OF SOLVANG, CALIFORNIA DO HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter Five is hereby added to Title 3 (Revenue and Finance) of the Solvang Municipal Code and shall read as follows:

“TITLE THREE CHAPTER FIVE: CANNABIS BUSINESS TAX”

3-5-1 – Definitions.

For purposes of this Chapter:

A. “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 the term as defined in California Health and Safety Code Section 11018 and is not limited to medical cannabis. “Cannabis” does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake or the sterilized seed of the plant which is incapable of germination. For the purpose of this chapter, “Cannabis” does not mean “industrial hemp” as defined by Section 11018.5 of the California Health and Safety Code.

B. “Cannabis business” means any business, organization or facility, regardless of form, whether operating for profit or not for profit, that cultivates, processes, stores, tests, packages, labels, distributes, transports, and/or sells, dispenses or delivers cannabis,

cannabis products and/or devices for the use of cannabis or cannabis products. "Cannabis business" does not include personal medical or adult use cannabis cultivation authorized by State law and this Code. A cannabis business shall not be considered to be an exempt organization under Title 4, Chapter 6, regardless of its form of business.

C. "Cannabis cultivation" means the seeding, planting, watering, warming, cooling, growing, harvesting, drying, curing, grading or trimming of cannabis.

D. "Cannabis distribution" or "Cannabis transport" means any activity involving the commercial procurement, sale, transfer and/or transport of cannabis and cannabis products from one cannabis business to another cannabis business for purposes authorized pursuant to state law.

E. "Cannabis nursery" means a cannabis business that produces only clones, immature plants, seeds and other agricultural products used specifically for cannabis cultivation.

F. "Cannabis processing/manufacturing" shall mean any activity involving the holding, storing, sorting, preparation, labeling and packaging of raw cannabis for retail sale; or involving the production, preparation, propagation, labeling, packaging or compounding of cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis.

G. "Cannabis product" means 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 cannabis products as defined by California Health and Safety Code Section 11018.1 and is not limited to medical cannabis products.

H. "Cannabis testing" means any activity involving the testing of cannabis or cannabis products by a facility 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.

I. "Engaged in a cannabis business" means the commencing, conducting, operating, managing or carrying on of a cannabis business and the exercise of corporate, franchise or other business powers, whether done as owner, or by means of an officer, agent, manager, employee, or other representative, within the City, whether operating from a

fixed location within the City or coming into the City from an outside location to engage in cannabis business activities. By way of example, a person shall be deemed “engaged in cannabis business” within the City if such person or the person’s officer, agent, manager, employee, or other representative acting on behalf of such person:

1. maintains a fixed place of cannabis business within the City;
2. owns, leases or otherwise has the legal right to occupy real property within the City or cannabis business purposes;
3. regularly maintains a stock of tangible personal property within the City in the ordinary course of cannabis business;
4. performs work or renders cannabis business services to other cannabis businesses or to retail cannabis customers located within the City.

J. “Gross receipts” means, except as otherwise provided in this Chapter, the total amount of monetary consideration actually received or receivable by a cannabis business for performance of any act or service in providing, at wholesale or retail, cannabis and/or cannabis products, for which a charge is made or credit allowed including, but not limited to: membership dues, the value of monetary and in-kind contributions, payments, reimbursement of fees for cultivation, processing/manufacturing, distribution, delivery, retail, storing, exchanging, delivering, making available, or transmitting of cannabis or cannabis products, any payments made, and anything else of value obtained by a cannabis business. Included in “gross receipts” shall be all receipts, cash, credits, and property of any kind without deduction of the cost of the property sold, the cost of the materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever. Gross receipts shall not include the following:

1. Cash discounts where allowed and taken on sales;
2. Sales or other applicable state or local tax required by law to be added to the purchase price of cannabis or cannabis products and collected from the purchaser;
3. Such part of the sales 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; or

4. Whenever there are included within gross receipts amounts which reflect sales for which credit is extended and such amount proved uncollectable in a subsequent year, those amounts may be excluded from gross receipts in the year they prove to be uncollectable, provided, however, if all or any portion of such amounts excluded as uncollectible are subsequently collected they shall be included in gross receipt for the period when they are recovered.

K. "Medical cannabis retail" means any cannabis business activity involving the retail sale or dispensing to qualified patients or their qualified caregivers of cannabis, cannabis products, or devices for the use of cannabis or cannabis products, either individually or in any combination, for the ultimate consumption or use by qualified patients in accordance with California Health and Safety Code Sections 11362.7 et. seq., the California Medical Marijuana Program Act ("MMPA"), and any other applicable State law authorizing activities related to the medical possession and use of cannabis. "Medical cannabis retail" shall include any medical cannabis delivery to a customer as part of a retail sale.

L. "Non-medical cannabis retail" means any cannabis business activity involving the retail sale or dispensing to customers of cannabis, cannabis products, or devices for the use of cannabis or cannabis products, either individually or in any combination; for any purpose other than medical cannabis retail. "Non-medical cannabis retail" shall include any non-medical cannabis delivery to a customer as part of a retail sale.

M. "Person" means any individual, firm, partnership, joint venture, association, social club, fraternal organization, joint stock company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit, which is conducting itself as a cannabis business.

N. "State" means the State of California.

O. "Tax Administrator" is the City's Director of Finance, or his or her designee.

3-5-2 – Purpose of Tax.

This tax is a general tax, the revenues from which may be used for unrestricted general revenue purposes of the City.

3-5-3 – Imposition of Tax.

A. Every person engaged in a cannabis business within the City of Solvang, and

regardless of whether such business has a permit to operate pursuant to the Solvang Municipal Code, shall pay a cannabis business tax at the initial rate of 5% of gross receipts.

B. The rate set forth above may be adjusted by the City Council from time to time, by ordinance or resolution, pursuant to Section 3-5-5 below, subject to a maximum rate of ten percent (10%) of gross receipts.

C. No cannabis business shall be deemed to be exempt from the payment of the taxes identified above by any other provision of this Code, unless expressly exempted under this Chapter.

3-5-4 – Payment Obligation.

All taxpayers subject to this Chapter must pay the full tax imposed by this Chapter regardless of any rebate, exemption, incentive, or other reduction set forth elsewhere in this Code, except as required by California or Federal law. Failure to pay the tax shall be subject to penalties, interest charges, and assessments as the City Council may establish and the City may use any or all other code enforcement remedies provided in this Code. No provision in this Code can lower the tax rate set forth in this Chapter or otherwise reduce the amount of taxes paid hereunder unless the provision specifically states that the reduction applies.

3-5-5 – City Council Authorization to Adjust Tax Rate and/or Methodology.

This Chapter authorizes a maximum business tax rate of ten percent (10%). The City Council may, by ordinance or resolution, upwardly or downwardly adjust the rate of the tax imposed by this Chapter and may otherwise repeal or amend this Chapter without a vote of the People. However, as required by California Constitution Article XIIC (Proposition 218), voter approval is required for any amendment that would increase the ten percent (10%) maximum rate or methodology of any tax levied pursuant to this Chapter. The People of the City of Solvang affirm that the following actions shall not constitute an increase of the maximum rate or methodology of the tax requiring subsequent voter approval:

A. The upward adjustment of the tax rate applicable to any or all classes of cannabis business, provided the rate does not exceed the ten percent (10%) maximum set forth by this voter-approved Chapter;

- B. The restoration of the rate of the tax to a rate that is no higher than the ten percent (10%) maximum set by this voter-approved Chapter, if the City Council has previously acted to reduce the rate of the tax;
- C. An action that interprets or clarifies the methodology of the tax, or any definition applicable to the tax, so long as interpretation or clarification (even if contrary to some prior interpretation or clarification) is not inconsistent with the language of this Chapter;
- D. The establishment of a class of business, person or service that is exempt or excepted from the tax or the discontinuation of any such exemption or exception; and
- E. Resuming collection of the tax imposed by this Chapter, even if the City had, for some period of time, either suspended collection of the tax or otherwise failed to collect the tax, in whole or in part.

3-5-6 – Payment of Tax Does Not Authorize Illegal Activity.

The payment of the tax required pursuant to this Chapter shall not be construed as authorizing the conduct or continuance of any illegal business or of a legal business in an illegal manner. Nothing in this Chapter implies or authorizes that any activity connected with the distribution or possession of cannabis is legal unless otherwise authorized and allowed in strict and full conformance to the provisions of State law and this Code.

3-5-7 – Cannabis Business Tax Is Not a Sales Tax.

The tax provided for under the provisions of this Chapter is not a Sales, Transactions or Use Tax and shall not be calculated or assessed as such. The tax established under this Chapter shall not be separately identified or otherwise specifically assessed or charged to any customer or client of a cannabis business.

3-5-8 – Amendments and Administration.

A. This Chapter was submitted to the voters for approval. Any amendment to this Chapter to increase the tax above the maximum rate expressly provided in Section 3-5-3(A) shall not become effective until such amendment is approved by the voters. The voters expressly authorize the City Council to amend, modify, change, or revise any other provision of this Chapter as the City Council deems in the best interest of the City, as set forth in Section 3-5-5.

B. The Tax Administrator shall promulgate rules, regulations and procedures to implement and administer this Chapter to ensure the efficient and timely collection of the tax imposed by this Chapter, including without limitation, formulation and implementation of penalties and interest to be assessed for failure to pay the tax as provided.

C. Pursuant to California Constitution Article XIII B, the appropriation limit for the City is increased to the maximum extent over the maximum period of time allowed under law consistent with the revenues generated by the tax established by this Chapter.

3-5-9 – Returns and Remittances.

The Tax shall be due and payable as follows:

A. The tax established by this Chapter shall be collected quarterly. Each person owing tax shall prepare and file a tax return to the Tax Administrator setting out the total amount of tax owed for the preceding calendar quarter during which the tax was in effect. The return shall be filed not later than thirty (30) calendar days following the last day of the preceding each calendar quarter. At the time the tax return is filed, the full amount of the tax owed for the preceding calendar quarter shall be remitted to the Tax Administrator.

B. All tax returns shall be completed on forms provided by the Tax Administrator.

C. Tax returns and payments for all outstanding taxes owed the City are immediately due to the Tax Administrator upon cessation of business for any reason.

D. Whenever any payment, statement, report, request or other communication received by the Tax Administrator is received after the time prescribed by this Section for the receipt thereof, but is in an envelope bearing a postmark showing that it was mailed on or prior to the date prescribed in this Section for the receipt thereof, or whenever the Tax Administrator is furnished substantial proof that the payment, statement, report, request, or other communication was in fact deposited in the United States mail on or prior to the date prescribed for receipt thereof, the Tax Administrator may regard such payment, statement, report, request, or other communication as having been timely received. If the due date falls on Friday, Saturday, Sunday, or a recognized City holiday, the due date shall be the next regular business day on which the City Hall is open to the public.

E. Unless otherwise specifically provided under other provisions of this Chapter, the taxes required to be paid pursuant to this Chapter shall be deemed delinquent if not paid

on or before the due date specified in Subsection (A) of this Section.

F. The Tax Administrator is not required to send a delinquency or other notice or bill to any person subject to the provisions of this Chapter and failure to send such notice or bill shall not affect the validity of any tax or penalty due under the provisions of this Chapter.

3-5-10 – Failure to Pay Tax.

A. Any person who fails or refuses to pay any tax required to be paid pursuant to this Chapter on or before the due date shall pay penalties and interest as follows:

1. A penalty equal to ten percent (10%) of the amount of the tax in addition to the amount of the tax, plus interest on the unpaid tax calculated from the due date of the tax at the rate of one percent (1%) per month; and
2. An additional penalty equal to twenty-five percent (25%) of the amount of the tax if the tax remains unpaid for a period exceeding one calendar month beyond the due date, plus interest on the unpaid tax and interest on the unpaid penalties calculated at the rate of one percent (1%) per month.

B. Whenever a check is submitted in payment of a tax and the check is subsequently returned unpaid by the bank upon which the check is drawn, and the check is not redeemed prior to the due date, the taxpayer will be liable for the tax amount due plus penalties and interest as provided for in this Section plus any amount allowed under State law.

C. The tax due shall be that amount due and payable from January 1, 2019 or the first date on which the cannabis business first engaged in business in the City, whichever date occurred last, together with applicable penalties and interest calculated in accordance with Subsection (A) of this Section.

D. The Tax Administrator may waive the first and second penalties of twenty- five percent (25%) each imposed upon any person if:

1. The person provides evidence satisfactory to the Tax Administrator that failure to pay timely was due to circumstances beyond the control of the person and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, and the person paid the delinquent tax and accrued interest owed the City prior to applying to the Tax Administrator for a waiver.

2. The waiver provisions specified in this Subsection shall not apply to interest accrued on the delinquent tax and a waiver shall be granted only once during any twenty-four (24) month period.

3-5-11 – Refunds.

- A. No refund shall be made of any tax collected pursuant to this Chapter, except as provided in this Section.
- B. No refund of any tax collected pursuant to this Chapter shall be made because of the discontinuation, dissolution, or other termination of a cannabis business.
- C. Whenever the amount of any tax, penalty, or interest has been overpaid, paid more than once, or has been erroneously or illegally collected or received by the City under this Chapter, such amount may be refunded to the person who paid the tax provided that a written claim for refund is timely filed with the City, pursuant to this Code. The period for filing a claim for refund shall be one (1) year from the time the tax was paid or erroneously or illegally collected; provided however, that in no event shall the period to file such claim expire prior to the shortest period allowable for filing a tax refund claim under Government Code Section 911.2. Such claim must clearly establish claimant's right to the refund by written records showing entitlement thereto, and must clearly set forth the facts and legal theories under which the claimant believes he or she has right to a refund. Where the amount of any individual refund claim is in excess of the amount set by ordinance or resolution of the City Council relating to the settlement of general liability claims against the City by the City Manager, City Council approval shall be required.
- D. The filing of a written claim pursuant to Government Code Section 935 is a prerequisite to any suit thereon.
- E. The Tax Administrator shall have the right to examine and audit all the books and business records of the claimant in order to determine the eligibility of the claimant to the claimed refund. No claim for refund shall be allowed if the claimant refuses to allow such examination of claimant's books and business records after request by the Tax Administrator to do so.
- F. Any person entitled to a refund of taxes paid pursuant to this Chapter may elect in writing to have such refund applied as a credit against a cannabis business's taxes for the next calendar quarter.

G. In the event that the tax was erroneously paid and the error is attributable to the City, the amount of the tax erroneously paid shall be refunded to the claimant. If the error is attributable to the claimant, the City shall retain the amount set forth in this Chapter from the amount to be refunded to cover expenses.

H. The Tax Administrator shall initiate a refund of any tax which has been overpaid or erroneously collected whenever the overpayment or erroneous collection is uncovered by a City audit of tax revenues.

3-5-12 – Enforcement.

A. It shall be the duty of the Tax Administrator to enforce each and all of the provisions of this Chapter.

B. For purposes of administration and enforcement of this Chapter generally, the Tax Administrator, with the concurrence of the City Attorney, may from time to time promulgate administrative rules and regulations.

C. The Tax Administrator shall have the power to audit and examine all books and records of cannabis businesses as well as persons engaged in the operation of cannabis businesses, including both state and federal income tax returns, California sales tax returns, or other evidence documenting the gross receipts of or the transaction prices charged by a cannabis business or persons engaged in the operation of a cannabis business, for the purpose of ascertaining the amount of tax, if any, required to be paid by the provisions of this Chapter, and for the purpose of verifying any statements or any item thereof when filed by any person pursuant to the provisions of this Chapter. If such cannabis business or person, after written demand by the Tax Administrator, refuses to make available for audit, examination or verification such books, records, or equipment as the Tax Administrator requests, the Tax Administrator may, after full consideration of all information within the Tax Administrator's knowledge concerning the cannabis business and its business and activities of the person so refusing, make an assessment in the manner provided in Section 3-5-13.

D. The conviction and punishment of any person for failure to pay the required tax shall not excuse or exempt such person from any civil action for the tax debt unpaid at the time of such conviction. No civil action shall prevent a criminal prosecution for any violation of the provisions of this Chapter or of any State law requiring the payment of all taxes.

E. Any person violating any of the provisions of this Chapter or any regulation or rule

passed in accordance herewith, or knowingly or intentionally misrepresenting to any officer or employee of the City any material fact in procuring the a cannabis business certificate or permit from the City shall be deemed guilty of a misdemeanor.

3-5-13 – Debts, Deficiencies and Assessments.

A. The amount of any tax, penalties, and interest imposed by the provisions of this Chapter shall be deemed a debt to the City and any person operating a cannabis business without having paid any applicable tax, penalties, and interest shall be liable in an action in the name of the City in any court of competent jurisdiction for the amount of the tax, and penalties and interest imposed on such cannabis business.

B. If the Tax Administrator is not satisfied that any statement filed as required under the provisions of this Chapter is correct, or that the amount of tax is correctly computed, the Tax Administrator may compute and determine the amount to be paid and make a deficiency determination upon the basis of the facts contained in the statement or upon the basis of any information in his or her possession or that may come into his or her possession. One or more deficiency determinations of the amount of tax due for a period or periods may be made. When a person discontinues engaging in a cannabis business, a deficiency determination may be made at any time within three (3) years thereafter as to any liability arising from engaging in such business whether or not a deficiency determination is issued prior to the date the tax would otherwise be due. Whenever a deficiency determination is made, notice shall be given to the person concerned in the same manner as notices of assessment are given under Subsections (C), (D), and (E) of this Section.

C. Under any of the following circumstances, the Tax Administrator may make and give notice of an assessment of the amount of tax owed by a person under this Chapter:

1. If the person has not filed any statement or return required under the provisions of this Chapter;
2. If the person has not paid any tax due under the provisions of this Chapter;
3. If the person has not, after demand by the Tax Administrator, filed a corrected statement or return, or furnished to the Tax Administrator adequate substantiation of the information contained in a statement or return already filed, or paid any additional amount of tax due under the provisions of this Chapter;

4. If the Tax Administrator determines that the nonpayment of any tax due under this Chapter is due to fraud, a penalty of twenty-five percent (25%) of the amount of the tax shall be added thereto in addition to penalties and interest otherwise stated in this Chapter.

5. The notice of assessment shall separately set forth the amount of any tax known by the Tax Administrator to be due or estimated by the Tax Administrator, after consideration of all information within the Tax Administrator's knowledge concerning the business and activities of the person assessed, to be due under each applicable section of this Chapter, and shall include the amount of any penalties or interest accrued on each amount to the date of the notice of assessment.

D. The notice of assessment shall be served upon the person either by handing it to him or her personally, or by a deposit of the notice in the United States mail, postage prepaid thereon, addressed to the person at the address of the location of the cannabis business appearing on the face of the business license issued under this Code, or to such other address as he or she shall register with the Tax Administrator for the purpose of receiving notices provided under this Chapter; or, should the person have no business license issued and should the person have no address registered with the Tax Administrator for such purpose, then to such person's last known address. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

E. Within ten (10) calendar days after the date of service the person may apply in writing to the Tax Administrator for a hearing on the assessment. If application for a hearing before the City is not made within the time herein prescribed, the tax assessed by the Tax Administrator shall become final and conclusive.

F. If the person requests a hearing, the Tax Administrator shall cause the matter to be set for hearing, which shall be held within thirty (30) calendar days after receipt of the written request for hearing. Notice of the time and place of the hearing shall be mailed by the Tax Administrator to such person at least ten (10) calendar days prior to the hearing, and, if the Tax Administrator desires said person to produce specific records at such hearing, such notice may designate the records requested to be produced.

G. At the time fixed for the hearing, the Tax Administrator shall hear all relevant testimony and evidence, including that of any other interested parties. At the discretion of the Tax Administrator, the hearing may be continued from time to time for the purpose of allowing the presentation of additional evidence. Within a reasonable time following the

conclusion of the hearing, the Tax Administrator shall issue a final assessment (or non-assessment), by confirming, modifying or rejecting the original deficiency determination, and shall mail a copy of such final assessment to the person owing the tax. The decision of the Tax Administrator may be appealed pursuant to Section 3-5-14 of this Chapter.

H. Unless appealed, payment of the final assessment shall become delinquent if not received by the Tax Administrator on or before the thirtieth (30th) calendar day following the date of receipt of the notice of final assessment. The penalty for delinquency shall be at the rates set forth herein, along with interest at the rate as set forth by resolution of the City Council, on the amount of the tax, exclusive of penalties, from the date of delinquency, until paid. The applicable statute of limitations regarding a claim by the City seeking payment of a tax assessed under this Section shall commence from the date of delinquency as provided in this subsection.

3-5-14 - Appeals.

A. The provisions of this section apply to any deficiency determination, assessment, or administrative ruling of the Tax Administrator. Any person aggrieved by any decision, deficiency determination, assessment, or administrative ruling of the Tax Administrator, shall be required to comply with the appeals procedure of this section. Compliance with this section shall be a prerequisite to a suit thereon. [See Government Code Section 935(b).]

B. If any person is aggrieved by any deficiency determination, assessment, or administrative ruling of the Tax Administrator; he or she may appeal to the City Manager by filing a notice of appeal with the City Clerk within ten (10) calendar days of the date of the deficiency determination, assessment, or administrative ruling of the Tax Administrator which aggrieved the person.

C. If the person requests an appeal, the City Clerk shall cause the matter to be set for hearing, which shall be held within thirty (30) calendar days after receipt of the written request for appeal. Notice of the time and place of the appeal hearing shall be mailed by the City Clerk to such person at least ten (10) calendar days prior to the hearing, and, if the City Manager desires said person to produce specific records at such hearing, such notice may designate the records requested to be produced. For the purposes of this section, a service by mail is complete at the time of deposit in the United States mail.

D. At the time fixed for the hearing, the City Manager shall hear all relevant testimony and evidence, *de novo*, including that of any other interested parties. At the discretion of

the City Manager, the hearing may be continued from time to time for the purpose of allowing the presentation of additional evidence. Within a reasonable time following the conclusion of the hearing, the City Manager shall issue a final decision confirming, modifying or rejecting the Tax Administrator's deficiency determination, and shall mail a copy of such final decision to the person owing the tax. The City Manager's decision shall be final and subject only to judicial review shall be pursuant to California Code of Civil Procedure Section 1094.6. Payment of the final assessment shall become delinquent if not received by the Tax Administrator on or before the thirtieth (30th) calendar day following the date of receipt of the City Manager's decision.

3-5-15 – No Injunction/Writ of Mandate.

No injunction or writ of mandate or other legal or equitable process shall 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 collected and/or remitted.

3-5-16 – Future Amendment to Cited Statute.

Unless specifically provided otherwise, any reference to a state or federal statute in this Chapter shall mean such statute as it may be amended from time to time; provided, that such reference to a statute herein shall not include any subsequent amendment thereto, or to any subsequent change of interpretation thereto by a state or federal agency or court of law, to the extent that such amendment or change of interpretation would require voter approval under California law, or to the extent that such change would result in a tax decrease. Only to the extent voter approval would otherwise be required or a tax decrease would result, the prior version of the statute (or interpretation) shall remain applicable. For any application or situation that would not require voter approval or would not result in a decrease of a tax, provisions of the amended statute (or new interpretation) shall be applicable to the maximum possible extent. To the extent that the City's authorization to collect or impose any tax imposed under this Chapter is expanded or limited as a result of changes in state or federal law, no amendment or modification of this Chapter shall be required to conform the tax to those changes, and the tax shall be imposed and collected to the full extent of the authorization up to the full amount of the tax imposed under this Chapter."

SECTION 2. Effective Date. Pursuant to California Constitution Article XIII §(2)(b) and California Elections Code §9217, if a majority of the qualified voters voting in the

election on Measure “ ___ ” vote in favor of the adoption of such Measure, this ordinance shall be deemed valid and binding and shall be considered as adopted upon the date that the vote is declared by the City Council, and shall go into effect ten (10) days after that date.

SECTION 3. **Severability.** If any section, sentence, clause or phrase of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this ordinance. The People of the City of Solvang hereby declare that they would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 4. **Certification/Summary.** Following the City Clerk’s certification that the citizens of Solvang have approved this Ordinance, the Mayor shall sign this Ordinance and the City Clerk shall cause the same to be entered in the book of original ordinances of said City; and shall cause the same, or a summary thereof, to be published as required by law.

PASSED, APPROVED and ADOPTED by the People of the Chartered City of Solvang this 6th day of November, 2018.

Jim Richardson, Mayor

ATTEST:

Lisa S. Martin, City Clerk

APPROVED AS TO FORM:

Dave Fleishman, City Attorney

RESOLUTION NO. 18-1053

2018 JUL -5 AM 10:06

COUNTY OF SANTA BARBARA
CLERK OF THE
BOARD OF SUPERVISORS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, SETTING PRIORITIES FOR FILING WRITTEN ARGUMENTS REGARDING A CITY MEASURE AND DIRECTING THE CITY ATTORNEY TO PREPARE AN IMPARTIAL ANALYSIS

WHEREAS, a General Municipal Election is to be held in the City of Solvang, California, on November 6, 2018, at which there will be submitted to the voters the following measure:

SHALL AN ORDINANCE BE ADOPTED ESTABLISHING A CANNABIS BUSINESS TAX ON GROSS RECEIPTS OF CANNABIS BUSINESSES FROM THE SALE OF CANNABIS AND CANNABIS PRODUCTS, AT A RATE NOT TO EXCEED 10%, WITH INITIAL RATE OF 5% AND A MAXIMUM ANNUAL INCREASE OF 1% UP TO THE MAXIMUM RATE, TO FUND GENERAL MUNICIPAL SERVICES SUCH AS STREET REPAIR, PARKS, AND LAW ENFORCEMENT, UNTIL ENDED BY VOTERS?

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That the City Council authorizes the following member(s) of it's body

RYAN TOUSSAINT (Council Member In Favor) and
KAREN WAITE (Council Member In Favor)

to file written argument(s) not exceeding 300 words regarding the City measure as specified above, accompanied by the printed name(s) and signature(s) of the author(s) submitting it, in accordance with Article 4, Chapter 3, Division 9 of the Elections Code of the State of California. The arguments may be changed or withdrawn until and including the date fixed by the City Clerk after which no arguments for or against the City measure may be submitted to the City Clerk.

SECTION 2. That the city council directs the City Clerk to transmit a copy of the measure to the city attorney, unless the organization or salaries of the office of the city attorney are affected.

a. The city attorney shall prepare an impartial analysis of the measure not exceeding 500 words showing the effect of the measure on the existing law and the operation of the measure. If the measure affects the organization or salaries of the office of the city attorney, the city clerk shall prepare the impartial analysis.

b. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city.


c. In the event the entire text of the measure is not printed on the ballot, nor in the voter information portion of the voter information guide, there shall be printed immediately below the impartial analysis, in no less than 10-point type, the following: "The above statement is an impartial analysis of Ordinance or Measure _____. If you desire a copy of the ordinance or measure,

please call the election official's office at (805) 688-5575 and a copy will be mailed at no cost to you."

d. The impartial analysis shall be filed by the date set by the City Clerk for the filing of primary arguments.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 2nd day of July, 2018.



Jim Richardson, Mayor

ATTEST:



Lisa S. Martin, City Clerk


I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Solvang at a Special meeting held on the 2nd day of July, 2018, by the following vote of the Council:

AYES: Mayor Richardson, Council Members Jamieson, Toussaint, and Waite

NOES:

ABSTAIN:

ABSENT: Council Member Zimmerman



Lisa S. Martin, City Clerk

RESOLUTION NO. 18-1054

2018 JUL -5 AM 10:06

COUNTY OF SANTA BARBARA
CLERK OF THE BOARD OF SUPERVISORS
RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
SOLVANG, CALIFORNIA, PROVIDING FOR THE FILING OF
REBUTTAL ARGUMENTS FOR CITY MEASURES SUBMITTED
AT MUNICIPAL ELECTIONS

WHEREAS, § 9285 of the Elections Code of the State of California authorizes the City Council, by majority vote, to adopt provisions to provide for the filing of rebuttal arguments for city measures submitted at municipal elections;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. That pursuant to Section 9285 of the Elections Code of the State of California, when the elections official has selected the arguments for and against the measure (*not exceeding 300 words each*) which will be printed and distributed to the voters, the elections official shall send a copy of an argument in favor of the proposition to the authors of any argument against the measure and a copy of an argument against the measure to the authors of any argument in favor of the measure immediately upon receiving the arguments.

The author or a majority of the authors of an argument relating to a city measure may prepare and submit a rebuttal argument not exceeding 250 words or may authorize in writing any other person or persons to prepare, submit, or sign the rebuttal argument.

A rebuttal argument may not be signed by more than five authors.

The rebuttal arguments shall be filed with the City Clerk, signed, with the printed name(s) and signature(s) of the author(s) 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, **not more than 10 days after** the final date for filing direct arguments. The rebuttal arguments shall be accompanied by the Form of Statement To Be Filed By Author(s) of Argument (see Form F-A-1).


Rebuttal arguments shall be printed in the same manner as the direct arguments. Each rebuttal argument shall immediately follow the direct argument which it seeks to rebut.

SECTION 2. That all previous resolutions providing for the filing of rebuttal arguments for city measures are repealed.

SECTION 3. That the provisions of Section 1 shall apply only to the election to be held on November 6, 2018, and shall then be repealed.

SECTION 4. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED AND ADOPTED this 2nd day of July, 2018.



Jim Richardson, Mayor

ATTEST:



Lisa S. Martin, City Clerk

I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Solvang at a Special meeting held on the 2nd day of July, 2018, by the following vote of the Council:

AYES: Mayor Richardson, Council Members Jamieson, Toussaint, and Waite

NOES:

ABSTAIN:

ABSENT: Council Member Zimmerman



Lisa S. Martin, City Clerk