

RESOLUTION NO. 18-32

**RESOLUTION OF THE
SANTA BARBARA COUNTY BOARD OF SUPERVISORS PROPOSING TO
IMPOSE A GENERAL TAX ON CANNABIS OPERATIONS, SUBMITTING THE
PROPOSED LANGUAGE FOR IMPOSING A TAX TO THE ELECTORATE FOR
APPROVAL, AND REQUESTING AND ORDERING CONSOLIDATION WITH
THE JUNE 5, 2018 PRIMARY ELECTION**

WHEREAS, Section 2 of Article XIII C of the Constitution of the State of California and California Government Code Section 53723 authorize the Board of Supervisors of the County of Santa Barbara to impose a general tax upon a majority vote of the voters voting in an election on the issue; and

WHEREAS, Revenue and Taxation Code Section 34021.5(a)(1) authorizes the County to impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing cannabis or cannabis products by a licensee operating under Division 10 (commencing with Section 26000) of the Business and Professions Code; and

WHEREAS, Revenue and Taxation Code Section 34021.5(a)(2) requires the Board of Supervisors to specify in the ordinance proposing the tax, the activities subject to the tax, the applicable rate or rates, the method of apportionment, if necessary, and the manner of collection of the tax, and the tax may be imposed for general governmental purposes; and

WHEREAS, pursuant to Revenue and Taxation Code Section 34021.5(a)(3), the Board of Supervisors shall specify whether the tax applies throughout the entire county or within the unincorporated area of the county; and

WHEREAS, the Board of Supervisors may submit to the voters, without petition, an ordinance for the repeal, amendment, or enactment of any ordinance pursuant to Elections Code Section 9140; and

NOW, THEREFORE, BE IT RESOLVED that:

1. The Board of Supervisors of the County of Santa Barbara hereby proposes the ordinance attached hereto as Exhibit "A" to impose a gross receipts tax on cannabis operations, as follows, for general governmental purposes. The full text of the ordinance shall be included in the ballot materials provided to the registered voters of the County.

2. The Board of Supervisors of the County of Santa Barbara hereby submits the ordinance and proposed tax to the electorate for approval, calls an election for June 5, 2018 for approval of the ordinance and requests and orders that this election be consolidated with the statewide primary election to be held on that date.

3. The Board of Supervisors acknowledges that the consolidated election will be held and conducted in the manner prescribed in Cal. Elections Code Section 10418.

4. The cannabis operations tax is a general tax imposed upon every person who engages in the cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing cannabis or cannabis products within the unincorporated area of Santa Barbara County. If approved by a majority of the electorate voting on the measure, the ordinance will establish a cannabis operations gross receipts tax, collected by the Treasurer-Tax Collector, computed as follows:

- a) Nursery: 1% of gross receipts; and
- b) Distributor (excluding Distributor Transport Only): 1% of gross receipts; and
- c) Manufacturing: 3% of gross receipts; and
- d) Cultivation: 4% of gross receipts; and
- e) Retail: 6% of gross receipts; and
- f) Microbusiness: 6% of gross receipts.

These taxes shall be paid on transfers between each operation listed in subsections a) through f) above, regardless of whether the activity is undertaken individually, collectively, or cooperatively, and regardless of whether the activity is for compensation or gratuitous.

If rejected by the electorate voting on the measure, the proposed tax on cannabis operations would not be imposed. The collection of the tax would be administered by the Santa Barbara County Treasurer-Tax Collector as provided in proposed Chapter 50A of the Santa Barbara County Code.

5. The cannabis operations tax imposed by the ordinance is a general tax within the meaning of Government Code Section 53721 and Section 2 of Article XIII C of the Constitution of the State of California. The revenue generated by this general tax would be available for general governmental purposes.

6. The ballot question shall be submitted to the voters in the following form:

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| Shall the measure adding Chapter 50A to The Santa Barbara County Code imposing a Cannabis Operations Tax on cannabis operators within unincorporated areas of the County upon their gross receipts with rates of 1% on nurseries and distributors, 3% on manufacturers, 4% on cultivators and 6% on retailers and microbusinesses, estimated to raise \$5 to \$25 million annually for general governmental purposes such as law enforcement, health care, parks, roads and others, with no end date, be adopted? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|---|---|

7. The County Clerk is hereby authorized, instructed, and directed to provide and furnish any and all official ballots, notices, printed matter, and all supplies, equipment, and paraphernalia that may be necessary in order to properly and lawfully conduct an election.

8. The County Clerk is hereby further directed to take the necessary and appropriate actions to provide the necessary election officers, polling places, and voting precincts.

9. In accordance with the provisions of the Election Code, the County Counsel will prepare an impartial analysis of the measure, and the Auditor is directed to prepare a fiscal impact statement.

10. The polls for said election shall be open during the hours required by law and said election, with respect to the foregoing ballot measure, shall be held and conducted as provided by law for the holding of County elections.

11. Notice of time and place of holding said election, together with any other notices required by law, shall be given by the County Clerk.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Board of Supervisors of the County of Santa Barbara held on this 13th day of February 2018, by the following vote:

AYES: Supervisor Williams, Supervisor Wolf, Supervisor Hartmann, and Supervisor Lavannino

NOES: Supervisor Adam

ABSTAIN: None

ABSENT: None



CHAIR, BOARD OF SUPERVISORS

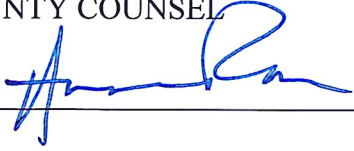
ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: 

Deputy

APPROVED AS TO FORM:
MICHAEL GHIZZONI
COUNTY COUNSEL

By: _____



APPROVED AS TO ACCOUNTING FORM:
THEODORE A. FALLATI
AUDITOR-CONTROLLER

By: _____

