

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Resolution No.: 16-196

Resolution Calling For an Election To Submit)
to The Voters of the County of Monterey)
The Question of Imposing a Tax on)
Commercial Cannabis Activity.....)

This resolution is made with reference to the following facts and circumstances:

A. On October 9, 2015, the State enacted the Medical Marijuana Regulation and Safety Act (California Business & Professions Code §§ 19300, *et seq.*; the “MMRSA”). Under Section 19348 of the Business & Professions Code, a county may impose a tax on the privilege of cultivating, dispensing, producing, processing, preparing, storing, selling or distributing medical cannabis and medical cannabis products by commercial cannabis businesses.

B. The Board of Supervisors of the County of Monterey has adopted cannabis regulations to prevent nuisance, provide for effective controls, and enable medical cannabis patients to obtain cannabis from safe sources, and the County wishes to provide appropriate permitting and revenue for the County in a manner consistent with state law.

C. The initiative measure “California Control, Regulate and Tax Adult Use of Marijuana Initiative” legalizing certain nonmedical commercial marijuana activity has qualified for the statewide general election in November and authorizes the County to impose a tax on the privilege of cultivating, manufacturing, producing, processing, preparing, storing, providing, donating, selling, or distributing nonmedical marijuana and marijuana products and accessories by commercial cannabis businesses in the unincorporated area of the County .

D. Both medical and non-medical commercial marijuana activities will generate demands on County government and services.

E. To address the added financial burden to the County that may result from the commercial cannabis activities, the County seeks to appropriately regulate cannabis facilities and seeks additional funding for County services. All revenues received from the tax will be deposited in the general fund of the County to be expended for general purposes.

F. It is the intent of the County of Monterey for every person engaged in a commercial cannabis business activity in the unincorporated area of the County to pay the County commercial cannabis (marijuana) business tax.

G. Pursuant to Section 2 of Article XIII C of the California Constitution and Section 53723 of the California Government Code, the Board of Supervisors may not adopt a general tax unless and until it is submitted to the electorate and approved by a majority vote.

H. A two-thirds majority vote of the Board of Supervisors is legally required by Section 53724 of the California Government Code to present a general tax at an election, which means a four-fifths vote when all five Supervisors are present.

I. The State of California is holding a statewide general election on November 8, 2016; and

J. The Board of Supervisors is authorized by Sections 10400-10401 of the California Elections Code to consolidate two or more elections which are called to be held on the same day in the same territory;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Call for Election. The Board of Supervisors hereby orders an election to be held on November 8, 2016 within the boundaries of Monterey County to submit to the electorate the following question:

TAX ON CANNABIS BUSINESS	
Shall the ordinance imposing a tax on commercial marijuana businesses in the unincorporated area of Monterey County only (not cities) up to a maximum of: \$25 per square foot on cultivation with an annual adjustment by Consumer Price Index (CPI) thereafter; \$5 per square foot on nurseries with annual CPI adjustment thereafter; and 10% of gross receipts on other marijuana business activities with no CPI, potentially generating millions of dollars annually to help fund County services, be adopted?	YES NO

2. Consolidation of Elections. Pursuant to Sections 10400-10401 of the Elections Code, the Board of Supervisors hereby orders the consolidation of the statewide general election called for November 8, 2016 and the election on the commercial cannabis business tax.

3. Conduct of Election. The Clerk of the Board of Supervisors and the Registrar of Voters are hereby directed to take all steps to hold the election in accordance with law and these specifications, and the Registrar of Voters shall render all services specified by the Elections Code relating to the election, such service to include the publication of all required notices of the elections.

4. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED upon motion of Supervisor Potter, seconded by Supervisor Phillips carried this 19th day of July 2016, by the following vote, to wit:

AYES: Supervisors Phillips, Salinas, Parker and Potter

NOES: None
ABSENT: None
ABSTAIN: Supervisor Armenta

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on July 19, 2016.

Dated: July 20, 2016
File Number: 16-883
Corrected: August 1, 2016

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy