

RESOLUTION NO. 2024-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VISALIA SUBMITTING TO THE CITY VOTERS A BALLOT MEASURE TO ESTABLISH A BUSINESS TAX ON BUSINESSES WHICH SELL, DISTRIBUTE, MANUFACTURE, CULTIVATE AND TEST CANNABIS; REQUESTING THAT THE TULARE COUNTY BOARD OF SUPERVISORS AUTHORIZE THE COUNTY REGISTRAR OF VOTERS TO RENDER SPECIFIED SERVICES TO THE CITY OF VISALIA RELATING TO THE CONDUCT OF THE ELECTION, AND REQUESTING CONSOLIDATION OF THIS ELECTION WITH THE GENERAL MUNICIPAL AND STATEWIDE CONSOLIDATED ELECTION TO BE HELD ON NOVEMBER 5, 2024.

WHEREAS, Sections 37101 and 37100.5 of the California Government Code authorize the City to levy a license tax, for revenue purposes, upon business transacted in the City; and

WHEREAS, as a result of recent changes to state law, such as SB 1186, which became effective January 1, 2024 prohibiting local agencies from forbidding non storefront medical marijuana businesses, and new state regulations being implemented, there is a concern that the City may be mandated by the State or the courts to allow cannabis businesses to open in the City; and

WHEREAS, alternately, the City Council could at some point in the future choose to enact a regulatory ordinance to allow cannabis businesses in the City; and

WHEREAS, if cannabis businesses are authorized, they are likely to create demands upon City services, and the City's current tax system does not currently impose any taxes on cultivation, manufacturing, distribution, testing lab and retail cannabis businesses, aside from generally applicable municipal taxes; and

WHEREAS, the City Council desires to adopt a tax ordinance in order to impose the tax upon cannabis businesses, to be known as the "Cannabis Business Tax"; and

WHEREAS, proceeds of the Cannabis Business Tax will be used to offset demands on City service created by effective regulation and enforcement of cannabis industry operation and may also fund maintaining emergency response times, keeping public areas clean and safe and combatting property crimes, as well as augment the City's General Fund; and

WHEREAS, the City Council wishes to actively fight back against gang activity and any gang activity associated with the cannabis industry, additional funding provided by the Cannabis Business Tax could help underwrite increased police patrols in business and neighborhood areas; and

WHEREAS, the residents in Visalia and other nearby cities can already purchase cannabis in nearby cities like Farmersville, Woodlake, and Tulare, positioning those cities to

collect tax revenues on cannabis while Visalia is left to deal with challenges without extra funding; and

WHEREAS, the funds generated by the Cannabis Business Tax can help fund youth and summer recreation programs, to keep kids out of gangs and provide supervised, safe and constructive activities for our community's youth to learn, stay healthy, develop good habits and stay off the streets and out of trouble; and

WHEREAS, cannabis delivery operations are already delivering into Visalia but the tax revenues from those sales are returning to other communities and not rightly funding the operations of the City of Visalia to protect our residents and deliver important services; and

WHEREAS, the City of Visalia refused to simply adopt a Sacramento-imposed cannabis regime and instead will work to define its own rules and regulations that best meet the needs of our community values and protect our local control on this important policy area; and

WHEREAS, the Cannabis Business Tax cannot be imposed without majority voter approval; and

WHEREAS, the City Council desires to submit a measure to the voters of the City at a General Municipal Election to be held on Tuesday, November 5, 2024, and to be consolidated with the general municipal election and the statewide election to be held on that date.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VISALIA RESOLVES AS FOLLOWS:

Section 1. Recitals. The City Council hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Proposal. The City Council hereby proposes that the voters adopt an ordinance (hereafter also referenced as "measure") establishing a Cannabis Business Tax. The proposed ordinance submitted to the voters is entitled "AN ORDINANCE OF THE CITY OF VISALIA, CALIFORNIA ADDING CHAPTER 3.14 (VISALIA CANNABIS TAX AUTHORIZATION FOR MAINTENANCE OF ESSENTIAL SERVICES) TO TITLE 3 OF THE VISALIA MUNICIPAL CODE ESTABLISHING A TAX ON CANNABIS BUSINESS ACTIVITIES WITHIN THE CITY." The full text of the ordinance is attached to this Resolution as Exhibit "A" and incorporated by reference. The full text of the proposed ordinance is not required to be printed in the Sample Ballot and Voters Pamphlet. However, the full text shall be made available to the public and to any voter at the County Registrar of Voters Office and the Visalia City Clerk.

Section 3. Election. The City Council hereby calls for a General Election for Tuesday November 5, 2024 (the "Election") and orders, pursuant to Section 9222 of the Elections Code, that the Cannabis Business Tax Ordinance be submitted to the voters at that election.

Section 4. Ballot Question. The question submitted by Section 4 of this Resolution shall appear on the ballot as follows:

VISALIA CANNABIS TAX AUTHORIZATION FOR MAINTENANCE OF
ESSENTIAL SERVICES

Shall the measure to fund general governmental services such as public safety, emergency response, youth programs, addressing homelessness, and maintaining public spaces, by taxing cannabis businesses at a rate not exceeding 10% of gross receipts, or up to \$10/square foot for cultivation, raising approximately \$500,000 annually, requiring spending disclosures, which would only be levied if state law mandates or the Council approves an ordinance allowing such businesses, lasting until ended by voters, be adopted?	YES	
	NO	

Section 5. Ballot Arguments. Pursuant to Section 9282 (b) of the Elections Code a written argument in favor of the measure may be submitted by a designated City Council member, and the Mayor of Visalia shall be designated to submit the written argument for publication in the voter information guide in accordance with the Elections Code. The Mayor may also seek associations of eligible voters to join in an argument in favor of the measure.

Section 6. Publication of Measure. The City Clerk is directed to publish a synopsis of the measure at least one time, not later than one week before the election in accordance with Section 12111 of the Elections Code.

Section 7. Approval. Under Article XIII C of the Constitution, the vote requirement for this measure to pass shall be a majority of those casting ballots on the measure (50% plus 1).

Section 8. Consolidation. Pursuant Section 10400 et seq. of the Elections Code, the Board of Supervisors of Tulare County is requested to consolidate the Election with the General Municipal Election and Statewide Election to be held on November 5, 2024.

Section 9. California Environmental Quality Act. The City Council hereby finds and determines that this resolution is exempt from the California Environmental Quality Act, Public Resources Code Sections 21000 et seq. ("CEQA") and 14 Cal. Code Re. Sections 15000 et seq. ("CEQA Guidelines"). The calling and noticing of an election for the submission of a ballot measure to voters is not a project within the meaning of CEQA Guidelines 15378. The tax submitted to the voters is a general tax that can be used for any governmental purpose; it is not a commitment to any particular action or actions.

As such, under CEQA Guidelines Section 15378 (b)(4), the tax is not a project within the meaning of CEQA because it creates a government funding mechanism that does not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment. If revenue generated by the tax were used for a purpose that would have such an effect, the City of Visalia would undertake the required CEQA review for

that particular project. Therefore, pursuant to CEQA Guideline Section 15060 CEQA analysis is not required.

Section 10. Canvass. The Board of Supervisors is authorized to canvass the returns of the Election pursuant to Section 10411 of the Elections Code.

Section 11. Conduct of Election. Pursuant to Section 10002 of the Elections Code, the Board of Supervisors is requested to permit the County Registrar of Voters to render all services specified by Section 10418 of the Elections Code relating to the election, for which services the City agrees to reimburse the County, in accordance with current County pro-rations and allocation procedures.

Section 12. Filing with County. The City Clerk shall file a certified copy of this Resolution with the County Registrar of Voters Office.

Section 13. Analysis and Argument. The City Attorney shall prepare an impartial analysis of the measure. Any person or persons may file an argument either for or against the ballot measure. An argument for or against the measure shall not exceed 300 words in length. If more than one argument is submitted for the measure, or more than one argument against the measure, the City Clerk shall select the argument to be included with the ballot materials. Rebuttal arguments shall be permitted pursuant to applicable law.

Section 14. Implementation. The City Clerk and City Manager are authorized to take all actions as necessary to effectuate the purposes of this resolution and the election. The City Clerk and City Attorney are authorized to make any typographical, clerical, and non-substantive corrections to this resolution as may be deemed necessary by the Tulare County Registrar of Voters.

Section 15. Effective Date. This Resolution shall be effective immediately upon adoption.

This Resolution was approved by the City Council of the City of Visalia on _____.

ATTEST:

Brian Poochigian, Mayor

Leslie Caviglia, City Clerk

EXHIBIT A

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