

RESOLUTION NO. 2024-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRASS VALLEY TEMPORARILY DECREASING THE ADDITIONAL BUSINESS TAXES COLLECTED FROM CANNABIS BUSINESSES OPERATING WITHIN THE CITY OF GRASS VALLEY FOR HIGH POTENCY CANNABIS PRODUCTS

WHEREAS, section 5.06.030(D) of the Grass Valley Municipal Code imposes on each cannabis business in the City additional taxes of (1) up to 1% of gross receipts from high potency cannabis and each high potency cannabis product cultivated, manufactured, or sold by the taxpayer, multiplied by the percent of tetrahydrocannabinol (THC) content of the product above 17%, and (2) 20% of gross receipts from sweetened cannabis beverages;

WHEREAS, the Grass Valley City Council desires to exercise its authority under section 5.06.030(E) of the Grass Valley Municipal Code to temporarily suspend the imposition and collection of the aforementioned taxes from cannabis businesses operating within the City while this resolution is in effect;

WHEREAS, voter approval is not required for these changes to go into effect, as there will be no increase in any rate nor any amount levied on any cannabis businesses within the meaning of Government Code section 53750, subdivision (h); and

WHEREAS, the Grass Valley City Council desires this resolution to remain in effect through April 9th, 2029.

NOW THEREFORE BE IT RESOLVED by the City of Grass Valley as follows:

1. **Recitals.** The foregoing recitals are true and correct and incorporated herein.

2. **CEQA.** The adoption of this resolution is exempt from review under the California Environmental Quality Act (CEQA) (Public Resources Code, § 21000, et seq.) pursuant to CEQA Guidelines (Title 14 of the California Code of Regulations, § 15000, et seq.) sections 15378(b) and 15061(b)(3) as this is a government fiscal activity which does not commit to any specific project which may result in a potentially significant physical impact to the environment.

3. **Cannabis Business Taxes.** The taxes imposed by section 5.06.030(D) of the Grass Valley Municipal Code of (1) up to 1% of gross receipts from high potency cannabis and each high potency cannabis product cultivated, manufactured, or sold by the taxpayer multiplied by the percent of tetrahydrocannabinol (THC) content of the product above 17% and (2) 20% of gross receipts from sweetened cannabis beverages are hereby set at 0 percent while this resolution is in effect.

4. **Duration.** This resolution shall continue in force and effect until April 9th, 2029 unless sooner modified or repealed by the City Council.

5. Effective Date. This resolution shall take effect immediately upon adoption.

6. Certification. The Grass Valley City Clerk shall attest to the passage and adoption of this resolution and its approval by the City Council and shall cause the same to be listed in the records of the City.

ADOPTED as a resolution by the City Council of the City of Grass Valley at a regular meeting thereof held on the 9th day of April, 2024 by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

Jan Arbuckle, Mayor

ATTEST:

Taylor Day, City Clerk

APPROVED AS TO FORM:

Michael G. Colantuono, City Attorney