

## **RESOLUTION NO. 2024-28**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEEDLES, CALIFORNIA, CALLING FOR AND GIVING NOTICE OF THE HOLDING OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE ELECTION OF CERTAIN OFFICERS AS REQUIRED BY THE PROVISIONS OF THE CHARTER, AND FOR THE SUBMISSION OF A PROPOSED MEASURE THAT WOULD ESTABLISH AN ALTERNATIVE SQUARE FOOT TAX ON CANNABIS CULTIVATION WITHIN THE CITY

**WHEREAS**, the City has an existing cannabis business tax (Measure S, 2012) that imposes a maximum rate of 10% of gross receipts on all cannabis business types.

**WHEREAS**, the City has expressed concerns that the current gross receipts tax may not be the most appropriate basis for the City's cannabis cultivators, which could lead either to underreporting of revenue or a tax burden that is too high for these businesses, making it more difficult for them to compete in the statewide market.

**WHEREAS**, the City has conducted a fiscal analysis of the current gross-receipts tax rates for cultivation, and developed a new cannabis tax ordinance for the City incorporating a cultivation tax based on square footage. The City desires that the new tax rates be set at a level that will provide the same amount of revenue for the City.

**WHEREAS**, the purpose of the measure is to implement an alternative tax that the City Council may implement in place of the current percentage based "Marijuana Business Tax" on persons actively engaged in the business of Cannabis Cultivation in the City based on square footage. During the time this Square Foot Tax is imposed by Council, the enforcement of the percentage-based Marijuana Business Tax shall be suspended as to Cannabis Cultivation, only. Nothing herein prevents or otherwise suspends the enforcement of the Marijuana Business Tax as to any other Cannabis Business in the City. The tax rate for other types of Cannabis Businesses will remain set at a maximum tax rate not to exceed ten percent (10%) of gross receipts, in conformity with the current tax.

**WHEREAS**, a State of California, County of San Bernardino and City of Needles General Election is scheduled to be held on Tuesday, November 5, 2024.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEEDLES DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:**

**Section 1.** That pursuant to the requirements of the City Charter, there is called and ordered to be held in the City of Needles, California, on Tuesday, November 5, 2024, a General Municipal Election for the purpose of electing a Mayor for the full term of two years and three members of the City Council for the full term of four years.

**Section 2.** That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question to appear on the ballot:

Shall a measure be adopted approving an alternative square foot tax on persons actively engaged in the business of Cannabis Cultivation at a monthly tax rate of up to \$1.75 per square foot of Cannabis Cultivation Area or fraction thereof (adjusted annually for CPI, but in no case more than 5% or less than 2%, starting on January 1 on the first year the tax is implemented, and each year thereafter)?	Yes _____  No _____
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**Section 3.** That the proposed complete text of the measure (Ordinance) submitted to the voters is attached as Exhibit A and incorporated herein by reference, which, if passed by the voters, shall amend the Needles Municipal Code.

**Section 4.** That the vote requirement for the measure to pass is a majority of votes cast (50%+1).

**Section 5.** That the ballots to be used at the election shall be in form and content as required by law.

**Section 6.** That the City Clerk is authorized, instructed, and directed to coordinate with the San Bernardino County Registrar-Recorder/County Clerk to procure 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 the election.

**Section 7.** That the polls (vote centers) for the Election shall be open at 7:00 a.m. on the day of the election and shall remain open continuously from that time until 8:00 p.m. of the same day when the polls (vote centers) shall be closed, pursuant to Election Code § 10242, except as provided by § 14212 and § 14401 of the Elections Code of the State of California.

**Section 8.** 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 9.** 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 10.** The City Council authorizes the City Clerk to administer said Election and all reasonable and actual Election expenses shall be paid by the City upon presentation of a properly submitted bill.

**Section 11.** 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 11th day of June 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Mayor

ATTEST:

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City Clerk, Elections Official

(Seal)

APPROVED AS TO FORM:

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City Attorney

## **EXHIBIT A**